



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** February 23, 2016

**TO:** Mayor and City Council

**FROM:** Director of Utilities & Environmental Services

### **SUBJECT**

Water Pollution Control Facility Improvements - Phase II: Authorization for the City Manager to Execute Professional Services Agreement to prepare an Environmental Assessment

### **RECOMMENDATION**

That the City Council adopts the attached resolution authorizing the City Manager to execute a professional services agreement with SMB Environmental to prepare an environmental assessment for the Water Pollution Control Facility (WPCF) Improvements, in an amount not to exceed \$70,000.

### **BACKGROUND**

The City's WPCF provides wastewater treatment to the residential and business community, currently treating an average of about eleven million gallons per day. Like most wastewater entities, Hayward utilizes a facilities master plan to identify system needs for reliable and efficient operation and to develop projects and operational adjustments to meet current and future system demands. A Master Plan was developed in 2001 and included recommendations for a substantial rehabilitation of the WPCF and construction of new process units to improve its performance and reliability and to meet regulatory requirements. Many of these recommended projects were constructed as part of the WPCF Phase I Improvement Project, a fifty-seven million dollar project completed in 2008, including construction of a second trickling filter, two final clarifiers, solids contact tanks and solids thickening facilities.

The WPCF Master Plan was updated in 2014 to verify the need for additional projects identified in the 2001 Plan, revise the layout of additional required facilities, assess the impact of the Russell City Energy Center on WPCF operations, and address sustainability issues such as energy efficiency. The updated Master Plan recommends near term and longer term projects to ensure reliable wastewater service through the planning horizon and to address future, increasingly stringent, regulatory requirements. Examples of these projects, all of which are identified in the current Capital Improvement Program (CIP), include:

- Improvements to the wastewater receiving headworks

- Construction of a new trickling filter to replace an existing aging facility
- Construction of primary effluent flow equalization
- Repair of electrical distribution

In addition to implementing treatment-related projects, the City must also address the issue of operations and administration work space at the WPCF. The current Operations Building is part of the original WPCF construction dating back to 1952. The Administration Building, which includes the water quality laboratory, was constructed in the early 1970s, and rehabilitated, and the laboratory enlarged, in 1995. Since that time, space requirements have increased and the building has aged. The current CIP includes funding to construct a new Operations Building and to renovate and increase the size of, or build a new, Administration Building in order to improve workplace efficiency and provide for a modern lab. Finally, the CIP also includes funds to support design and construction of a second one-megawatt solar energy project at the WPCF to generate additional renewable power.

Staff is exploring the feasibility of applying for a low interest loan from the State Water Resources Control Board Revolving Loan Fund (SRF loan) to fund some or all of the projects described above. While it has not yet been determined which projects would be recommended for funding from the SWRCB, staff is aware, based on experience with other SRF loans, that the loan process with the State can be lengthy. To the extent that applicants complete loan requirements, such as environmental review, prior to submitting the funding application, the process may take less time and result in quicker access to loan funds.

## **DISCUSSION**

A critical component of the SRF process is meeting the State's requirements for environmental compliance. While environmental review in California is typically accomplished through compliance with the California Environmental Quality Act (CEQA), because SRF loans are funded, in part, by federal monies, it is necessary to meet federal environmental regulations as well. For this purpose, specific "CEQA-Plus" requirements have been established by the State to ensure that the requirements of both the State and Federal agencies are met.

The State advises agencies interested in SRF funding to begin the environmental review as early as possible as this aspect of the loan process tends to take the longest. For this reason, staff recommends initiating the environmental review at this time. The environmental work will need to be completed prior to construction of Phase II improvements, regardless of the funding source, and there is no advantage in waiting.

The environmental assessment would be implemented in three major tasks:

- Task 1 - Project coordination and quality control
- Task 2 - Review of existing documentation, including environmental documents prepared for other WPCF projects and pertinent sections of the WPCF Master Plan
- Task 3 - Preparation of all environmental documents for public review, public notices and final documents

The City will be the lead agency for this project. Based on prior environmental reviews at the WPCF, staff

anticipates that the final environmental document will likely be a Mitigated Negative Declaration; however, that determination will be made by the consultant during the course of the environmental review.

### Consultant Selection

Staff issued requests for proposal to four consulting firms with experience and knowledge in the environmental assessment field and received one proposal from SMB Environmental. Staff reached out to the four consultants and was expecting more than one proposal; however, currently most firms are very busy with this kind of work. After review of this proposal, staff has determined SMB Environmental is qualified to perform the environmental assessment based on its experience with similar projects, qualifications of the team, and reasonableness of level of effort and rates.

The firm specializes in providing environmental, regulatory, and public relations support for a variety of water and wastewater projects. SMB Environmental successfully completed the environmental assessment for the City's Recycled Water Project and has also performed similar work for the City of Pleasanton, City of Mountain View, City of Ukiah, and other public agencies. The project team proposed by SMB Environmental includes technical experts experienced in preparing environmental compliance documents to meet CEQA Plus requirements. Staff contacted other agencies for which SMB Environmental has prepared environmental assessments prior to recommending their services and received favorable comments. As a small firm with relatively lower overhead costs, SMB is able to provide hourly rates that are reasonable and lower than most larger firms. Staff has determined that the level of effort reflected in the number of hours is also reasonable for the scope of work.

A detailed scope of work and a fee of \$59,058 have been negotiated with SMB Environmental. Since there are some inherent uncertainties in working with the State to obtain a State Revolving Fund loan, staff proposes a not-to-exceed amount of \$70,000 to allow funding for additional services and documentation that may be needed during various phases of the project.

### **ECONOMIC AND FISCAL IMPACT**

The cost of the environmental assessment will not exceed \$70,000, including \$10,942 for additional services. The FY 2014 Capital Improvement Program includes sufficient funding in the Sewer Capital Improvement Fund to perform this work. The environmental assessment will be used to obtain a low interest from the State for project construction.

### **PUBLIC CONTACT**

There will be a public review and comment period for the draft environmental assessment report. The consultant will prepare all the required environmental documents for public review, prepare notices for distribution by the City in compliance with CEQA and City requirements, and address all comments in the final environmental report. The final environmental assessment report will be adopted upon approval by the City Council.

### **NEXT STEPS**

Assuming City Council approval, staff will finalize a professional services agreement with SMB

Environmental and a Notice to Proceed will be sent out accordingly. Staff will return to the City Council for review and consideration of the final environmental assessment report. Staff will also return to the City Council with a request to submit an application for an SRF loan once the most appropriate projects for funding have been determined.

*Prepared by:* Suzan England, Senior Utilities Engineer

*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:



Fran David, City Manager

Attachments:

Attachment I

Resolution