

ITEM: ACTION ITEM

Revised July 12, 2024

9. CONSIDER AUTHORIZING ADDITIONAL FUNDS FOR THE CONTRACT WITH MAGGIORA BROTHERS DRILLING FOR REHABILITATION OF TWO ASR WELLS

Meeting Date:	July 15, 2024	Budgeted:	Partially
From:	David J. Stoldt, General Manager	Program/ Line Item:	Water Supply Projects ASR Operations & Maintenance/ 1-2-1-B
Prepared By:	Maureen Hamilton	Cost Estimate:	\$176,250.50

General Counsel Review: N/A

Committee Recommendation: The Finance and Administration Committee did not meet this month and has not reviewed this item.

CEQA Compliance: This action is a categoric exemption from CEQA under CEQA Guideline Section 15301 for “Existing Facilities.” District filed a NOE for this effort

SUMMARY:

On May 20, 2024 the Board of Directors (Board) authorized a contract with Maggiora Brother Drilling, Inc. (Maggiora) for the Rehabilitation of ASR-1 and ASR-2 Wells (Project) in the amount of \$302,985.00, plus a 10% contingency, for a total amount of \$333,283.50.

Maggiora removed and inspected both wells’ pump assemblies. Repairs were recommended that exceed the 10% contingency. Staff is requesting an additional \$176,250.50 to pay for repairs, for a new total contract amount of \$509,544.00. Of the new total, \$28,000 will remain as contingency for unforeseeable work during the well rehabilitations.

Staff met with Maggiora’s inspectors at their work yard on July 10, 2024 to finalize the repair scope and amount. The adjustment in the repair cost will be presented at the Board meeting and is deducted from this request.

Maintenance and repair work at the ASR facilities is fully reimbursable by Cal-Am per the Amended and Restated Aquifer Storage and Recovery Management and Operations Agreement executed February 23, 2021 (ASR Operations Agreement). Staff met and conferred with Cal-Am Staff on July 8, 2024 per the ASR Operations Agreement; Cal-Am staff is reviewing the information internally.

The 2024-2025 budget for the Project will not require additional funds.

Maggiora has requested additional time for the repairs; staff is reviewing the request. Staff approved required time-critical repairs using the 10% contingency previously authorized by the Board.

RECOMMENDATION: Authorize the General Manager or his designee to increase the Maggiora Brothers Drilling, Inc. contract to rehabilitate ASR1 and ASR2 wells by \$176,250.50 for a total not-to-exceed amount of \$509,544.00.

BACKGROUND: ASR-1 and ASR-2 wells experienced an event on March 6, 2024 that resulted in an injection capacity decline. To ensure maximum ASR water supply during this ongoing period of insufficient legal water supply, ASR-1 and ASR-2 must be rehabilitated between injection seasons this summer and fall. At the March 18, 2024 Board of Directors meeting, the Board found the ASR capacity loss constitutes an unexpected emergency situation and directed staff to obtain quotes for the rehabilitations.

Staff obtained quotes from three qualified contractors to perform the well rehabilitations. The lowest quote was submitted by Maggiora and the Board authorized a contract for the Project in May of 2024.

Both pump assemblies were removed and transported the last week of June to Maggiora’s work yard for inspection. Maggiora obtained quotations for repair and replacement of worn parts and submitted recommendations on July 5 in an amount totaling \$257,549.

Staff met with Maggiora on July 8 to perform an initial scope adjustment, reducing the repair cost to \$226,489. Staff met with Maggiora’s inspectors at their work yard on July 10, 2024 to review the inspection findings in light of the wells’ relatively unique function and history. The adjustment in the repair cost will be presented at the Board meeting and is deducted from this request.

Staff requests \$28,000 as future contingency for unforeseen needs during the wells’ rehabilitation. The requested future contingency is for work that may be required to effectively clean the wells.

The total request is detailed in the following table.

Request	Amount
Rehabilitation Authorized May 20, 2024	\$302,985.00
Contingency Authorized May 20, 2024	+ \$ 30,298.50
Repair Request	+ \$178,559.00
Repair Request Funded by Authorized Contingency	- \$ 30,298.50
Requested Future Contingency	+ \$ 28,000.00
<i>Total Request</i>	<i>\$509,544.00</i>
This Request = Total Request - Previous Authorization	= \$176,250.50

EXHIBIT

None