

# Council Business Meeting

December 4, 2018

<b>Agenda Item</b>	Approval of Dam Safety Engineer Contract Amendment	
<b>From</b>	Paula Brown PE	Public Works Director
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## **SUMMARY**

Before the Council is a professional services contract amendment in excess of 25% for Chief Dam Safety Engineer Services. As the owner/operator of Hosler Dam and Reeder Gulch Power Plant, the City of Ashland must comply with Federal Energy Regulatory Committee (FERC) requirements for the project. Specific FERC requirements include various reviews, inspections, technical studies and annual reporting requirements. This work requires specialized experience and expertise in dam safety engineering and the individual/firm performing the work must be approved by FERC. The original contract for \$80,686, was approved by council on October 17, 2017. This change order will increase the contract amount by \$38,226, or 47%, to a total of \$118,952. The contract will continue through the end of this fiscal year.

## **POLICIES, PLANS & GOALS SUPPORTED**

*Council Goals:*

4. Evaluate real property and facility assets to strategically support city mission and goals.
22. Prepare for the impact of climate change on the community.

*Department Goals:*

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

## **PREVIOUS COUNCIL ACTION**

At the October 17, 2017 business meeting, Council authorized a special procurement contract with RH2 Engineering, specifically Mr. Robert Willis, PE, to perform engineering services associated with dam safety as a FERC licensee. The contract was for \$80,686 and was expected to be completed within one year to perform inspections, assist in completing prior Part 12 revisions and initiate a new Part 12 contract with an independent consultant.

## **BACKGROUND AND ADDITIONAL INFORMATION**

The City of Ashland generates hydroelectric power at a powerhouse located at the water treatment plant. As the City is a purveyor of hydropower, it is obligated to follow FERC requirements for management and improvement of the “project” which includes Hosler Dam. The City follows FERC Part 12 dam safety requirements. These requirements set standards that must be followed to ensure the safe operation of the dam and related “project” elements and provide protection for the citizens of Ashland. As a Part 12 licensee sound and prudent engineering practices must be utilized in any action relating to the design, construction, operation, maintenance and repair or modification of the system. Each year the City must submit specialized documentation to FERC detailing the dam owner’s inspection, safety considerations, emergency concerns, and

document any work performed. This reporting and associated documentation must be stamped by an engineer with specific dam safety engineering experience and approved by FERC.

Since award of the original dam safety engineer contract work, RH2, Bob Willis, has performed numerous reporting and inspection tasks as required by FERC and within the approved scope of services. To stay within the FERC dam safety requirements for inspection and reporting, a continuation of the contract is necessary while existing staff train and support RH2 to become recognized as the City's dam safety engineer. It is the City's intent to have Scott Fleury, PE, Deputy Public Works Director, become the FERC approved Dam Safety Engineer.

### **FISCAL IMPACTS**

The change order is for \$38,226 which would bring the total expenditure to \$118,952. Funds for this purpose are appropriated in the water supply and electric funds and all costs are shared equally between the two funds. Soft costs include City staff time working with the Chief Dam Safety Engineer to develop technical documents and attending required training to eventually be recognized by FERC as a staff dam safety engineer. It is anticipated that future dam safety engineering will be completed by City staff, thereby eliminating the need for this contract and expenditure of funds in future years.

### **STAFF RECOMMENDATION**

Staff recommends approval of the change order with RH2 Engineering to perform dam safety engineer services.

### **ACTIONS, OPTIONS & POTENTIAL MOTIONS**

I move to approve a change order with RH2 Engineering, Bob Willis, PE, for Dam Safety Engineer in the amount of \$38,226, to a new not to exceed total of \$118,952.

I move to direct staff to conduct a new solicitation for the required dam safety engineer services.

### **REFERENCES & ATTACHMENTS**

Attachment 1: RH2 Contract Amendment #2

**EXHIBIT A**  
**Scope of Work**  
**City of Ashland**  
**FY 2018/19 Chief Dam Safety Engineer Services**  
**Amendment No. 2 – Continued FERC Coordination**

November 2018

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## **Background**

The City of Ashland (City), under requirement by the Federal Energy Regulatory Commission (FERC) license, is required to employ or contract with an expert approved by FERC to serve as the City's Chief Dam Safety Engineer for the Reeder Gulch Project (Project). The City contracted with RH2 Engineering, Inc., (RH2) to act as the chief dam safety engineer during Fiscal Year (FY) 2017/18 and extended that period through FY 2018/19 with Amendment No. 1 dated August 6, 2018. Amendment No. 2 provides funding for RH2's continued work as the chief dam safety engineer until FERC approves an engineer that is employed by the City. A City-employed engineer should be able to meet the qualifications within 2019.

RH2 will perform the tasks described below up to the amount included in the attached **Exhibit B - Fee Estimate**. If additional effort is needed, that extra work will be mutually determined by the City and RH2. In support of this work, RH2 will use as-is data and rely upon any data, information, or materials provided or generated by the City or others in relation to this effort. City acknowledges that a timely review and comment of documents is necessary to meet end of year deadlines for some tasks.

## **Task 1 – Obtain FERC Approval of City Employed Chief Dam Safety Engineer**

**Objective:** Obtain FERC approval of an existing City engineer to perform the duties as the designated FERC Chief Dam Safety Engineer for the Project.

### **Approach:**

- 1.1 Incorporate the designated staff member in the preparation and submittal of documents to FERC.
- 1.2 Obtain the provided or developed FERC training for City staff.
- 1.3 Prepare the City staff resume specifically for submission to FERC as the City's Chief Dam Safety Engineer.

### **Assumptions:**

- *The City will designate a licensed engineer employee for submission as the Chief Dam Safety Engineer to the FERC.*
- *Selected candidate is not guaranteed to be approved by the FERC.*

### **Provided by City:**

- Designate a staff person to be the Chief Dam Safety Engineer and provide the training and travel funds as necessary to obtain the required training.

**RH2 Deliverables:**

- Resume for the proposed Chief Dam Safety Engineer; one (1) copy in 8½-inch by 11-inch format.

**Task 2 – Dam Safety Surveillance and Monitoring**

**Objective:** Coordinate with the City to prepare and submit the necessary documents and work products to FERC for review and approval.

**Approach:**

- 2.1 Perform the inspection as Chief Dam Safety Engineer for the City’s Project jointly with the City for the 2018 calendar year and prepare the report for FERC.
- 2.2 Assist in revises the emergency action plan (EAP) based on 2018 FERC inspection comments.
- 2.3 Jointly with City staff conduct 2018 EAP training for City staff, potentially including a table top exercise of the EAP.
- 2.4 Assist with the preparation and submittal of the annual Security and Gate Opening documents to FERC before December 31, 2018.
- 2.5 Assist to revise the Owner’s Dam Safety Program (ODSP) as necessary and perform the list of work items that FERC requires of the Chief Dam Safety Engineer.
  - a) Arrange for an “Independent Consultant” review of the City’s implementation of the Owners Dam Safety Program (ODSP).
  - b) Review the construction plans for any proposed modifications or major maintenance on the Project. Assist in preparing scopes of work and in selecting consultants and contractors for work on FERC-licensed facilities.
  - c) Prepare the required certification that the Project is safe to operate.
- 2.6 Meet with FERC staff and consultants for facility inspections.

**Assumptions:**

- *The City is responsible for the controlled distribution of the updated versions of the EAP.*
- *The City will provide access and staff for on-site observations, facility inspections, and FERC meetings.*
- *Available information and occasional travel to the City for site visits, training, and meetings with City staff, will be utilized in this Task.*

**Provided by City:**

- Staff to assist in inspections and testing of facilities and plans, review, and comment on draft submittals, and formally submit them and any needed revisions to FERC.

**RH2 Deliverables:**

- Draft reports in approved FERC format for City review and comment; one (1) copy each in 8½-inch by 11-inch format and in digital form.
- Final report copies in approved FERC format for submission by the City to FERC for approval; three (3) copies each in 8½-inch by 11-inch format and a digital format version for City records.

### Task 3 – Generate or Update Required FERC Documents

**Objective:** Coordinate with the City to prepare and submit the listed required documents to FERC for review and approval.

**Approach:**

- 3.1 Assist in the update of the Dam Safety Surveillance and Monitoring Plan (DSSMP) to incorporate changes required by the Part 12 and the FERC annual inspection comments.
- 3.2 Assist with the development of the EAP annual status report for 2018.
- 3.3 Jointly with City staff complete the Security Plan.
- 3.4 Assist with preparation of the Dam Safety Surveillance and Monitoring Report (DSSMR) for 2018.
- 3.5 Update Supporting Technical Information Documents (STID) to include changes to Chapter 1 (Part 12 report), Chapter 7 (revised DSSMP), Chapter 6 (incorporate erosion analysis by AECOM).

**Provided by City:**

- Staff to assist in gathering data required for the reports and to review, comment on, and submit to the FERC the final documents once prepared.

**RH2 Deliverables:**

- Draft version of the listed documents in approved FERC format for City review and comment; one copy each in 8½-inch by 11-inch format.
- Final versions of each document meeting FERC submittal criteria for City submission to FERC for approval, which may include up to three (3) hard copies in 8½-inch by 11-inch when required by FERC and a digital format version for City records.

**Assumptions:**

- *Available information and occasional travel to the City for site visits and meetings with City staff will be required for this Task.*

### Payment

Payment for the above Scope of Work is on a time and materials basis as estimated in **Exhibit B – Fee Estimate**. The total cost of the work performed will not exceed \$49,452.00 unless specifically authorized by the City. RH2 charges shall conform to those presented in **Exhibit C – 2018 Schedule of Rates and Charges**.

**EXHIBIT B**

City of Ashland

FY 2018/19 Dam Safety Engineer Service

Amendment No. 2 - Continued FERC Coordination

Fee Estimate

Description	Staff Engineer	Project Engineer	Project Manager	Administrative Support	Total Hours	Total Labor	Total Expense	Total Cost
<b>Task 1 Obtain FERC Approval of City Employed Chief Dam Safety Engineer</b>	-	5	-	-	5	\$ 910	\$ 24	\$ 934
1.1 Incorporate the designated staff member in the preparation and submittal to FERC	-	2	-	-	2	\$ 364	\$ 9	\$ 373
1.2 Obtain FERC provided or developed training for city staff	-	2	-	-	2	\$ 364	\$ 9	\$ 373
1.3 Prepare City staff resume specifically for submission to the FERC as the City Dam Safety Engineer	-	1	-	-	1	\$ 182	\$ 6	\$ 188
<b>Task 2 Dam Safety Surveillance and Monitoring</b>	<b>49</b>	<b>91</b>	<b>4</b>	<b>1</b>	<b>145</b>	<b>\$ 24,009</b>	<b>\$ 1,837</b>	<b>\$ 25,846</b>
2.1 Perform the inspection as Chief Dam Safety Engineer	4	20	1	-	25	\$ 4,374	\$ 436	\$ 4,810
2.2 Revise EAP based on FERC 2018 inspection comments	4	3	-	-	7	\$ 1,082	\$ 27	\$ 1,109
2.3 Conduct EAP training of staff for 2018, possible table top exercise	12	16	-	1	29	\$ 4,609	\$ 442	\$ 5,051
2.4 Submit annual Security and Gate Opening documents to FERC before December 31st	1	2	-	-	3	\$ 498	\$ 25	\$ 523
2.5 Revise Owners Dam Safety Program (ODSP)	8	30	2	-	40	\$ 6,928	\$ 416	\$ 7,344
2.6 Meet with FERC staff and consultants for project inspections	20	20	1	-	41	\$ 6,518	\$ 490	\$ 7,008
<b>Task 3 Generate or Update Required FERC Documents</b>	<b>56</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>76</b>	<b>\$ 10,974</b>	<b>\$ 472</b>	<b>\$ 11,446</b>
3.1 Update DSSMP for changes from the Part 12 review and the FERC annual inspection comm	4	2	-	-	6	\$ 900	\$ 69	\$ 969
3.2 Develop EAP annual status report for 2018	8	4	-	-	12	\$ 1,800	\$ 58	\$ 1,858
3.3 Complete the Security Plan	16	5	-	-	21	\$ 3,054	\$ 80	\$ 3,134
3.4 Prepare the DSSMR for 2018	20	3	1	-	24	\$ 3,424	\$ 118	\$ 3,542
3.5 Update STID to include changes to Chapter 1 (Part 12 report), Chapter 7 (revised DSSMP), Ch	8	3	-	2	13	\$ 1,796	\$ 147	\$ 1,943
<b>PROJECT TOTAL</b>	<b>105</b>	<b>113</b>	<b>5</b>	<b>3</b>	<b>226</b>	<b>\$ 35,893</b>	<b>\$ 2,333</b>	<b>\$ 38,226</b>