

AGENDA ITEM NO.
COUNCIL MEETING

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

September 18, 2007

FROM: RENE A. RAMIREZ, Director *RAM*
Department of Public Utilities

BY: LON M. MARTIN, Assistant Director *L.M.*
Department of Public Utilities

SUBJECT: COST SHARE AGREEMENT WITH FRESNO IRRIGATION DISTRICT FOR
CONSTRUCTION OF IMPROVEMENTS TO ENTERPRISE CANAL

KEY RESULT AREA

Resource Management

RECOMMENDATION

Authorize the Director of Public Utilities to sign cost sharing agreement with Fresno Irrigation District (FID) for construction of improvements to the Enterprise Canal Flume at Fancher Creek Crossing.

EXECUTIVE SUMMARY

The Enterprise Canal is an FID-owned facility that serves to deliver water for purposes of irrigation, recharge, and municipal use at Surface Water Treatment Facilities (SWTF's) for the cities of Fresno and Clovis, and to convey winter stormwater flows. The Canal crosses over Fancher Creek in a concrete flume, constructed in the early 1900's, that is now in need of replacement. Due to increased maintenance and operational changes resulting from expanded use of the canal for purposes other than irrigation, FID is asking the cities of Fresno and Clovis, the County of Fresno and the Fresno Metropolitan Flood Control District to join them in sharing the cost of constructing a new flume. FID has obtained a \$300,000 grant to be used to offset a portion of the estimated cost. Remaining costs are to be shared by the participating agencies. The City's share of cost for replacing the flume is estimated at \$176,566 with provision for up to an additional \$17,656 (10%) should construction bids exceed estimates. In addition, the agreement includes a provision for constructing a temporary bypass around the proposed construction site. The purpose of the bypass is to allow continued delivery of water to the SWTF's of Fresno and Clovis during construction of the new flume. The additional cost of the bypass is estimated at \$85,000 and is to be shared by Fresno and Clovis. Under the proposed agreement, the City's share of cost for the bypass will not exceed \$60,000 bringing the City's total estimated project cost to \$254,222 (\$176,566 + \$17,656 + \$60,000).

KEY OBJECTIVE BALANCE

Ensuring completion of necessary improvements to the Enterprise Canal will meet the City's Key Objective Balance. Financial management is met as costs associated with SWTF downtime are reduced. Customer service is enhanced through increased water supply reliability, while employee satisfaction is created through knowledge that their efforts will produce greater water supply reliability.

REPORT TO THE CITY COUNCIL

Approve Enterprise Canal Cost Share Agreement with FID

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BACKGROUND

The Enterprise Canal is an FID-owned facility that conveys water for irrigation and recharge, and provides flood protection through diversion and conveyance of flood water during storm events. In 2004, use of the canal was expanded to include near-year around deliveries of water to SWTF's constructed by the cities of Fresno and Clovis.

Prior to use of the canal for municipal purposes, a study was completed to assess flow capacity and the potential for contamination. The study identified specific operational and infrastructure improvements necessary to maintain canal integrity and improve water reliability. One identified improvement was replacement of the Enterprise Canal Flume at Fancher Creek. The flume is a concrete structure, constructed in the early 1900's, that allows water in the Enterprise Canal to pass over Fancher Creek.

Due to the significance of the Enterprise Canal in assuring delivery of water to the SWTF, the City of Fresno, on November 15, 2004, entered into an agreement with FID to share the cost of necessary canal improvements. The agreement identifies replacement of the Fancher Creek Flume as essential. However, due to the high costs involved, the need to thoroughly investigate various design considerations and the need to allow time for the agencies to address budgetary considerations, the agreement provides that flume replacement and other specified large projects, be phased in over a five year period.

FID is now ready to proceed with flume replacement and has prepared preliminary designs with total project costs estimated at \$928,050. FID has also obtained a federal grant to be applied to the project resulting in a net project cost of \$668,050. Under the proposed agreement, net project costs for flume replacement will be shared by the cities of Fresno and Clovis, FID, the County of Fresno and the Fresno Metropolitan Flood Control District in the following amounts:

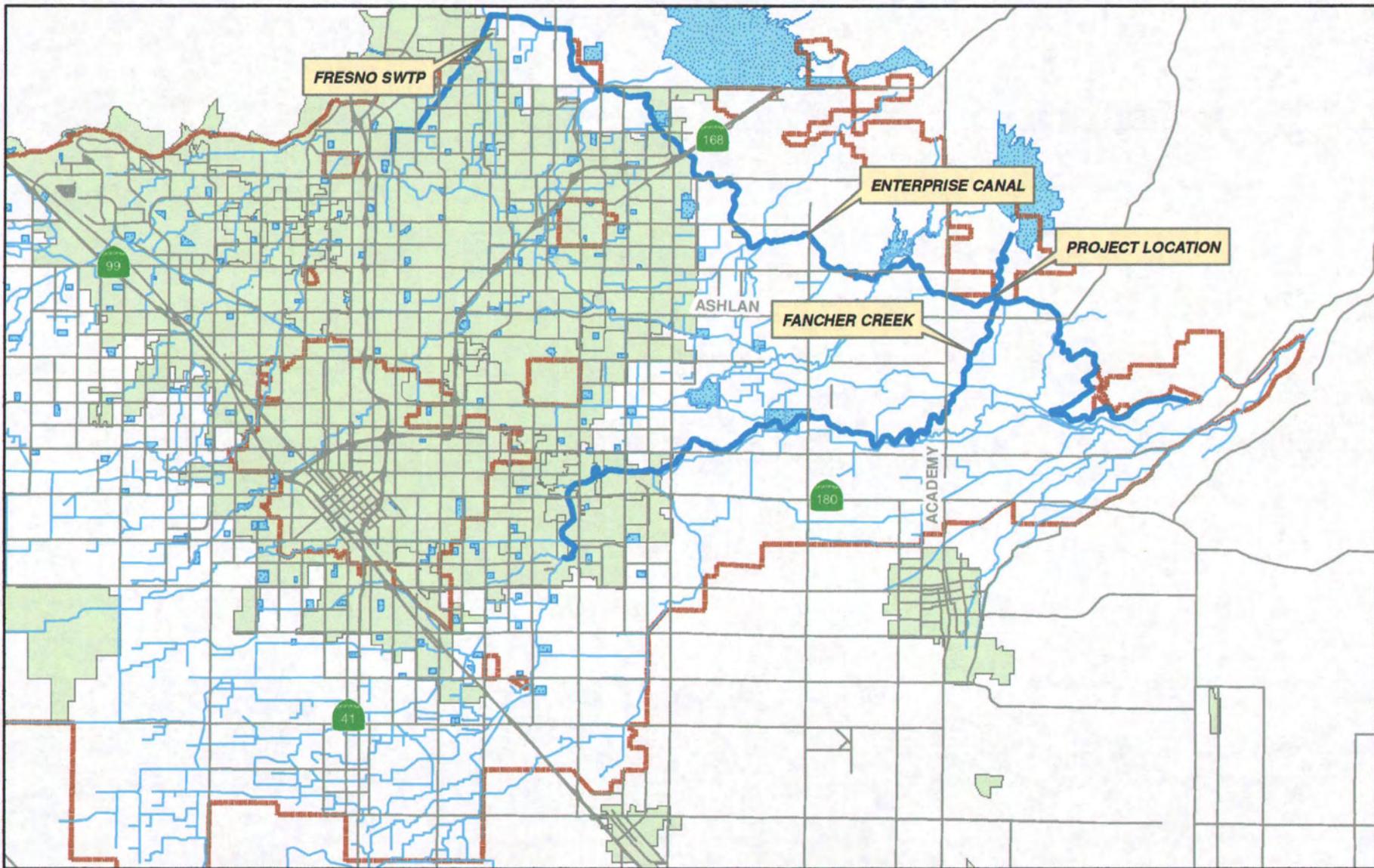
AGENCY	PERCENTAGE	COST
Fresno Irrigation District	31.91%	\$213,188
City of Fresno	26.43%	\$176,566
Fresno Metropolitan Flood Control District	20.61%	\$137,698
City of Clovis	14.31%	\$95,598
County of Fresno	6.74%	\$45,000
Total	100%	\$668,050

The agreement also includes provision for constructing a temporary bypass around the construction site to allow continued deliveries of water to the SWTF of Fresno and Clovis during construction. The cost for constructing the bypass is estimated at \$85,000 and is to be shared by Fresno and Clovis with Fresno's share not to exceed \$60,000. Completion of the bypass will avoid the loss of two months of delivery to the City's SWTF.

The agreement has been approved as to form by the City Attorney's Office.

FISCAL IMPACT

Under the proposed agreement, the City's share of net project cost is \$176,566 with the provision of up to an additional \$17,656 (10%) should construction bids exceed estimates. An additional amount up to \$60,000 will be paid for construction of the temporary bypass. Funding for the project is available from an account encumbered in fiscal year 2004-2005 (WC00039) for Enterprise Canal improvement projects identified in the City's November 15, 2004 agreement with FID.



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-  Fresno ID Boundary
-  FMFCD Basin/Reservoir
-  Fresno-Clovis and Other Communities

Exhibit 1
 Enterprise Canal and
 Fancher Creek Improvement
 Project Location