



Staff Report

TO: City Council

FROM: Thaxton Van Belle, Director of Water Reclamation
Kenyon Potter, Principal Engineer

DATE April 1, 2025

SUBJECT: Approve a Service Agreement with Beaumont Cherry Valley Water District and issue Performance and Payment Bonds

Description Water Services at the Mesa Lift Station Upgrade Project (CIP WW-11).

Background and Analysis:

On October 15, 2024, Council authorized the award of a construction contract with Borden Excavating Inc. to construct the Mesa Lift Station Upgrade Project (CIP WW-11). Subsequently, staff issued a Notice to Proceed, and the project is currently in construction. One element of the project is providing non-potable water service to the Mesa Lift Station needed for operation of the odor control system and to wash down the emergency storage basin when the need arises. The size of the non-potable water connection serving the Mesa Lift Station will be 4-inches in diameter.

Beaumont Cherry Valley Water District (BCVWD) requested that the City execute a standard service agreement with BCVWD as it has with other recent City projects requiring non-potable water (NPW) service. BCVWD's standard service agreement has a requirement for the City to provide performance and payment bonds in favor of BCVWD based on the estimated cost of the construction work. The bonds guarantee completion of the water facilities within one year from the effective date of the agreement.

For the Mesa Lift Station Upgrade project, the engineer's estimate is \$68,775; however, the performance and payment bonds are required to be 120% of the engineer's estimate with a 25% contingency. Therefore, the requested bond amount is \$103,162.50 and the cost to obtain these surety bonds is approximately \$1,547 (1.5% of the bond amount).

The reasons for the higher cost of the service connection on this project are twofold: (1) The 4" connection and associated equipment is larger than connections for other recent

City projects and (2) BCVWD requires the installation of a tee connection and does not allow use of a saddle connection.

The contract with Borden Excavating includes a requirement to pay all other fees for making the service connection, backflow equipment, and installation of the water meter. Attachment B is a complete list of the fees and deposits required by BCVWD for service.

Fiscal Impact:

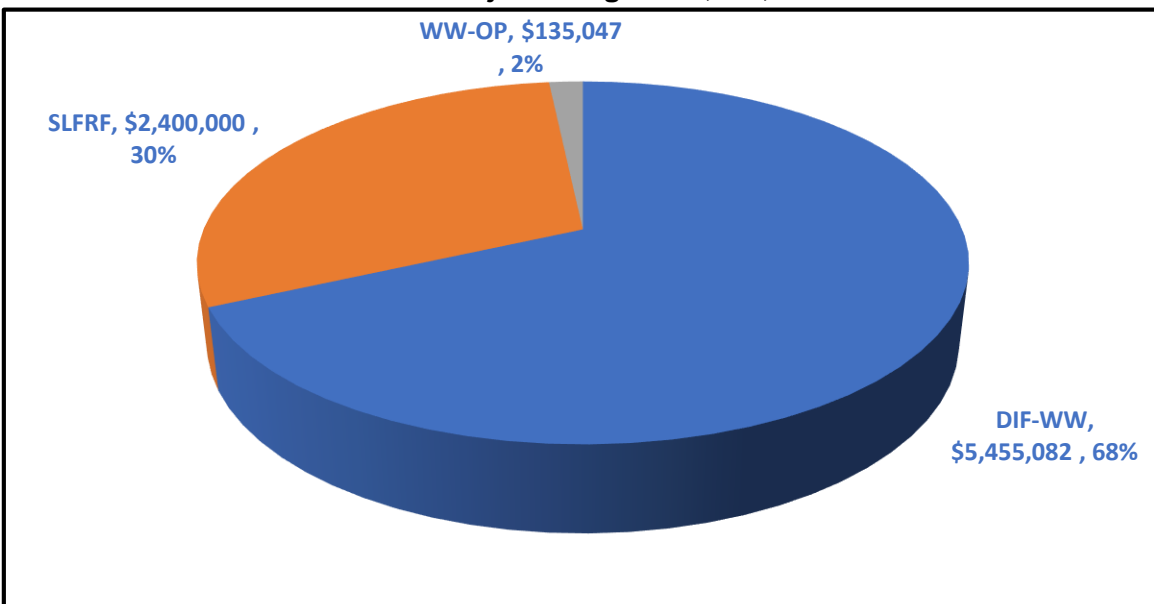
The cost to prepare this staff report is estimated at \$250. The cost of the performance and payment bonds is \$1,547 and will be paid from the WW-11 Mesa Lift Station – Construction project.

The following is a summary of the funding and budget for CIP WW-11 Mesa Lift Station Upgrade:

CIP WW-11 Mesa Lift Station- Construction Project Funding Summary

Estimated Total Project Budget= \$7,990,129

Current Project Budget= \$7,990,129



CIP WW-11 Mesa Lift Station- Construction Project Budget Summary

Project Component	Est. Total Budget	Current Budget	Paid to Date	Remaining Budget
Project Management				
Preliminary Services				

Environmental				
Design				
Permits				
Right-of-Way				
Construction	\$7,741,569	\$7,741,569	\$(973,085)	\$6,768,484
Construction Management	\$248,560	\$248,560	\$(770)	\$247,790
Equipment				
Total	\$7,990,129	\$7,990,129	\$(973,855)	\$7,016,274

Recommended Action:

Authorize the City Manager to execute the service agreement with BCVWD and issue performance and payment bonds in the requested amount of \$103,162.50 in favor of BCVWD.

Attachments:

- A. Service Agreement with BCVWD