



Agenda Item No. _____

File Code No. _____

CITY OF SANTA BARBARA

DRAFT

COUNCIL AGENDA REPORT

ATTACHMENT 6

AGENDA DATE: May 6, 2014

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Contract For Preliminary Design Services For Recommissioning The Charles E. Meyer Desalination Facility

RECOMMENDATION:

That Council authorize the Public Works Director to execute a Professional Services contract with (*firm*) in the amount of (estimated \$550k to \$750k) for Preliminary Design Services for Recommissioning the Charles E. Meyer Desalination Facility, and authorize the Public Works Director to approve expenditures of up to (*amount*) for extra services of (*firm*) that may result from necessary changes in the scope of work.

EXECUTIVE SUMMARY:

After three years of below average rainfall, the City declared a Drought on February 11, 2014. Cachuma and Gibraltar Reservoirs, which provide the majority of the City's water supply, are at low levels with record low rainfall in the last year. According to the City's Long Term Water Supply Plan 2011 (LTWSP2011), in this situation the City would consider using "Drought Supplies" such as State Water that is banked for use during dry periods or from the purchase of water during the critical drought period. Due to the severity of the present statewide drought, it is possible that neither of these supplies will be available. Therefore, it is prudent to consider reactivating the City desalination facility.

DISCUSSION:

BACKGROUND

In the face of a challenging water supply crisis in the late 1980's, the City of Santa Barbara (City) constructed a seawater desalination facility as an emergency supply. The production capacity of the facility was 7,500 AFY with the potential for expansion up to 10,000 AFY. The neighboring water districts of Montecito and Goleta contracted for entitlements of 1,250 AFY and 3,069 AFY, respectively, during the five year contract

period. The City had entitlement to 3,181 AFY. All sharing of costs for construction was based on these entitlements.

After the plant was constructed, it was operated between March and June of 1992. Due to abundant rainfall in the 1991-1992 winter and subsequent winters, the City's drought condition was relieved and the desalination plant was placed into a standby mode. The \$34 million total construction cost was paid off during the initial 5-year contract period by the City, Goleta Water District, and Montecito Water District, with a City share of approximately \$14.5 million. However, the Goleta and Montecito Water Districts did not elect to extend or renew their interest in the facility after the initial five year contract period.

On June 4, 1991, City voters elected to make desalination a permanent part of the City's water supply portfolio. With the approval of the Long Term Water Supply Program on July 5, 1994 (LTWSP1994) the City added the desalination facility to its permanent sources of water. An Environmental Impact Report on the LTWSP1994 was certified on May 24, 1994.

The City's intentions, as presented in its LTWSP2011, are to use the desalination facility as a drought relief measure as may be needed. A plant capacity of 3,125 AFY was used for purposes of analysis related to the LTWSP2011. However it is recommended that the capacity of the facility be re-evaluated based on circumstances in the current dry period. Also, the Montecito Water District has acknowledged an interest to participate in the facility although their degree of participation is unknown at this time.

Assuming continuation of current weather conditions, staff is preparing to be ready for to award of construction as early as April 2015. However, City staff recommends deferring the substantial cost of facility reactivation as long as reasonably possible, depending on water consumption and water supply factors.

PROJECT DESCRIPTION

The preliminary design services work consists of three phases each of which will be conducted to the extent necessary based on evolving water supply conditions:

1. Study
 - Determine the appropriate production capacity for a re-commissioned desalination facility (desal facility).
 - Examine, evaluate, and recommend appropriate technology(s) for the desal facility.
 - Determine permit requirements for the desal facility.
 - Examine financing alternatives.
2. Performance Specification

In consultation with City staff, develop a performance specification for third party contractors to submit proposals/bids to design, permit, construct, operate, and maintain the desal facility.

Prequalify contractors.

3. Proposal/bid evaluation

Assist City staff in proposal/bid evaluation and contract award.

DESIGN PHASE CONSULTANT ENGINEERING SERVICES

The RFP was sent to eleven firms with three qualified firms responding. Staff interviewed the firms and XXXXXX was found to be experienced in this type of work and most responsive to the City's needs. Staff recommends that Council authorize the Public Works Director to execute a contract with _____ in the amount of \$XXXXX for preliminary design services, \$YYYY for potential extra services, for a total amount of \$ZZZZ. At their meeting on April 14, 2014, the Water Commission voted X/X to _____.

FUNDING

There are sufficient funds in the Water Fund to cover Preliminary Design Services costs.

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Manager/RLR/mah

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office