REQUEST FOR PROPOSALS

TO PROVIDE:

CONSULTING SERVICES TO THE
SAN LORENZO VALLEY WATER DISTRICT

PROJECT TITLE:

PEAVINE PIPELINE REPLACEMENT
ENVIRONMENTAL RECOMMENDATIONS, REVIEW AND PERMITTING

RESPONSE DUE BEFORE 3:00 P.M. ON

February 20, 2024

San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006
(831) 338-2153

SECTION I – INTRODUCTION

A. INTRODUCTION

The San Lorenzo Valley Water District (SLVWD or District) is seeking a qualified consultant to guide design choices and prepare environmental documentation for the replacement of approximately 1.3 miles of damaged raw water pipeline and the removal of approximately 520 hazardous trees along Pipeline route. The affected Peavine Pipeline segment (Pipeline), which runs between Foreman Creek and Peavine Creek, was damaged during the CZU fire in 2020 and must be reconstructed to restore the critical surface water supply for the SLVWD system. The Pipeline will be reconstructed using above-grade HDPE pipe.

The goal of this RFP is to select a consultant to complete the following:

1) Determine CEQA permitting pathway.
2) Provide pipeline design recommendations.
3) Prepare CEQA documents and permitting, including public engagement process.
4) Coordinate and consult with the appropriate regulatory agencies.

B. BACKGROUND

General

San Lorenzo Valley Water District is a water supplier established in 1941 which serves several communities within the 136 square-mile San Lorenzo River Watershed. The District provides water to two separate drinking water systems: The San Lorenzo Valley Water District and The San Lorenzo Valley Water District-Felton. Each of these two drinking water systems have their own separate source of drinking water supply. The SLVWD and SLVWD-Felton systems have an interconnection, which allows for the transfer of water between the two systems on an emergency basis. The District's legal boundaries encompass approximately 62 square miles. Land uses include timber, State and regional parks, water supply watersheds, rural residential, low-density urban residential and commercial, quarries, agriculture, and other open space. The District owns one contiguous piece of land of approximately 1,620 acres for water supply and watershed protection on Ben Lomond Mountain, 252 acres in the Felton/Fall Creek watershed, and another 325 acres in the Zayante Creek area.

Impacts of the CZU Lightning Complex Wildfire of 2020

The District watershed and water system were severely impacted by the CZU Lightning Complex Wildfire in 2020. The damage to District facilities was extensive, most significantly to raw water supply lines, storage tanks, and cross-country water transmission pipelines. The District anticipates receiving partial financial assistance through the Federal Emergency Management Agency (FEMA) to help cover the costs of emergency response, recovery, and permanent repairs. The District will be responsible for paying up front all of these costs, including this pipeline replacement project. Once projects are complete, the District will submit eligible project costs for FEMA reimbursement.

Peavine Pipeline

Approximately 7 miles of above-ground, raw-water pipeline were destroyed in the CZU Wildfire, including the Peavine Pipeline. A Constructability Study, completed by the engineering firm Freyer & Laureta in 2022, evaluated various replacement options, including replacing the pipelines at grade. The study recommended that the destroyed pipelines be replaced with buried HDPE pipe to protect from future wildfires, costing an estimated $50M. A subsequent Peer Review of the Freyer & Laureta engineering report, completed by Haro, Kasunich & Associates in November 2022, concluded that Freyer & Laureta had underestimated the environmental impact and difficulty of constructing a 12'-wide bench to accommodate burial of the pipeline given the steep slopes and difficult access. At the SLVWD Board Meeting on November 2, 2023, it was decided that the pipeline would be rebuilt above-grade using HDPE pipe. Additional considerations for selecting pipeline design will include bench width, fire hardening, and addressing risks to the pipeline from geologic and natural hazards.

Prior to moving ahead with replacement of the Peavine Pipeline, the District must remove hazardous trees along the existing pipeline bench. In June 2023, the District completed an extensive tree survey and inventory along the approximately 1.3-mile length of pipeline bench. More than 500 trees were identified as hazardous and requiring removal along the 1.3-mile stretch. The District is pursuing a contract with the California Conservation Corps (CCC) to complete the hazardous tree removal, with the project estimated to commence in Spring 2024.

Following hazardous tree removal, the final project phases will be pipeline bench clearing/repair and Pipeline reconstruction. The District is pursuing a contract with the CCCs to perform these activities, with bench clearing/repair estimated to commence in Summer 2024 and Pipeline reconstruction in Fall 2024.

Links to studies and additional project information can be found in Appendix A: Reference Documents or on the Project Webpage, while additional District background information can be found in Appendix B: Additional Background Information.

SECTION II – SCOPE OF WORK

A. PROPOSED SCOPE OF SERVICES

Consultant shall provide overall project management. The Consultant shall assume at least two meetings each month with District management during each phase of the project. Meetings will be held at the District's main office or via online meetings. Expected tasks for Consultant to complete include:

1. Preliminary Project Review, Analysis, & Coordination with Resource Agencies

- Review the Freyer and Laureta Engineering Report and Haro Kasunich & Associates Peer Review.
- Evaluate and recommend alternative project designs.
    - Consider approaches for stream crossings.

    - Consider fire/natural hazard hardening techniques.
- Evaluate and recommend CEQA pathways and other required permits/documentation.
    - Consider the phases of the project:
        - Hazard Tree Removal
        - Trail Reconstruction
        - Pipeline Reconstruction
- Determine the appropriate level of CEQA review.
    - Coordinate and consult with appropriate regulatory agencies.

2. Environmental Review & Permitting

- Prepare an Initial Study (contingent upon CEQA Pathway).
- Prepare additional CEQA documentation. Consultant should assume an EIR will not be required for budgeting purposes.
- Prepare documentation/permits for any other regulatory requirements including NEPA.

3. Public Outreach, Meetings, and Public Comment

The public will be engaged throughout the environmental permitting process. SLVWD and the consultant will provide public notice and opportunity for comment for all planning phases requiring such notice. Consultant will fulfill public notice and comment requirements subject to the statutory requirements of CEQA Guidelines §§ 15200-15209.

SECTION III – PROPOSAL REQUIREMENTS AND FORMAT

A. PROPOSAL REQUIREMENTS

Consultant is responsible for preparing an effective, clear, well-organized, and concise proposal. To be considered for selection, Consultant must submit a complete response which includes the following mandatory information in the following order.

B. PROPOSAL FORMAT

The Proposal shall not exceed 20, 8.5" x 11" single-sided pages excluding resumes, cover letter, contractual scope of services, fee schedules, dividers, front and back covers. 11" x 17" pages are allowed and will count as two pages. The Proposal must use a font size of 12 or larger and be bound into a single document with the exception of the separately bound fee table. SLVWD may reject as non-responsive, at its sole discretion, any proposal or any part thereof that is incomplete, inadequate in its response, or departs in any substantive way from the required format. The Proposal shall include the following elements in the following order:

1. Cover Letter/Letter of Intent (1-page maximum)

2. Project Description and Schedule (6-page maximum)

- Project understanding, approach, scope of services, and schedule.
- A statement concerning the ability of the firm to meet required time schedules.
- A detailed outline describing how proposed individuals would conduct the project.

- Detailed scope of services. This should be responsive to the requested scope of services with additional detail as necessary.
- Detailed schedule based on the allowable construction contract working days showing all facets of work that will meet the District's objectives and goals in a timely manner.

3. Budget

- Proposers shall base their proposal price on the project scope of work, assuming an EIR will not be prepared.
- The proposed fee shall be organized with an appropriate breakdown into subtasks.
- The proposed fee schedule shall be provided, including the hourly rates of all staff (including sub-consultants) that will charge directly to the project for the project's duration.

The fee schedule is anticipated to become an attachment to the contract between the Consultant and the District.

4. Identification of Prime Consultant (1-page maximum)

- Legal name and address of the company.
- Legal form of company (e.g., partnership, corporation).
- If company is wholly owned subsidiary of a "parent company," identify the "parent company".
- Name, title, address and telephone number of person to contact concerning the Proposal.
- Project team and the discipline/job title of each team member.
- General description of your firm's background and project qualifications, including years of business, any past bankruptcy filings, and identify any contract or subcontract by the firm which has been terminated, in default, or had claims made against it that resulted in litigation or arbitration in the last five years.

5. Firm Qualifications, Team Organization, Experience and Certifications (3-page maximum, not including resumes)

- Previous experience.
- Present workload (ability to respond).
- Previous projects and present relationship with SLVWD.
- Ability to perform the scope of services (all or a portion of the work as described).
- Stability of firm.
- Local Experience.

6. Past Project Performance (4-page max / 3 projects max)

- Provide a summary of the proposed Project Manager's performance in charge of similar projects. Include the following information:
    (1) Lead agency, contact name and phone number.
    (2) Project size and description.
    (3) Project budget and total dollar value of completed project.
    (4) Budgeted project schedule and total time to completion.

7. Identification of Sub-Consultants (1-page maximum per Sub-Consultant) **if relevant**

- Legal name and address of the sub-consultant company.
- Name, title, address, and telephone number of primary contact.
- Number of staff and the discipline/job title of each.

8. Sub-Consultant Qualifications **if relevant**

- Previous experience and projects.
- Present workload.
- Ability to perform the scope of services.
- The scope/extent of subcontracting of work – Firms will need to be approved by SLVWD post contract award.

9. Insurance

Without limiting Consultant's indemnification of District, and prior to commencing any Services required under this Agreement, Consultant shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions, and endorsements:

- The Consultant and its subconsultants are required to name the District, its officers, agents, and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.
- Consultant shall file with District all certificates for required insurance policies for District's approval as to adequacy of insurance protection.
- Commercial General Liability Policy (bodily injury and property damage): Policy limits are subject to review, but shall in no event be less than, the following:
    1) $1,000,000 Each Occurrence.
    2) $1,000,000 General Aggregate.
    3) $1,000,000 Personal Injury.
    4) Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars ($1,000,000).
    5) Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors, or omissions of Consultant. Coverage shall be in an amount of not less than one million dollars ($1,000,000) per claim/aggregate.

Any insurance certificates are anticipated to become attachments to the Contract between the Consultant and the District.

C. SELECTION PROCESS

The District intends to enter into negotiations with the top ranked firm. Negotiations will cover: scope of work, contract terms and conditions, attendance requirements and appropriateness of the proposed fee schedule.

After negotiating a proposed agreement that is fair and reasonable the District Manager will present a contract to the District's Board for authorization to execute a contract with the responsive firm.

1. Evaluation Criteria

The District will review and evaluate each submittal to determine if it meets the requirements for the service described herein. Failure to meet the requirements of this RFP will be cause for eliminating the applicant from further consideration. Based on the District's evaluation, the firms that meet the requirements of this RFP will be ranked.

The following weighted criteria will be used to evaluate the Proposals provided in response to this request:

EVALUATION CRITERIA	**Weight**
Understanding of Scope of Work Requested	25%
Experience with Similar Kinds of Work	20%
Quality of Staff Assigned to Project	20%
Past Performance, Including Cost and Schedule Control	20%
Proposed Fee	10%
Firm's Local Experience	5%
TOTAL:	**100%**

2. Selection Schedule

The District anticipates that the process for selection of firms and awarding of the contract will be according to the following tentative schedule:

Proposal Due Date	**February 20, 2024**
Interview (TBD-If Necessary)	TBD
Board of Directors Approval	**March 7, 2024**
Final Selection and Notification	**March 8, 2024**

3. Submittal Requirements

- Submit one electronic copy of the Proposal in PDF format by email. The proposal shall be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Consultant.
- The Proposal must be received no later than **3:00 p.m.** local time, on or before **February 20, 2024** at the office of **or** emailed to:

San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Or

cblanchard@slvwd.com
Attn: Carly Blanchard, Environmental Programs Manager

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to **cblanchard@slvwd.com** by February 12, 2024. The District will not respond to questions submitted after February 12, 2024.

Appendix A: Reference Documents

Documents

a) Freyer and Laureta Constructability Study
b) Haro, Kasunich, and Associates Peer Review of Constructability Study
c) Peavine Pipeline Replacement Project Webpage

Appendix B: Additional Background Information

San Lorenzo Valley Water District (SLVWD or District) is an rural/urban water supplier to approximately 23,700 customers in Santa Cruz County, California. The District's legal boundaries encompass approximately 62 square miles within the San Lorenzo River watershed. Land uses are dominantly state and regional parks and other open space, water-supply watersheds, areas zoned rural residential and low-density urban residential and commercial (including schools), along with minor quarrying, logging and agriculture. Much of the land within the legal boundaries consists of state parks and uninhabited forest, such that the District's actual service area comprises approximately 26 square miles.

The District was established in 1941, and is a Special District organized under Section 71000 of the California Water Code. The District has grown over time by the amalgamation of small mutual water systems. It currently operates and maintains two water systems, the SLVWD system and the SLVWD-Felton system, which have different service areas and water sources. The SLVWD system service area includes the unincorporated communities of Boulder Creek, Brookdale, Ben Lomond, Quail Hollow, Glen Arbor, Zayante, and Lompico, as well as the following neighborhoods in and adjacent to the city of Scotts Valley: Hidden Glen, Lockewood Lane, Pasatiempo, Whispering Pines, Manana Woods and the Spring Lakes and Vista Del Lago mobile home parks. The SLVWD-Felton system service area includes the unincorporated community of Felton and neighborhoods along Highway 9 south of Felton to Big Trees and on the west outskirts of Felton along Felton - Empire Grade Road. The two systems are connected by interties that allow transfer of water between them on an emergency basis.

The District relies on both surface water and groundwater resources, which are ultimately derived solely from rainfall within the San Lorenzo River watershed. Surface water is obtained from nine stream diversions (six of which are currently inactive due to damage sustained in the 2020 CZU wildfire). Groundwater is obtained from one spring and eight active wells. The District has limited above-ground storage capacity equal to only a few days' average use; hence, the District relies on groundwater for seasonal and year-to-year storage. The District produces and treats water based on short-term water demand. The water treatment plant for the SLVWD system is located above the community of Boulder Creek; the plant for the SLVWD-Felton system is located on Kirby Street in downtown Felton.

The scale and complexity of SLVWD's water distribution system reflect the San Lorenzo Valley's rugged topography, its low-density pattern of development, and widely distributed raw water sources. The resulting highly dispersed system results in the District maintaining 37 pressure zones. All but one zone include a booster station to pump potable water up to the tank(s) associated with a particular zone. The cost to run each booster station pump is mostly a function of the elevation gain between pump station and tank(s); age and design efficiency play a smaller part in determining energy expenditure. The District's dispersed layout requires that many zones are "pass-through" zones, meaning that potable water must be pumped from a treatment plant up to a zone, then pumped again up to a second, third, or even fourth zone. As a result, pumping costs differ from zone to zone.

a) Small Wastewater System

The District operates the Bear Creek Estates Wastewater System, which collects and treats domestic wastewater flow from 56 homes in and around the neighborhoods along Deerwood Drive, Harmon

Gulch and Timberwood Road north of the community of Boulder Creek.

From 2005 through 2013, the District completed several upgrades aimed at achieving regulatory compliance and improved efficiency of nitrogen removal. This involved modifying the existing treatment septic system to incorporate a 3-stage trickling filter system, new internal recirculation/splitter/ball valves, and new air blowers with high-capacity disc diffusers in the clarifier tanks. There are still significant improvements to the wastewater system needed to meet modern State regulatory requirements.

There are no dedicated wastewater system employees. The system is operated on a routine or as-needed basis with District staff from the Water Fund Operations & Distribution or Supply & Treatment Departments. The District is in negotiations with the County to take over operation of the wastewater system as part of a larger project in the community of Boulder Creek.

b) Impacts of the CZU Lightning Complex Wildfire of 2020

The District watershed and water system, as well as some of its ratepayers, were severely impacted by the CZU Lightning Complex Wildfire in 2020. The damage to District facilities was extensive, most significantly to raw water supply lines, storage tanks, and cross-country water transmission pipelines, but also water treatment systems, pumps, and water-quality monitoring equipment.

The District anticipates receiving partial financial assistance through the Federal Emergency San Lorenzo Valley Water District General Manager Recruitment Services 8 Management Agency (FEMA) to help cover the costs of emergency response, recovery, and permanent repairs. The District will be responsible for paying up front all of these costs (and other CZU Wildfire costs that are not reimbursable by FEMA). Once projects are complete, the District will submit eligible project costs for FEMA reimbursement.

The District implemented a Fire Recovery Surcharge through the Proposition 218 process in August 2021 to help recover an estimated $5M in CZU Wildfire costs not covered by FEMA. The surcharge added a monthly charge of about $10 per ratepayer. The surcharge will last about 5 years and will automatically terminate once $5 million is collected by the District. The $5M surcharge amount was based on the assumptions that FEMA would reimburse 75% of an estimated $20M cost for fire recovery and repair of damaged infrastructure.

Since the adoption of the Fire Recovery Surcharge, key assumptions on which the surcharge was based have changed. The FEMA cost-share percentage increased from 75% to 90%. The initial cost estimate of approximately $20M in total damages has proven to be far too low, especially in light of current estimates for the cost of replacing 7 miles of above-ground, raw-water pipeline destroyed in the CZU Wildfire.

A constructability study completed by the engineering firm Freyer & Laureta in 2022 evaluated various replacement options, including replacing the pipelines at grade, and recommended that the destroyed pipelines be replaced with buried HDPE pipe to protect from future wildfires at an estimated cost of about $50M. A subsequent peer review of the Freyer & Laureta engineering report completed by Haro Kasunich & Associates in November 2022 concluded that Freyer & Laureta had underestimated the environmental impact and difficulty of constructing a 12’-wide bench to accommodate burial of the pipeline given the steep slopes and difficult access. The District is

currently acquiring additional cost information on various options. FEMA will reimburse 90% of eligible costs associated with constructing the pipelines above ground as they were prior to the CZU wildfire, but it is not yet known what proportion of an additional cost to bury the pipelines would be covered.

The District will have many other fire recovery expenses in addition to the cross-country pipelines. Given the escalation in the estimated costs of recovery since the implementation of the surcharge, even with the increase in FEMA reimbursement to 90%, it is clear that the $5M surcharge will not cover the District's non-reimbursed fire recovery expenses. Although difficult to estimate due to escalating costs of construction and uncertainties about FEMA reimbursement, the current estimate for total cost of recovery from the CZU Fire is about $75M. Because not all expenses are reimbursable by FEMA and some projects will be reimbursed for less than the nominal 90%, it is estimated that on average about 75% of the costs will be reimbursed. This leaves $15M, after the $5M from the CZU Fire surcharge, that the District will need to fund in recovery-related capital expenditures over the next few years.

The District is in the process of consolidating with two small water systems that were destroyed in the CZU Fire. Bracken Brae and Forest Springs are located along Big Basin Way, outside the District's current service areas but within the District's legal boundaries. The majority of the funding for infrastructure to add the approximately 150 connections to the SLVWD will be provided by grants from the California Department of Water Resources.

c) Repair of damage from Winter 2022-23 storms

Central and northern California experienced the wettest 3-week period in the last 161 years during a series of "atmospheric river" events December 27, 2022 through January 16, 2023. Surface water intakes on creeks were damaged by high, debris-laden flows. Saturated ground combined with high winds led to many landslides and fallen trees that damaged District access roads and caused earth San Lorenzo Valley Water District General Manager Recruitment Services 9 movements that broke water mains. Current cost estimates for damage exceed $4M. California has secured a Presidential Major Disaster Declaration, which will make FEMA funds available for assistance in making repairs. It is anticipated that 75% of eligible expenses will be reimbursed by FEMA.

The addition of storm-related repairs to recovery from the CZU Fire will create cash-flow concerns that need to be considered, given that reimbursement by FEMA for allowed expenses is a complicated, slow process. This disaster-related work is further stretching the capacity of our relatively small staff to undertake and coordinate repairs and may require an examination of staffing levels.

d) Ongoing Investments in Infrastructure

The District has a backlog of capital improvement projects as a consequence of decades of underinvestment in infrastructure. In 2019 the District contracted with Akel Engineering to create a Water Master Plan (WMP) and Capital Improvement Plan (CIP). This work was completed in 2021.

The CIP included recommendations for rehabilitation and/or upgrade of the majority of the District's infrastructure, as well as a preliminary prioritization of projects. The District is currently implementing portions of the CIP. Given the level of construction activity on capital projects anticipated annually, the District is considering creation of a construction crew of 4-5 individuals

dedicated to pipeline installation as a way to speed implementation of capital projects and capitalize employee costs.

e) Membership in the Santa Margarita Groundwater Agency

The District is one of three founding members of the Santa Margarita Groundwater Agency (SMGWA); the other two are Scotts Valley Water District and the County of Santa Cruz. SMGWA was formed in response to California's 2014 Sustainable Groundwater Management Act, and is charged with managing groundwater resources in the over-drafted Santa Margarita groundwater basin within the San Lorenzo Valley watershed. SMGWA submitted its mandated Groundwater Sustainability Plan in January 2022. The District is committed to annual expenditures for administrative and monitoring tasks, and will pursue capital projects described in the Plan as grant funding becomes available.