



AGENDA REPORT

Meeting Date: September 20, 2016

Item Number: D-12

To: Honorable Mayor & City Council

From: Trish Rhay, Assistant Director of Public Works
Vince Damasse, Water Resources Manager

Subject: AMENDMENT NO. 1 FOR AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND HUNT THORNTON RESOURCE STRATEGIES, LLC FOR WATER BANKING PROFESSIONAL CONSULTING SERVICES; AND

APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$75,000 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$124,970

Attachments: 1. Amendment No. 1

RECOMMENDATION

Staff recommends City Council move to approve Amendment No. 1 for an Agreement between the City of Beverly Hills and Hunt Thornton Resource Strategies, LLC for water banking professional consulting services and approve a change purchase order in the amount of \$75,000 for a total not to exceed amount of \$124,970.

INTRODUCTION

Previously, the City hired John Thornton with Hunt Thornton Resource Strategies, LLC to provide water banking planning consulting services in September 2015. This was in response to the City's adoption of the Water Enterprise Plan in December 2015. The Water Enterprise Plan identified water banking as well as the development of additional groundwater supplies in the unadjudicated Central Basin, also commonly known as the La Brea Sub-Basin, as one of several potential water portfolio alternatives.

The City is currently in the process of implementing the La Brea Sub-Basin Well, Transmission and Treatment Project in accordance with the Water Enterprise Plan. This

particular project also resides in the medium-priority Central Basin which, by Governor Jerry Brown's 2014 California legislative initiative, falls under the purview of the Sustainable Groundwater Management Act. This legislation was adopted by the Governor's office in response to the drought and the need to manage groundwater supplies in medium to high priority groundwater basins more sustainably.

DISCUSSION

The Sustainable Groundwater Management Act (Act) has several key components. The Act consists of several legislative bills that provide a framework for long-term sustainable groundwater management across California. Under the current legislation, local and regional stakeholders in medium and high priority groundwater basins are required to form Groundwater Sustainability Agencies that oversee the preparation and implementation of a local Groundwater Sustainability Plan. The City of Beverly Hills, as one of many stakeholders and a potential groundwater producer in the Central Basin (unadjudicated portion of the Central Basin), is required to comply with this requirement.

In response to the legislative requirements and the need to continue long-term strategic planning, staff is recommending augmenting its consultant's agreement with Hunt Thornton Resources Strategies, LLC to provide as-needed Sustainable Groundwater Management Act compliance support and other water planning services. Sustainable Groundwater Management Act compliance is a complex, relatively new legislative requirement that requires an understanding of varied stakeholder management with local and regional groundwater basins. The City's consultant has been initially providing the City with water banking planning services and has the regional knowledge and experience to help the City navigate through these legislative requirements.

FISCAL IMPACT

Funds have been earmarked in the FY16-17 Water Enterprise Plan budget to cover this expense.



George Chavez

Approved By

Attachment 1

AMENDMENT NO. 1 FOR AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND HUNT THORNTON RESOURCE STRATEGIES, LLC FOR WATER BANKING PROFESSIONAL CONSULTING SERVICES

NAME OF CONSULTANT: Hunt Thornton Resources Strategies, LLC

RESPONSIBLE PRINCIPAL OF CONSULTANT: John Thornton, P.E.
Partner

CONSULTANT'S ADDRESS: Hunt Thornton Resources Strategies, LLC
26 Westport
Irvine, CA 92620
Attention: John Thornton, P.E.
Partner

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: George Chavez,
Assistant City Manager

COMMENCEMENT DATE: October 1, 2016

TERMINATION DATE: December 31, 2017

CONSIDERATION: Original Agreement: Not to exceed \$46,090 for fees, and contingency not to exceed \$3,880
Not to exceed \$49,970 based on the rates set forth in Exhibit B;
Amendment No. 1: Not to exceed \$75,000 based on the rates and reimbursable expenses set forth in Exhibit B-1
Total: Not to exceed \$124,970

AMENDMENT NO. 1 FOR AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND HUNT THORNTON RESOURCE STRATEGIES, LLC FOR WATER BANKING PROFESSIONAL CONSULTING SERVICES

This Amendment No. 1 is to that certain Agreement between the City of Beverly Hills (hereinafter called "CITY"), and Hunt Thornton Resource Strategies, LLC (hereinafter called "CONSULTANT") dated September 25, 2015 and identified as Contract No. 533-15 "Agreement".

RECITALS

A. CITY and CONSULTANT entered into the Agreement for water banking professional consulting services.

B. CITY and CONSULTANT desire to amend the Agreement to add as needed Sustainable Groundwater Management Act compliance support, water banking and water planning support services, and to compensate CONSULTANT for such additional services.

NOW, THEREFORE, the parties agree as follows:

Section 1. The Termination Date shall be amended as set forth on the cover page of the Agreement.

Section 2. The Consideration shall be amended as set forth on the cover page of the Agreement.

Section 3. Exhibit A, the Scope of Work shall be amended to include the additional services attached hereto and incorporated herein as Exhibit A-1.

Section 4. Exhibit B, the Schedule of Payment and Rates shall be amended to include the rates and reimbursables attached hereto and incorporated herein as Exhibit B-1.

Section 5. Except as specifically amended by this Amendment No. 1, the remaining provisions of the Agreement shall remain in full force and effect.

EXECUTED the ____ day of _____ 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

CONSULTANT:
HUNT THORNTON RESOURCES
STRATEGIES, LLC.



JOHN THORNTON, P.E.
Partner

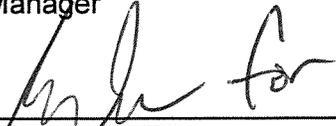
APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
City Manager



GEORGE CHAVEZ
Assistant City Manager / Director of Public Works



SHARON L'HEUREUX DRESSEL
Interim Risk Manager

EXHIBIT A-1

ADDITIONAL SCOPE OF SERVICES

CONSULTANT shall provide as-needed Sustainable Groundwater Management Act (“SGMA”) compliance support, water banking feasibility analyses services, and other as-needed water planning services as follows:

- A. Co-manage the Sustainable Groundwater Management Act, (SGMA) process for the CITY Public Works Department. Tasks may include, without limitation:
- Coordinate Management of the SGMA Group – Stakeholders group which includes in addition to CITY: Los Angeles Department of Water and Power, Culver City, Water Replenishment District of Southern California, County of Los Angeles Department of Public Works and Golden State Water Company.
 - Assist in the development of an MOU between the SGMA Group to develop the Alternative analysis.
 - Coordinate with principal stake holders to develop an alternative analysis to demonstrate groundwater sustainability in the unadjudicated northern portion of the Central Basin.
 - Provide technical information as available and as needed.
 - Prepare technical sections of the analysis when needed.
 - Provide detailed review and comments of the draft alternative analysis.
 - Assist CITY staff with presentations to the Utility Commission and Council when necessary.
 - Coordinate with DWR, SGMA staff as necessary.
 - Coordinate in behalf of CITY with review and presentations of other stake holders.
 - Coordinate with the City Attorney the development of agreements between the stake holders.
 - Provide status updates as necessary to CITY staff.

- B. Assist CITY in identifying alternative water supplies to augment their current supplies and provide a higher level of sustainability. This could include water banking, purchase of water rights, or jointly participating with other water agencies in obtaining alternative supplementary water supplies. Tasks may include:
- Reconfirm CITY's water banking goals and objectives. Review potential long and short term minimum banking requirements. Meet with CITY staff and review the water supply demands over time. Confirm the CITY's goals and objectives for joining a water bank.
 - Based on the discussion from above confirm an estimated amount of banking capacity CITY needs and develop a conceptual banking plan.
 - Screen the potential water banks that can help meet CITY's goals and objectives and make initial contacts with each. Discuss with each the availability of capacity and terms, condition, costs and type of agreement for participation in their bank. Discuss sources now and in the future for bank replenishment water.
 - Investigate the feasibility of purchasing alternative supplemental water supplies such as the purchase of water rights, recycled water, desalinated water or other supply.
 - Identify potential agencies that might be partners in participation in a water bank or other alternative water supply and initiate preliminary discussions.
 - Meet with MWDSC and discuss the concept of buying water to be banked (banking water) through them and wheeling costs. Also discuss the type of agreement that will be necessary.
 - Initiate negotiations with the potential banking partner or other supply and develop a preliminary Term Sheet.
 - Initiate negotiations with MWDSC on buying banking water through them and a wheeling agreement or other type of agreement depending on proposed supply.
 - At CITY staff's written request attend Public Utility Commission and City Council Meeting and support staff presentations.
- C. Provide other unidentified water resource planning service as requested by the CITY.

EXHIBIT B-1

RATES FOR SERVICES PROVIDED PURSUANT TO EXHIBIT A-1

HOURLY RATES *

\$240 Program Manager/Partner - John R. Thornton PE

\$250 Institutional Expert/Partner - Kevin P. Hunt PE

\$115 Technical Writer

Hourly rates shall include direct labor cost, overhead, benefits and fees. Expert witness testimony is charged at two times standard hourly rates.

The above schedule is for straight time only. Overtime will be charged at 1.35 percent of standard hourly rates. Sundays and holidays will be charged at 1.70 percent of standard hourly rates.

Reimbursable Expenses*

CITY shall reimburse CONSULTANT for the following expenses reasonably incurred in the performance of the Agreement:

Auto Mileage	Current IRS allowable
Other Travel and Living Expenses	Actual cost
Auto/Truck Rental	Actual cost + 10%
Equipment Rental	Actual cost + 10%
Postage/Freight	Actual cost + 10%
Laboratory Costs	Actual cost + 10%
Reprographics Services	Actual cost + 10%
Materials and Other Expenses	Actual cost + 10%
Subconsultants and Other Outside Services	Actual cost + 10%

CONSULTANT shall provide thirty days prior written notice of any modifications to this rate schedule.

*Effective Through December 31, 2017