



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: October 1, 2019

Agenda Item CF  
Approvals:  
City Manager MM  
Dept. Head DR  
Attorney \_\_\_\_\_  
Finance JA

**Department:** Utilities  
**Prepared By:** Lawrence Brotman, Utilities Manager DR

**Subject:** **APPROVAL OF AN AGREEMENT WITH THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FOR AMERICA'S WATER INFRASTRUCTURE ACT (AWIA) SHARED SERVICES AGREEMENT.**

**Fiscal Impact:** Yes. The total amount for the Agreement is \$145,405 for Phases II and III. An appropriation of funds is recommended by staff for Phase II in the amount of \$83,662 from the Water Fund Depreciation Reserve to Account Number 052-461-43695-000-30809. Funding for Phase III in the amount of \$61,743 will be proposed as part of the Fiscal Year 2021 Budget. Phase I was previously approved in the amount of \$15,205 (Attachment 1) and is not included in this proposed contract.

**Summary:** Staff recommends the City Council approve an Agreement with MWDOC for a shared services agreement to hire a consultant to prepare a federally mandated report to complete the AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for participating agencies.

**Background:** In October 2018, Congress signed into law AWIA, whereas utilities are required to design and complete an AWIA Compliance Crosswalk (Phase I), conduct a Risk and Resilience Assessment (Phase II) and develop or update an Emergency Response Plan (Phase III). These deliverables will guide the participants' security plans and response for water systems in the event of natural disasters and human threats.

In July 2019, the City Manager approved Phase I of the Agreement with MWDOC for the AWIA Crosswalk to assist participating agencies in determining what aspects of AWIA legislation the agency may already meet with current documents and to determine what level of support is needed for Phase III. Due to the age of the City's Emergency Response Plan, the City will be required to fund the highest level of effort for this task for a full update to meet new standards.

The Water Emergency Response Organization of Orange County division of MWDOC developed a Request for Proposals (RFP) package and received, reviewed and ranked seven proposals. The review group consisted of representatives from Irvine Ranch Water District, South Coast Water District, Yorba Linda Water District, Santa Ana and MWDOC. After full discussion with the group and evaluating all aspects of the proposals received, the unanimous recommendation was to award the contract to Herndon Solutions Group. Their proposal had the highest value for the lowest cost of the five highest ranked proposals.

**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council:

1. Approve and authorize the City Manager to execute the Agreement by and between the City of San Clemente and MWDOC for Sharing Consultant Costs for 2019 AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for Participating Agencies (Phases II and III) for an amount not to exceed \$145,405; and
2. Approve an Appropriation of funds in the amount of \$83,662 from the Water Fund Depreciation Reserve to Account Number 052-461-43695-000-30809 for Phase II, Risk and Resilience Assessment.

- Attachments:**
1. Copy of Agency Participation Letter of Commitment to MWDOC for AWIA Compliance Crosswalk (Phase I).
  2. Copy of Agreement with MWDOC for Sharing Consultant Costs for 2019 AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for participating agencies (Phases II and III).
  3. MWDOC Staff Report "Award of Consulting Contract for Member Agency Compliance with America's Water Infrastructure Act (AWIA)" Consent Calendar Item No. 7, July 17, 2019.

**Notification:** None.



**AGENCY PARTICIPATION LETTER OF COMMITMENT  
FOR PHASE 1 AMERICA'S WATER INFRASTRUCTURE  
ASSESSMENT (AWIA) COMPLIANCE CROSSWALK**

Kelly Hubbard, WEROC Emergency Manager  
Municipal Water District of Orange County  
c/o Water Emergency Response of Orange County (WEROC)  
18700 Ward Street  
Fountain Valley, CA 92708

July 11, 2019

Re: Letter of Commitment as a Participating Agency in WEROC America's Water Infrastructure Act (AWIA) Phase 1 - Compliance Crosswalk, and Expected Participation in Phase 2- Risk and Resilience Assessments (RRAs) and Phase 3- Emergency Response Plans (ERPs)

Dear Ms. Hubbard,

The City of San Clemente is submitting this letter of commitment to confirm it has agreed to participate in the WEROC America's Water Infrastructure Act (AWIA) Phase 1 - Compliance Crosswalk. The Compliance Crosswalk is to assist Participating Agencies in determining what aspects of AWIA legislation the agency may already meet with current documents and to set the basis of what actions are needed for Phase 2- Risk and Resilience Assessments (RRAs), and Phase 3- Emergency Response Plans (ERPs).

It is our understanding that MWDOC is administering a contract to allow up to 31 retail agencies in Orange County to participate if they elect to do so. Twenty-eight have expressed interest in participation. At this time MWDOC has provided us an updated memo (dated 7-1-2019) outlining the draft costs of participating in Phase 1 and the draft potential costs for Phases 2 and 3. We have also received a copy of the scope of work from the successful consultant proposal, although the contract has not yet been awarded. This letter of Commitment only covers a commitment to the costs for the Phase 1 efforts.

We also recognize MWDOC will administer contracts covering work in Phases 2 and 3 and has requested an initial non-binding indication of participation. The City of San Clemente is expecting to participate in Phase 2, and in Phase 3 at a low level of effort, pending the results of Phase 1 and the Participating Agency's elected body approval. We understand we will have an opportunity to make a final determination and commitment to whether we will participate in Phase 2 and Phase 3 for the costs you previously outlined to us. Our commitment will be communicated to MWDOC as soon as possible, but no later than October 4, 2019.

As a condition of participating in the AWIA project with WEROC; The City of San Clemente agrees to provide such cooperation as is necessary and in a timely manner to WEROC and the consultant to complete the crosswalk in an expedited manner to meet the EPA requirements and deadlines. Missing meetings and deadlines will be at the Participating Agency's own risk and could result in not meeting AWIA deadlines.

The City of San Clemente understands that it must engage in the following processes, including, but not limited to:

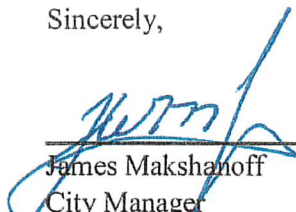
- Committing and designating at least one staff member from Participating Agency to participate in various processes for Phase 1 of the project.
- Review and provide to the selected consultant and/ or WEROC staff existing plans and programs to facilitate the completion of a Compliance Crosswalk to determine compliance with AWIA 2018 and emergency management best practices for water utilities. The selected consultant will be held to a strict Non-Disclosure Agreement and will be required to provide all documents and products back to individual participating agencies. Documents may include, but are not limited to:
  - Vulnerability Assessment (most recent)
  - Emergency Response Plan (most recent)
  - Standard Operating Procedures (SOPs)/ Standard Operating Guides (SOGs)
  - Emergency Response Plan (ERP)/ Emergency Operations Plan (EOP)
  - ERP Appendix or Checklists for response to natural and manmade hazards
  - Dam Emergency Action Plans
  - Vulnerability Assessments – physical and/ or cyber
  - Water and/or Wastewater Master Plans
  - Capital Improvement Plans
  - Financial Policies
  - Reserve Policies
  - Financial Audit Findings
  - Procurement Policies/ Programs/ Emergency Response Contract Plans
  - Hazard Mitigation Plans

- Continuity of Operations Plans (COOPs)/ Continuity of Government Plans (COGs)/ Business Continuity Plans
- Recovery Plans
- Water Outage/ Emergency Drinking Water Plans
- Water Reliability Studies
- Documentation (i.e. a list) of updates to the agency's physical infrastructure since their most recent Vulnerability Assessment and ERP.
- Additional activities or requirements which may be prescribed by the selected consultant's Project Approach.

Furthermore, the City of San Clemente recognizes that the draft estimated cost-share to each agency for Phase 1- Compliance Crosswalk is \$15,099, based on 28 participants and including WEROC staff support. We recognize that a portion of these costs are variable based on the final number of participating agencies and that the highest possible cost for this phase would be \$19,161 (based on 5 participants).

In accordance with this Letter of Commitment, MWDOC shall invoice Participating Agency only for Phase 1 at this time based on final number of participants, and Participating Agency agrees to pay this amount in full as a deposit to allow MWDOC to manage and fund the contract and staff support. If any funds remain at the end of the contract or if any funds are owed, MWDOC shall accordingly refund or invoice the City of San Clemente for its share.

Sincerely,



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James Makshanoff  
City Manager  
The City of San Clemente

**AGREEMENT FOR SHARING CONSULTANT COSTS  
FOR 2019 AWIA COMPLIANCE RISK AND RESILIENCY ASSESSMENTS AND  
EMERGENCY RESPONSE PLANS FOR PARTICIPATING AGENCIES  
(PHASES II AND III)**

THIS AGREEMENT is made and entered into as of October 2019, by and between:

1. Irvine Ranch Water District
2. City of Santa Ana
3. South Coast Water District
4. City of Huntington Beach
5. City of Garden Grove
6. Moulton Niguel Water District
7. Santa Margarita Water District
8. City of Fullerton
9. City of Orange
10. East Orange County Water District
11. City of San Juan Capistrano
12. City of Westminster
13. City of Buena Park
14. Yorba Linda Water District
15. City of Tustin
16. City of Newport Beach
17. City of La Habra
18. City of Fountain Valley
19. City of San Clemente
20. El Toro Water District
21. City of Brea
22. City of Seal Beach
23. Trabuco Canyon Water District
24. Serrano Water District,

(collectively "Participating Agencies" and individually "Participating Agency") and the Municipal Water District of Orange County ("MWDOC"). The Participating Agencies and MWDOC are also collectively referred to as "Parties."

**RECITALS**

WHEREAS, per Section 2013 of Title II, America's Water Infrastructure Act ("AWIA"), utilities are required to design and complete an AWIA Compliance Crosswalk; conduct a Risk and Resilience Assessment ("RRAs") for their agency; and develop or update an Emergency Response Plan ("ERP"); and

WHEREAS, each Participating Agency has the responsibility under AWIA to conduct a RRA and prepare an ERP for its respective agency; and

WHEREAS, the Participating Agencies share many water supply characteristics, including water sources, regional water management agencies, location, climate history, and demographics; and

WHEREAS, the Participating Agencies and MWDOC desire to cooperate with each other to obtain economies of scale and thereby reduce preparation costs for each of the Participating Agencies in conducting RRAs and subsequently preparing or updating an ERP in response to AWIA requirements; and

WHEREAS, MWDOC and the Participating Agencies have jointly prepared and agreed to a Scope of Work that was incorporated into a Request for Proposals for AWIA Compliance Crosswalks, Risk and Resilience Assessments, and Emergency Response Plans for Orange County Water Utilities, issued Wednesday, May 15, 2019 ("RFP") and HSG, LLC, dba Herndon Solutions Group ("HSG" or "Consultant") was chosen as the successful consultant to prepare each Participating Agency's AWIA Compliance Crosswalk, RRA and ERP; and

WHEREAS, Consultant has been retained for three separate and distinct phases of work under the RFP; Phase I, Design and Completion of AWIA Compliance Crosswalks for each of the Participating Agencies; Phase II, conducting RRAs based on AWIA requirements, the Participating Agency's Specific AWIA Compliance Crosswalk and other materials provided by Participating Agencies; and Phase III, updating or creating an ERP for each of the Participating Agencies based on AWIA requirements, the Agency's current ERP, the Agency Specific AWIA Compliance Crosswalk, the Agency Specific RRA, and other materials provided by Participating Agencies; and

WHEREAS, Phase I is in the process of being completed under a separate arrangement for MWDOC and Participating Agencies, and the scope of work for Phases II and III will be finalized based on the results of Phase I and execution of this Agreement; and

WHEREAS, MWDOC and its staff are willing to coordinate this process, including the preparation and administration of a professional services agreement with the selected consultant; and the administration of the cost sharing provisions of this Agreement;

NOW, THEREFORE, in consideration of the payment of money as set forth below and the mutual promises of the Parties hereto, it is agreed:

**1. Engagement of Consultant and Administration of Consultant Agreement**

MWDOC has executed a professional services agreement for the work identified in the response to the Request for Proposals by HSG for purposes of Phases I, II and III of the RFP ("Consultant Agreement"), and this Agreement is necessary to budget the scope of services for each Participating Agency for Phases II and III along with other MWDOC costs, attached as **Exhibit A**. MWDOC has amended its standard professional services agreement form for the Consultant Agreement and required appropriate types and limits of insurance coverage. Each CGL policy shall identify MWDOC, the Participating Agencies, and their directors, officers, agents, employees, attorneys, consultants and volunteers as additional insureds, or be endorsed to identify these parties as additional insureds using a form acceptable to MWDOC. The Consultant Agreement requires the consultant's insurer(s) to waive all

rights of subrogation against MWDOC, the Participating Agencies, and their directors, officers, agents, employees, attorneys, consultants and volunteers. The Consultant Agreement requires Consultant to ensure that its sub-consultants, if any, provide similar insurance coverage.

1.2 MWDOC shall coordinate all aspects of the proposed work with Consultant and communicate with each Participating Agency, regularly and upon request of the Participating Agency, regarding the status and substance of Phases II and III;

1.3 MWDOC shall make payments to the Consultant for progress payments as work proceeds. MWDOC shall withhold 10% of each progress payment to Consultant in a retention fund until such time as every Participating Agency has notified MWDOC that it is satisfied with the final RRAs and ERPs prepared for it by Consultant.

1.4 Each Participating Agency shall provide all documents, information and assistance requested by Consultant during the performance of the Consultant Agreement.

1.5 The City of San Juan Capistrano agrees to add MWDOC as an additional protected party, pending approval by the City's insurance provider, the California Joint Powers Insurance Authority.

## 2. Cost Sharing by Participating Agencies.

2.1 MWDOC shall:

2.1.1 Collect from each Participating Agency upon execution of this Agreement or at other times as agreed upon between MWDOC and Participating Agency amounts that will total the full amount of the portion of the total cost allocated to that Participating Agency based on the Consultant's proposal and other MWDOC costs for Phases II and III, as attached in **Exhibit A**. The column labeled "Agency Estimated Total Phases 2 & 3 w/ Contingency" in **Exhibit A** includes, and each participating Agency agrees to, a 10% contingency which allows for minor variations in the cost of work as noted in Section 2.2.3 or for additional work that may be added by a Participating Agency per Section 2.2.2);

2.1.2 Inform each Participating Agency of any proposed extra work under the Consultant Agreement that relates to preparation of that Participating Agency's final RRAs and ERPs for Phases II and III and that would result in an increase in that Participating Agency's payment under this Agreement. MWDOC and the affected Participating Agency must both approve such extra work before MWDOC will notify Consultant to proceed with the work.

2.1.3 Be responsible for making progress payments directly to Consultant from funds paid to MWDOC by Participating Agencies (see section 1.3).



2.1.4 Prepare a final accounting and either distribute any remaining funds collected from the Participating Agencies back to the Participating Agencies or issue a final bill to Participating Agencies where there are funds due.

2.2 Each Participating Agency shall:

2.2.1 Pay to MWDOC upon execution of this Agreement or at other times as agreed upon between MWDOC and Participating Agency amounts that will total to the full amount of the portion of the total cost allocated to that Participating Agency in the selected contractor's proposal plus other MWDOC costs, as attached in **Exhibit A**;

2.2.2 Pay to MWDOC, upon prior written approval of any extra work under the Consultant Agreement that relates to preparation of its final RRAs and ERPs for Phases II and III, the full amount owed for the approved work. Each Participating Agency shall bear all costs associated with extra work it approves.

2.2.3 Note that as Participating Agencies decide to participate or not to participate in Phases II and III, the cost sharing of costs among the Participating Agencies for the Consultant and MWDOC's costs will vary somewhat from agency to agency. Information relative to adjustments in costs among Participating Agencies shall be shared on a periodic basis as decisions are being made by the various Participating Agencies. Also, because the timing of completion of the RRA and ERP vary among agencies, it is allowable to schedule the payment of an invoice for those smaller agencies desiring to pay their deposit out of next year's budget.

### 3. Accounting

Upon request of any Participating Agency, MWDOC will provide copies of the selected Consultant's invoices and MWDOC's payment records.

### 4. Independent Contractor

Any consultant engaged by MWDOC on behalf of the Participating Agencies as contemplated in this Agreement will not be a party to this Agreement and will not be an employee or agent of MWDOC or any of the Participating Agencies, either as a result of this Agreement or as a result of a professional services agreement between MWDOC and the consultant. Any consultant engaged as contemplated in this Agreement will be an independent contractor to MWDOC.

### 5. Warranty, Indemnification and Defense

MWDOC shall use its best efforts in administering the Consultant Agreement, but makes no representations, guarantees or warranties to the Participating Agencies as to the quality or timeliness of work product provided by Consultant pursuant to the Consultant Agreement. The Participating Agencies, and each of them, shall indemnify MWDOC, its directors, officers, employees and agents against, and will hold and save them harmless from, any and all actions, claims, penalties,

obligations or liabilities, in law or in equity, of every kind or nature whatsoever, that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in any manner directly or indirectly connected with any RRA, ERP, and/or any other work contemplated by this Consultant Agreement subject to AWIA. As between the Participating Agencies, any costs associated with the indemnity and defense obligations set forth in the previous two sentences shall be the financial responsibility of each Participating Agency based on the same pro rata basis as the allocation of costs set forth in Section 2.1.1 herein and **Exhibit A** hereto. In the event MWDOC, its directors, officers, employees and agents are made a party to any action or proceeding filed in connection with a challenge to any work prepared pursuant to the Consultant Agreement in connection with any RRA, ERP, and/or any other work contemplated by this Consultant Agreement subject to AWIA, the Participating Agency whose RRA, ERP or AWIA-related work is challenged shall provide a complete defense to MWDOC, its directors, officers, employees and agents and shall reimburse MWDOC for all costs and expenses incurred as a result of the action or proceeding, including reasonable attorney's fees.

6. Notice

Any notice or communication required to be given under this Agreement shall be in writing and effective when deposited, first class postage prepaid, with the United States Postal Service addressed to the contracting Parties as follows:

Notices to Parties	
If to:	
Municipal Water District of Orange County	Robert J. Hunter, General Manager Municipal Water District of Orange County 18700 Ward St. P.O. Box 20895 Fountain Valley, CA 92728
1. Irvine Ranch Water District	Paul Cook, General Manager Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, CA 92618
2. City of Santa Ana	Kristine Ridge, City Manager City of Santa Ana P.O. Box 1988, M-24 Santa Ana, CA 92702

<p>3. South Coast Water District</p>	<p>Rick Shintaku, General Manager South Coast Water District 31592 West Street Laguna Beach, CA 92651</p>
<p>4. City of Huntington Beach</p>	<p>Dave Kiff, City Manager City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648</p>
<p>5. City of Garden Grove</p>	<p>Scott Stiles, City Manager City of Garden Grove P.O. Box 3070 Garden Grove, CA 92842</p>
<p>6. Moulton Niguel Water District</p>	<p>Joone Lopez, General Manager Moulton Niguel Water District 27500 La Paz Road P.O. Box 30203 Laguna Niguel, CA 92607-0203</p>
<p>7. Santa Margarita Water District</p>	<p>Dan Ferons, General Manager Santa Margarita Water District P.O. Box 7005 Mission Viejo, CA 92690</p>
<p>8. City of Fullerton</p>	<p>Ken Domer, City Manager City of Fullerton 303 W. Commonwealth Avenue Fullerton, CA 92832</p>
<p>9. City of Orange</p>	<p>Rick Otto, City Manager City of Orange 300 E. Chapman Ave Orange, CA 92866</p>
<p>10. East Orange County Water District</p>	<p>Lisa Ohlund, General Manager East Orange County Water District 185 N. McPherson Rd. Orange, CA 92869</p>
<p>11. City of San Juan Capistrano</p>	<p>Benjamin Siegel, City Manager City of San Juan Capistrano 32400 Paseo Adelanto San Juan Capistrano, CA 92675</p>

12. City of Westminster	Eddie Manfro, City Manager City of Westminster 8200 Westminster Blvd. Westminster, CA 92683
13. City of Buena Park	Jim Vanderpool, City Manager City of Buena Park 6650 Beach Blvd. Buena Park, CA 90622
14. Yorba Linda Water District	Marc Marcantonio, General Manager Yorba Linda Water District 1717 E. Miraloma Ave. Placentia, CA 92870
15. City of Tustin	Matthew West, City Manager City of Tustin 300 Centennial Way Tustin, CA 92780
16. City of Newport Beach	Grace Leung, City Manager City of Newport Beach P.O. Box 1768 Newport Beach, CA 92663
17. City of La Habra	Jim Sadro, City Manager City of La Habra P.O. Box 337 La Habra, CA 90633-0337
18. City of Fountain Valley	Rob Houston, City Manager City of Fountain Valley 10200 Slater Ave. Fountain Valley, CA 92708
19. City of San Clemente	James Makshanoff, City Manager City of San Clemente 100 Avenida Presidio San Clemente, CA 92672
20. El Toro Water District	Dennis Cafferty, General Manager El Toro Water District P.O. Box 4000 Laguna Hills, CA 92654

21. City of Brea	Bill Gallardo, City Manager City of Brea 1 Civic Center Circle Brea, CA 92821
22. City of Seal Beach	Jill Ingram, City Manager City of Seal Beach 211 8 <sup>th</sup> Street Seal Beach, CA 90740
23. Trabuco Canyon WD	Michael Perea, General Manager Trabuco Canyon Water District 32003 Dove Canyon Drive Trabuco Canyon, CA 92679
24. Serrano Water District	Jerry Vilander, General Manager Serrano Water District 18021 Lincoln Street Villa Park, CA 92861-6446

#### 7. Jurisdiction and Venue

In all matters concerning the validity, interpretation, performance, or effect of this Agreement, the laws of the State of California shall govern and be applicable. The Parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

#### 8. Counterparts and Facsimile

This Agreement may be executed by the Parties in counterparts, which counterparts shall be construed together and have the same effect as if all the Parties had executed the same instrument. Counterpart signatures may be transmitted by facsimile, email, or other electronic means and have the same force and effect as if they were original signatures. All parties have participated in the drafting of this Agreement.

#### 9. Severability

If any provision of this Agreement shall be held illegal, invalid, or unenforceable, in whole or in part, the legality, validity, and enforceability of the remaining provisions shall not be affected thereby.

10. Term

This Agreement shall commence upon the date of the earliest execution by any Participating Agency below and shall extend thereafter through the completion of all work product generated by the Consultant and delivered to MWDOC and to each Participating Agency. The scheduled completion date by the Consultant is November 21, 2021. MWDOC shall issue a Notice of Completion to all Participating Agencies upon close-out of the Consultant Agreement. Notwithstanding anything to the contrary in this Section 10, this Agreement may be terminated earlier by MWDOC in its discretion upon or after termination of the Consultant Agreement.

11. Entire Agreement

This Agreement contains the entire agreement of the Parties relating to the subject matter hereof; and the Parties have made no agreements, representations, or warranties, either written or oral, relating to the subject matter hereof that are not set forth herein. Except as provided herein, this Agreement may not be modified or altered without prior written approval from both parties.

IN WITNESS WHEREOF, the Parties have hereunto affixed their names as of the day and year thereafter written, which shall be and is the effective date of this Agreement.

Execution of Agreement by Parties	
Municipal Water District of Orange County	Date: _____ By: _____ Robert J. Hunter, General Manager Municipal Water District of Orange County Approved as to Form: Date: _____ By: _____ Joseph Byrne General Counsel

1. Irvine Ranch Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_

Paul Cook, General Manager  
Irvine Ranch Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

General Counsel

<p>2. City of Santa Ana</p>	<p>Date: _____</p> <p>By: _____ Kristine Ridge, City Manager City of Santa Ana</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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3. South Coast Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Rick Shintaku, General Manager  
South Coast Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Arthur Kidman  
General Counsel

<p>4. City of Huntington Beach</p>	<p>Date: _____</p> <p>By: _____ Dave Kiff, City Manager City of Huntington Beach</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>5. City of Garden Grove</p>	<p>Date: _____</p> <p>By: _____ Scott Stiles, City Manager City of Garden Grove</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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6. Moulton Niguel Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Joone Lopez, General Manager  
Moulton Niguel Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
General Counsel

7. Santa Margarita Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_

Dan Ferons, General Manager  
Santa Margarita Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

General Counsel

<p>8. City of Fullerton</p>	<p>Date: _____</p> <p>By: _____ Ken Domer, City Manager City of Fullerton</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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9. City of Orange

Date: \_\_\_\_\_

By: \_\_\_\_\_

Rick Otto, City Manager  
City of Orange

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

Gary Sheatz  
City Attorney

10. East Orange County Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Lisa Ohlund, General Manager  
East Orange County Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
General Counsel



11. City of San Juan Capistrano

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Benjamin Siegel, City Manager  
City of San Juan Capistrano

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney

12. City of Westminster

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Eddie Manfro, City Manager  
City of Westminster

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney

13. City of Buena Park

Date: \_\_\_\_\_

By: \_\_\_\_\_

Jim Vanderpool, City Manager  
City of Buena Park

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

City Attorney

14. Yorba Linda Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Marc Marcantonio, General Manager  
Yorba Linda Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Arthur Kidman  
General Counsel

15. City of Tustin

Date: \_\_\_\_\_

By: \_\_\_\_\_

Matthew West, City Manager  
City of Tustin

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

City Attorney

16. City of Newport Beach

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Grace Leung, City Manager  
City of Newport Beach

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney

<p>17. City of La Habra</p>	<p>Date: _____</p> <p>By: _____ Jim Sadro, City Manager City of La Habra</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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18. City of Fountain Valley

Date: \_\_\_\_\_

By: \_\_\_\_\_

Mayor, Steve Nagel  
City of Fountain Valley

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

Attorney for the City, Colin Burns



19. City of San Clemente

Date: \_\_\_\_\_

By: \_\_\_\_\_

James Makshanoff, City Manager  
City of San Clemente

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

City Attorney

20. El Toro Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Dennis Cafferty, General Manager  
El Toro Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Gil Granito  
General Counsel

21. City of Brea

Date: \_\_\_\_\_

By: \_\_\_\_\_

Bill Gallardo, City Manager  
City of Brea

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

City Attorney

22. City of Seal Beach

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Jill Ingram, City Manager  
City of Seal Beach

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney

23. Trabuco Canyon Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_

Michael Perea, General Manager  
Trabuco Canyon Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_

General Counsel

24. Serrano Water District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Jerry Vilander, General Manager  
Serrano Water District

Approved as to Form:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Joel Kuperberg  
General Counsel

Exhibit A

List of Potential Participating Agencies - TOTAL Estimated as of August 13, 2019 Including 10% Contingency

Note: totals may change when final participation is known

Orange County Potable Water Jurisdictions		AWIA Scope of Services Selection									
		Population	AWIA RRA Deadline	Phase 1 Crosswalk Under Separate Invoicing	Phase 2 Risk and Resilience Assessment	Phase 3 Emergency Response Plans			Agency Estimated Total Phases 1, 2 & 3	Agency Estimated Total Phases 2 & 3 w/ Contingency	
						Low	Medium	High			
<b>COSTS</b>											
Municipal Water District of Orange County	2,300,000	3/31/2020	\$15,205	\$83,662	\$14,801	\$33,085	\$61,743	\$131,953	\$116,748		
Irvine Ranch Water District	412,933	3/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463		
Santa Ana, City of	338,247	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
South Coast Water District	257,386	3/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748		
Huntington Beach, City of	201,000	3/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748		
Garden Grove, City of	174,226	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Moulton Niguel Water District ***	171,856	3/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463		
Santa Margarita Water District	159,104	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Fullerton, City of	140,392	3/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748		
Orange, City of	140,094	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$0	\$0	\$0		
Mesa Water District	110,000	3/31/2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
East Orange County Water District ***	100,000	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
San Juan Capistrano, City of **	34,593	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Westminster, City of	93,179	12/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463		
Buena Park, City of	83,347	12/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748		
Yorba Linda Water District ***	80,067	12/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748		
Tustin, City of	68,088	12/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463		
Newport Beach, City of ***	66,800	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
La Habra, City of	63,118	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Fountain Valley, City of	59,227	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
San Clemente, City of	51,522	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
El Toro Water District	49,054	6/30/2021	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463		
Brea, City of	43,328	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Seal Beach, City of	25,561	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Laguna Beach County Water District	23,000	6/30/2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
La Palma, City of	15,948	6/30/2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Trabuco Canyon Water District	12,712	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
Serrano Water District	6,641	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405		
					\$74,006	\$231,598	\$802,653	\$3,579,940	\$3,199,815		
					<b>TOTAL PROJECT</b>						

\*\*\* Agencies cannot yet commit for Phases 2 & 3 until completion of Phase 1 or Board Approval. Expected ultimate participation level is shown.



**CONSENT CALENDAR ITEM**

July 17, 2019

**TO:** Board of Directors

**FROM:** **Administration & Finance Committee**  
(Directors Thomas, Finnegan, McVicker)

Robert J. Hunter, General Manager  
Staff Contact: Kelly Hubbard, Director of Emergency Management

**SUBJECT:** **Award of Consulting Contract for Member Agency Compliance with the America's Water Infrastructure Act (AWIA)**

**STAFF RECOMMENDATION**

It is recommended that the Board of Directors authorize the General Manager to:

1. Enter into a consulting contract with Herndon Solutions Group (HSG) in the estimated amount of, and not to exceed \$4.4 million (costs are contingent upon final Participating Agency commitments and include a 10% contingency for Phases 2 & 3).
  - a. Phase 1 - \$412,000
  - b. Phase 2 - \$2,289,000
  - c. Phase 3 - \$1,685,000
2. Authorize the General Manager to enter into Letter Agreements or Contracts with up to 28 of our participating agencies (including two of the three cities) for cost recovery of the expenditures.
3. Authorize MWD OC's commitment to the AWIA process at an estimated cost of \$131,000 (includes the 10% contingency), with combined funds from engineering, WEROC and finance to be provided.
4. Authorize the General Manager to hire a part-time temporary position within WEROC to coordinate the consultant's efforts with Participating Agencies. Position will be charged back to participating agencies.

<b>Budgeted (Y/N): N</b>	<b>Budgeted amount: \$0</b>	<b>Core <input checked="" type="checkbox"/>_</b>	<b>Choice X</b>
<b>Action item amount: \$4.5 Million (est. \$4.4 Million for the contract &amp; est. \$100,00 for temporary staffing); est. \$131,000 for WEROC/MWD OC cost share</b>		<b>Line item:</b> 2000-41-7040 (Finance) 2000-21-7040 (Engineering) 2010-25-7040 (WEROC)	
<b>Fiscal Impact (explain if unbudgeted): The project total of approximately \$4.5 million will be a cost share amongst participating agencies. WEROC and MWD OC's share will come from their respective reserves.</b>			



## **COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

## **SUMMARY**

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The American Water Infrastructure Act (AWIA) requires all drinking water utilities to conduct a Risk and Resilience Assessment (RRA) of their community water systems and develop a corresponding Emergency Response Plan (ERP). All drinking water utilities with greater than 3,000 customers, must complete these efforts and self-certify their compliance within the next 2 years depending on the size of the agency.

WEROC received, reviewed and ranked 7 proposals and recommends an award to Herndon Solutions Group (HSG) in an amount up to, with a not to exceed of \$4.4 million, depending on how many of our agencies participate in the process. This project and contract has been set up in a manner to allow agencies to opt in or out of each phase of service at their choice and therefore is an elective service being offered by WEROC and MWDOC. The group effort should result in a high level of efficiency in the contracting and completion of the work.

## **DETAILED REPORT**

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On October 23, 2018, Congress signed into law the America's Water Infrastructure Act (AWIA) (S.3021, Law 115-270). Per Section 2013 of Title II, the AWIA requires utilities to conduct Risk and Resilience Assessments (RRA) of their community water systems and develop a corresponding Emergency Response Plan (ERP). Upon completion of the RRA, the utility is to submit self-certification to the U.S. Environmental Protection Agency (USEPA) indicating that the RRA, in compliance with AWIA, is complete. Within six (6) months of submitting the RRA certification letter, the community water system is required to submit a self-certification to USEPA for the corresponding ERP. The legislation requires these documents to be updated every 5 years. The compliance due dates are:

<b>Population Served*</b>	<b>Risk Assessment</b>	<b>Emergency Response Plan (ERP)**</b>
≥100,000	March 31, 2020	September 30, 2020
50,000-99,999	December 31, 2020	June 30, 2021
3,301-49,999	June 30, 2021	December 30, 2021

\*Population served is based on CA SWRCB DDW population numbers associated with the Water System's ID.

\*\*ERP certifications are due six months from submittal of the risk assessment certification. Dates shown above are based on a utility submitting a risk assessment on the final due date. Penalties for missing deadlines is up to \$25,000 per day.

### **WEROC Project Coordination to Date**

WEROC has taken on this extremely large task to assist participating agencies by creating a shared services project with a single contract and reimbursement concept in a manner similar to completion of the Urban Water Management Plans, wherein MWDOC completed 25 plans via a single consultant contract. WEROC has taken the following steps to date:

- WEROC reached out to Member Agencies to determine level of interest in a joint RFP process and contract. Initially 29 of the 31 water utilities in OC indicated their interest, and 28 have continued to participate at this time. Agencies not participating are: Anaheim, Golden State Water Company, and Orange County Water District.
- WEROC developed, in coordination with our agencies, a Request for Proposals (RFP) package. This effort took considerable time and effort from staff to organize the effort in a manner where multiple consultants could be selected, multiple agencies could elect to participate, or not, and where pricing breaks could be employed for conducting services for 5 or more agencies by a single consultant.
- WEROC received 7 proposals that were technically competitive, but showed a high range in potential costs (ranging from about \$4 million to about \$10 million combined for 28 agencies).
- In coordination with volunteer representatives from 4 of our agencies, the proposals were reviewed, evaluated and ranked. This write up will provide a summary and recommendation for award of contract for all phases of work to one consultant for all participating agencies. Due to some costs for each phase being shared costs, the final contract prices for each phase are pending final Participating Agency commitment. Contract costs presented today are based on the highest contract costs possible.
- Due to the overall timeline and deadlines for the project, WEROC staff started the process of collecting the documents and data that is needed from the Participating Agencies for all Phases of the project.
- Continue to coordinate with our agencies to begin the process of seeking financial commitments from up to 28 agencies in Orange County. This could result in a contract on the order of about \$4.4 million over the next two and half years.

### **Project Approach**

WEROC staff proposed a 3 Phase process to meet the AWIA requirements. Below is an abbreviated outline of the proposed consultant's approach to the 3 Phases. The full proposed scope of work is attached.

1. Phase 1 Design and Complete a Crosswalk Review – This first task is to determine what resources each agency already has and what their GAPS are for compliance with the AWIA RRA and ERP requirements. Phase 1 per agency is estimated at \$15,099. The process is essentially the same for all agencies and is not dependent on the size of an agency. This task relies on each agency to provide all of their existing documentation so it can be reviewed to determine its completeness, currency and applicability to the current standards. This quote is a bit higher than we had originally estimated, however the consultant has recommended completing this “as a best practices” review, as

opposed to simply a checklist. This extra level of effort and cost was supported by all reviewing agencies, because they believe it will be a valuable ongoing tool for emergency planning. The crosswalk will be a living document that is maintained and updated by WEROC and its participating agencies, including other requirements, such as SEMS, and evolve into a robust tool for ongoing evaluation and process improvement.

2. Phase 2 Completion of the Risk and Resiliency Assessment (RRA) – The recommended consultant has proposed this as a fixed fee for all sizes of agencies, again because the process is essentially the same for all agencies. Additionally, the recommended consultant provided the highest level of services in terms of quantity of assets and threats to be reviewed per agency. The Phase 2 effort is expected to require the largest level of effort for both the agencies and the selected consultant. While some agencies have started to assess cyber and other risks, the RRA will support the assessment and determination of an "all-hazards" approach to determine the risk and resilience of all drinking water physical, operational, and cyber assets owned, utilized, or operated by each participating agency in accordance with industry standards. The RRA will identify and address the gaps identified under Phase I.

Three workshops will be held with each agency in the completion of their RRA:

Workshop #1 - The asset and threat characterization steps of the assessment process will be conducted in a two-day, facilitated planning workshop held at the participating agency's facility. The following objectives will be completed:

- Asset Characterization
- Threat Characterization
- Consequence Analysis
- Vulnerability Analysis
- Risk/Resilience Analysis
- Risk/Resilience Management

Workshop #2 - The consequence and vulnerability analysis steps of the assessment process will be conducted during another two-day, facilitated planning workshop to be held at the participating agency's facility. The following objectives will be completed:

- Review and edit consequences and vulnerabilities. At this point, an agreed list of critical assets, identified threats, and threat-asset pairs is required to continue the assessment.
- Identify Dependencies and Proximity Threats.
- Identify and calculate the risk likelihoods for the critical asset-threat pairs.

Workshop #3 - The draft risk assessment baseline report will be reviewed by the team and appropriate stakeholders during Workshop #3.

Based on all of the above, a Final Risk Assessment Baseline Report will be prepared. RRA should be considered to be Protected Critical Infrastructure

Information (PCII) and each agency is encouraged to work with their legal counsel to ensure the security of this final product.

Additionally, two to three group trainings will be provided on the RRA process to train Participating Agency's on how to update their RRA going forward to continue to meet the 5 year currency requirements.

3. **Phase 3 Emergency Operations Plant (ERP) Update** – The level of effort for preparation of the ERP for each participating agency will vary, depending on the condition and currency of each agency's existing ERP. Since each of the agencies are at different timelines of currency to their ERPs that address all-hazard response protocols, as well as other related response documents, Phase 3 will be tailored to each agency's needs. The chart below identifies the expected level of effort as either Low, Medium or High. All ERPs will be updated in a manner that is reflective of how MWDOC and participating agencies do business, but also in a way that aligns with local and state partners existing plans for coordination, emergency operations, and hazard mitigation.

ERP Level of Effort	Assumptions
Low	<ul style="list-style-type: none"> <li>▪ Participating agency has comprehensive and current ERP supported by appropriate procedures</li> <li>▪ Content development will be limited to a 'AWIA Requirements' chapter and global updates identified through the Crosswalk process</li> <li>▪ Any workshops conducted via webinar</li> </ul>
Medium	<ul style="list-style-type: none"> <li>▪ Participating agency has comprehensive and current ERP but may require some targeted content development support in terms of SOP/annex development</li> <li>▪ Content development includes development of an 'AWIA Requirements' chapter, global updates identified through crosswalk process, and development of one risk/function specific document</li> <li>▪ Includes one in-person workshop and one webinar-based workshop with the HSG Team</li> </ul>
High	<ul style="list-style-type: none"> <li>▪ Participating agency's ERP is not up to date</li> <li>▪ Content development includes development of an 'AWIA Requirements' chapter, global updates identified through crosswalk process, and support bringing the plan into alignment with both AWIA requirements and ERP best practices</li> <li>▪ Includes two in-person workshops with the HSG Team</li> </ul>

For completion of Phase 3, one group ERP Kickoff Workshop will be held for all participating agencies to provide partners with a refresher on the results of the RRA and how it informs the ERP update; a brief introduction to ERP planning concepts (tailored to the agency's level of planning); a facilitated discussion on existing plan strengths and areas for improvement; and a hands-on work session tailored to the unique needs of the utility to advance progress on gaps identified.

At a minimum, all ERP update efforts will include development of an AWIA Requirements' chapter that explains how their RRA, ERP, and other relevant documents meet statutory and regulatory requirements. Regardless of the level of plan development required, all partners will receive the support and attention of experienced emergency planners to update their ERP documents.

Phase 3 will complete with the Final Plan Presentation and Awareness Training on an agency by agency basis. Depending on agency needs, this awareness level presentation would be conducted via webinar but could also include local, onsite support. The presentation will be aligned with the executive summary task that the utility can use moving forward to continue socializing the ERP with staff.

#### **WEROC Temporary Part-Time Employee**

Staff is requesting the approval of a Part-Time Temporary Employee within the WEROC Program to assist with the coordination efforts of this project. The Director of Emergency Services has committed a majority of her staff time to this project to date for several months and will need assistance to be able to support this program moving forward. The proposed individual would be an individual with emergency management background and would assist with project support, to include, but not limited to: the collection and tracking of the large numbers of documents to be exchanged between participating agencies and our consultant; remind agencies of due dates and documents needed; and to coordinate information, meetings and site visits between the participating agencies and the consultant. The associated costs of the position will be shared between participating agencies throughout the project.

#### **Contracting Principles with Participating Agencies**

WEROC has begun the process of circulating cost information with participating agencies to support them in their budgeting and approval process for these efforts. Participating Agencies are aware that a portion of these costs are variable based on the final number of participating agencies and final negotiation of the contract by WEROC Staff with the consultant.

Staff is recommending that all agencies participate in Phase 1, as completion of the Crosswalk is key to the completion of Phases 2 and 3 based on the GAPS identified. We believe that the Phase 1 cost efforts are typically within the signing authority of our agencies. We have asked our agencies to provide a letter of commitment indicating their participation in Phase 1 efforts by July 16.

Because of the magnitude of costs for Phase 2 and 3, a funding agreement will likely require participating agency governing body approval. In order to negotiate the overall contract with our consultant, WEROC is asking for Agencies to indicate their expected participation in Phases 2 and 3 by July 16, however this is with recognition that their participation is pending their own governing board approval. If an agency realizes that due to the costs involved, they will not be participating in Phases 2 & 3, WEROC has indicated that we need to know as soon as possible. The proposed consultant is setting aside significant staff time to complete the collective work assignments over the next 2.5 years of the project timeline. If all agencies participate, the highest total contract fee involved is approximately \$4.4 million.

Below is an estimate of the expected costs for each Phase per agency. Please note each phase includes the estimated costs of the temporary employee plus a contingency of 10% for Phases 2 and 3. We have asked our agencies for a commitment to Phase 1 participation and costs, as well as preliminary commitment to the level of funding for Phases 2 & 3, by July 16. Staff will provide a verbal update to the Board on actual Phase 1 commitments and preliminary Phase 2 & 3 commitments received as of the Board meeting. Below is the estimated summary of costs.

Phase 1- Crosswalk	Phase 2- RRA*	Phase 3 – ERP*			Agency Total		
		Low	Medium	High	Low	Medium	High
\$15,099	\$83,425	\$14,624	\$32,909	\$61,566	\$113,148	\$131,432	160,090

\*These costs include a 10% contingency.

\*\* All 3 Phases include a WEROC Temp for 16 hours a week for the 2.5 years of the project. This is a skilled temp in emergency management to assist with project support.

Below is the expected timeline for Board Review and Contracts or Agreements with the Consultant, as well as Participating Agencies.

MWDOC/WEROC & Consultant	MWDOC/WEROC & Participating Agencies
WEROC Staff is doing reference checks and is starting to negotiate the Contract.	
July 2 – A&F Committee/Board Staff Report Due (WEROC Staff will provide a template staff report to Participating Agencies based on our report.)	July 2 – Participating Agency Meeting – Review consultant selection process, Commitment Letter for Phase 1, Discuss Agency Phase 2 & 3 Needs, Identify Documents Needed from each Agency, and Review Agency Phase 2 & 3 Commitment Agreement concept
July 10 – Anticipated MWDOC A&F Committee Approval	
July 17 – Anticipated MWDOC Board Approval	July 16 – Participating Agency Letter of Commitment to Phase 1 Costs, along with “Expected” Commitment to Phase 2 & 3, pending Governing Body Approval is due.
July 22 – Anticipated Notice to Proceed on Phase 1, tentative on Phases 2 & 3	July 22 – October 30, 2019 – Phase 1 Efforts
	July 22 – October 4, 2019 – Participating Agency Governing Body Approval for Agreement with MWDOC and Costs for Phase 2 & 3
October 4-30, 2019 – Finalize contract and Notice to Proceed on Phases 2 & 3	October 4, 2019 – Final Agreement with MWDOC and commitment to Phase 2 & 3 Due

## **Review and Evaluation of Proposals**

Many of the proposals were teams made up of multiple consultants to expand each proposal's capacity to serve the number of Participating Agencies and to meet the diversity of the project's needs. Proposals were received from the following consultants and teams. Note that Herndon Solutions Group (HSG) is recommended for the contract award, so a bit more detail has been provided.

1. Herndon Solutions Group (HSG) as the Primary Consultant employs 150 personnel that specialize in emergency response planning, environmental services and sustainability management. To handle the capacity of assisting up to 30 agencies, they have partnered with several subcontractors including:
  - Athena, a firm specializing in emergency preparedness and response with hands on expertise and background knowledge of Orange County water and wastewater agencies, as well as the WEROC program. Athena will serve as the Deputy Program Manager.
  - Atlas, a firm specializing in planning, climate adaptation, hazard mitigation and general safety plan elements.
  - Applied Engineering Management Corporation, Inc. (AEM), a top risk assessment leader, AEM developed the commonly used and approved PARRE software ("Program to Assist Risk & Resilience Examination), the only compliant software available today.
  - Horsley Witten Group (HW), a leading edge engineering, planning and environmental consultant firm. HW is currently providing services to EPA in support of AWIA implementation, to develop both RRA and ERP tools and guidance to help utilities in their compliance endeavors.
  - Ecology and Environment, Inc. (E&E), a fully integrated environmental consultancy with specialized practices in building resilient communities.

Herndon Solutions Group has worked with each of these sub-contractors on previous projects and a number of these consultants have worked together on a regular basis. The overall project team will be organized into 5 teams, all led by a senior staff member, to provide capacity for working on a number of agencies concurrently.

2. Willdan Financial Consultants, one of four operating divisions within the Willdan Group, Inc., is a large national firm. This division has particular expertise in emergency response plans and training. They partnered with West Yost & Associates, who specialize in water related consulting in California, Oregon and Arizona, and is updating the AWWA Water Sector Cybersecurity Risk Management Guidance.
3. Arup North America, is a large national with multi-disciplinary engineers, planners, designers and consultants. They partnered with Michael Baker International, Carollo Engineers, and Triad Consulting and System Design Group, who specializes in security management consulting and system design.

4. HDR, a national firm specializing in architecture, engineering and construction. They partnered with Claris Strategy (a LA based firm that has successfully completed prior work with MWDOC), Ankura Consulting (a nationally recognized cybersecurity risk expert), and Launch! Consulting (who helped develop the web-based AWIA training for AWWA.)
5. Hazen & Sawyer, a national water consulting group, partnered with Zivaro, who specializes in physical and cybersecurity consulting.
6. ABS Group Consulting, is recognized for providing natural and man-made risk management and engineering services. In addition to its government, commercial and private sector clients, the company has a history of successful work in vulnerability and risk assessment for multi-purpose public utilities.
7. Prestige Analytics, Inc. LLC, proposed only on the Phase 3 work for completion of up to 29 ERPs.

Overall, there was considerable strength and expertise in the various proposals, especially considering the additional talent added by sub-consultant team members. Many of the proposals had outstanding firms and assigned project individuals. The proposals were evaluated based on:

- Qualifications, 25%
- Schedule, 20%
- Approach, 20%
- Past Record of similar work, 15%
- Costs, 15%
- Innovation, 5%

The costs put forth by the various consultants had quite a range. When they were evaluated on a standardized basis, assuming all 29 agencies were included, the range in costs for five of the seven proposals were between \$4 million and \$10 million. Of the two other proposals, one only covered the Phase 3 portion of the work and another that seemed too low and lacking detailed expertise, were less than \$4 million.

The review group was comprised of representatives from IRWD, South Coast, YLWD, Santa Ana and MWDOC. After full discussion with the group and evaluating all aspects of all proposals, the unanimous recommendation was to award the contract to Herndon Solutions Group. Their proposal had the highest value for the lowest cost of the five highest ranked proposals.

The recommended award of contract with Herndon Solutions Group is in the amount of, and not to exceed \$4.4 million. As noted previously these costs are contingent upon final Participating Agency commitments. Staff is recommending a 10% contingency for Phases 2 and 3, for potential changes in scope along the way. Lastly, the total estimated costs for Phase 3 assumes the highest possible level of effort for all agencies. Although Staff does not expect all Participating Agencies to need this level of effort, it was used in order to



estimate the highest possible contract amount. Total estimated contract costs per phase is as follows:

- Phase 1 - \$412,000
- Phase 2 - \$2,289,000
- Phase 3 - \$1,685,000

WEROC staff is working with MWDOC Legal to incorporate language in the MWDOC standard consultant agreement to ensure clarity of pricing, number of participating agencies in each phase, and recognition that final participation numbers and therefore final contract amounts are contingent upon individual Participating Agency approvals. Staff will provide updates to the Board on final Participating Agency commitments for Phase 2 and 3, expected by the October MWDOC Planning and Operations Board Committee Meeting.

#### **MWDOC/WEROC Cost for AWIA Compliance**

It is a little unclear whether MWDOC as a regional wholesale water utility is required to meet the AWIA requirements. WEROC Staff have spoken to several US EPA and AWWA Emergency Management staff regarding whether MWDOC is required to meet the compliance requirements and the responses have differed. Considering the ambiguity of the requirement, and that AWIA is a national best practice for water utilities, WEROC staff recommends that MWDOC take advantage of this contract and approve staff to be involved as a Participating Agency. WEROC Staff recommend that MWDOC participate in Phase 1, Phase 2, and Phase 3 at a Medium Level of Effort for the estimated cost of \$131,000.

#### **BOARD OPTIONS**

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##### **Option #1**

- Proceed with the award to HSG to provide necessary services for up to 28 agencies to comply with the AWIA.
- Authorize the General Manager to enter into Letter Agreements or Contracts with up to 28 of our participating agencies (including two of the three cities) for cost recovery of the expenditures.
- Authorize the General Manager to hire a part-time temporary position within WEROC to coordinate the consultant's efforts with Participating Agencies. Position will be charged back to participating agencies.

**Fiscal Impact: Total estimated maximum costs of approximately \$4.5 million (including consultant contract with 10% contingency and temporary staffing costs). This is a great value for the money and offers a large savings to our agencies from facilitating a single contract.**

**Business Analysis: Great opportunity for WEROC/MWDOC to show both leadership and value to our agencies towards best practices.**

**Option #2**

- Do not proceed with the award, and therefore no need for agreements with participating agencies or the temporary position.

**Fiscal Impact:** Likely higher costs for our agencies for compliance and a concern that the 100,000+ population agencies would struggle to meet their deadlines if they were to start their own RFP process at this time. The costs for non-compliance can be assessed at \$25,000 per day.

**Business Analysis:** Would be an opportunity passed up.

**Option #3**

- Authorize MWDOC's commitment to the AWIA process at an estimated cost of \$131,000, with a 10% contingency, with combined funds from engineering, WEROC and finance to be provided.

**Fiscal Impact:** Estimated cost for MWDOC would be split between WEROC, MWDOC Engineering and MWDOC Finance Department, as the analysis and products will have benefits for the WEROC program, as well as for MWDOC. This is an unbudgeted expense and would be paid from reserves.

**Business Analysis:** This will assist Staff with other efforts to identify gaps in emergency and business continuity planning, as well as cyber-security systems, enhancing WEROC and MWDOC's overall resilience.

**STAFF RECOMMENDATION**

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**Staff recommends Options #1 and #3.**