



# *Camarillo City Council*

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## **AGENDA REPORT**

Date: June 12, 2024

To: Honorable Mayor and City Councilmembers

From: Greg Ramirez, City Manager

Submitted by: Dave Klotzle, Public Works Director

Subject: North Pleasant Valley Desalter – Inframark, LLC Agreement Amendment

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### **BACKGROUND**

The City's North Pleasant Valley Desalter water treatment facility (Desalter) treats 4,500 acre-feet per year of brackish groundwater from City wells. The Desalter, located near the northwest corner of Las Posas Road and Lewis Road, started producing drinking water in January of 2023, and is estimated to produce approximately 3,800 acre-feet per year of potable water, representing a large portion of the City's overall water supply.

On January 13, 2021, City Council approved a service contract (CC Agreement No. 2021-6) with Inframark, LLC (Inframark) in the amount of \$11,415,942 for a five-year operations period as well as construction commissioning support.

On April 27, 2022, City Council approved a first amendment (CC Agreement No. 2021-6A) to the service contract with Inframark extending commissioning support services, for a total agreement amount of \$12,206,342.

Inframark is currently in the second year of their five-year operations period. The contract expires on June 30, 2027.

### **DISCUSSION**

The service contract with Inframark allows the City to reimburse unanticipated operational expenses to ensure continued operation of the Desalter. Since the start of Desalter operations, Staff and Inframark have determined the need to be able to quickly implement minor process modifications and improvements to help with Desalter reliability and uptime. These types of smaller modifications would be procured and managed by Inframark and reimbursed through Extraordinary Item Charges allowed for in the service contract. Though the service contract allows for reimbursement of these Extraordinary

Item Charges, these items are not identified in the existing Inframark fee schedule, nor is there any provision within the Inframark service contract to account for these expenses.

Staff recommends amending Inframark's service contract by adding \$200,000 to each year of the operations period starting with the third year of the operations contract which commences on July 1, 2024, to allow for City-authorized reimbursable items for unanticipated operational expenses at the Desalter.

### **FISCAL IMPACT**

Funds for the agreement amendment with Inframark are included in the FY 2024/25 Proposed Budget, Water Utility Fund, Desalter Operations Account No. 860-3670-436.32-01 in the amount of \$200,000.

### **CEQA DETERMINATIONS**

City staff has determined, in accordance with Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, that the agreement amendment with Inframark is not subject to CEQA review because it can be seen with certainty that there is no possibility that the amendment may have a significant effect on the environment because the amendment is for minor provisions within the current contract and does not change the outcome of the originally approved agreement.

### **RECOMMENDATION**

Authorize the City Manager to execute Agreement No. 2021-6B with Inframark, LLC in the amount of \$600,000 for a total amount not to exceed of \$12,806,342 for operational services for Desalter Operations.

### **ATTACHMENTS**

1. CC Agreement No. 2021-6B
2. CC Agreement No. 2021-6A
3. CC Agreement No. 2021-6

### **REFERENCE MATERIALS – AVAILABLE FOR REVIEW AT CITY HALL**

None