

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

February 11, 2013

Selection of Consultant for CAP Utilization Program

Synopsis

The Board of Directors is request to approve the selection of consultant for the CAP Water Utilization Program.

Report

Metro Water District's CAP Water Utilization Program entails recovering CAP water that has been recharged at the Avra Valley Recharge Project and moving it through a pipeline to the District's Metro-Main distribution system. This effort involves various components including the recovery wells near the Avra Valley Recharge Project, a pipeline to move the water that will need to cross the Santa Cruz River, I-10, and the Railroad, a pumping station that includes land for a possible future treatment facility, and then the last stretch of pipeline to connect with the Herb Johnson Reservoir and the Metro-Main distribution system.

Over the years, the District has worked on different components of what is now the CAP Utilization Program. The District acquired the Avra Valley Recharge Project in 2010. With this acquisition, the District focused on a recharge and recovery approach for utilizing its CAP water allocation. The District participated with the Northwest Providers to have a route analysis done that was completed the end of 2009. However, under this study, the pipeline route would be added to and modified since the Avra Valley Recharge Project site would be the starting point instead of the I-10/Tangerine Road area noted in the previous route study. The District is also exploring the possibility of using existing wells near the Avra Valley Recharge Project that would serve as recovery wells.

The District has identified several necessary components of this Program but to have a complete picture of the costs estimates for the CAP Water Utilization Program along with the potential financial options assessment to fund this extensive and critical capital project. Therefore, staff has been looking to select a consultant to complete the route analysis from the recovery area to the pipeline alignment identified in the earlier study, recommend potential sites for a pump station, storage, and possible future treatment facilities and provide for a complete cost analysis for the CAP Utilization Program.

After discussing in January 2012 with the Board about the District's water resources situation, the District issued a request for proposals for the CAP Recharge/Recovery System, which included a pipeline route study and a cost analysis of the CAP Utilization Program. Six proposals were received but a recommendation for selecting a consultant was not brought before the Board for

selection since the budget did not include funding for Capital Projects that were not already underway. During the budget discussions, it was noted that a primary unfunded capital improvement project is the CAP Utilization Program due to its importance for the District's future. Specifically, \$150,000 was identified to complete this study.

At the January 14, 2013 meeting, the Board of Directors discussed how the District could continue advancing the CAP Utilization Program within the context of its financial status. With the recent refinancing and restructuring of the District's debt retirement and securing the \$400,000 loan from the Water Infrastructure Financing Authority (WIFA), the District is in a more stable financial situation that allows for funding the route study and cost analysis for the CAP Utilization Program.

By completing this last component of the analysis of the CAP Utilization Program, the District will have a better overview of the total cost estimate for this project but also for the individual components of the program including the recovery wells, pipeline, booster station, water quality of recovered water as well as blended water, and land acquisition. With these cost estimates, potential financial options would be developed with the District's financial advisor. Based on these options, the District will be able to determine how it could best proceed financially to fund the overall project.

Consultant Selection

The District published a request for Statement of Qualifications (SOQ) for this work in the Daily Territorial on March 5, 6, 7, 8, and 9, 2012. Twenty-five consultants requested instructions for the preparation of the Statement of Qualifications with six firms actually responding with proposals. The six firms include Carollo Engineers, Hanlon Engineering & Architecture, Inc, HDR, RBF Consulting, Stantec Consulting Services, Inc., and Westland Resources. The proposals were evaluated internally by staff including Mark Stratton, Chris Hill, Charlie Maish, Warren Tenney, and Mike Block. While in general the proposals were high quality, the Partners concluded that HDR is the best firm to complete the scope of the analysis for the CAP Utilization Program. HDR is national firm with a local office who has done similar projects in the State. The second recommended selection was Carollo Engineering.

Statutory requirements (A.R.S. § 34-603) regarding the procurement of professional services prohibits requesting any cost information in the selection process. The selection of professional services must be based on demonstrated competence and qualifications only.

Once the firm is approved by the Board of Directors, staff will negotiate the final scope of work and contract cost with the firm. The contract will be brought to the Board for approval. The projected time line would have the contract approved no later than the April 8, 2013 meeting.

Consultant proposals received are available for Board member review in the Board office. Funding for this contract exists in the Fiscal Year 2012-2013 budget with the securing of the \$400,000 loan from WIFA for the reclaimed line and the equipping of the Riverside Well.

Staff Recommendation

It is recommended that the Board of Directors approve the selection of HDR to perform the cost

estimate analysis of the CAP Utilization Program. If contract negotiations are unsuccessful, then District staff should proceed with contract negotiations with Carollo Engineering. A final contract and fee schedule will be presented to the Board for approval.

Staff believes this is a critical step for the District to move forward its CAP Utilization Program and make it a reality.

Suggested Motion

I move that the Board of Directors approve the selection of HDR to perform the Professional Engineering Services for the District's CAP Utilization Program. If contract negotiations are unsuccessful, then District staff should proceed with contract negotiations with Carollo Engineering. A final contract and fee schedule will be presented to the Board for approval.

Respectfully submitted,

Mark R. Stratton, P.E.
General Manager