

STAFF REPORT



ITEM NO. 10

CITY OF OCEANSIDE

DATE: August 16, 2006

TO: Honorable Mayor and City Council Members

FROM: Water Utilities Department

SUBJECT: **APPROVAL OF AMENDMENT 1 IN THE AMOUNT OF \$600,000 TO THE AGREEMENT WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE MISSION BASIN GROUNDWATER STORAGE AND RECOVERY PROJECT**

SYNOPSIS

Staff and the Utilities Commission recommend that the City Council approve Amendment 1 in the amount of \$600,000 to the agreement between the City of Oceanside and the San Diego County Water Authority (SDCWA) for the Mission Basin Groundwater Storage and Recovery Project, and authorize the Mayor to execute the amendment.

BACKGROUND

On October 29, 1998, the City Council approved a joint participation agreement between the City of Oceanside, the Metropolitan Water District (MWD) and the San Diego County Water Authority (SDCWA) for participation in the Groundwater Recovery Program (GRP). The financial incentives included made it cost-effective for the City to expand groundwater resources. The agreement was signed December 4, 1998, and was for the design and construction of the expansion of the Mission Basin facility with compensation from the MWD through the SDCWA.

The City obtained a grant of \$2,230,000 from the United States Bureau of Reclamation budget for the planning, design and construction of the project. The City Council approved the expansion of the facility from 2.2 million gallons a day (mgd) to 6.37 mgd at its meeting of November 1, 2000. The expansion included three additional production wells, nine additional monitoring wells, a high- and low-lift pump station and other miscellaneous improvements. The expansion of the plant is now complete, but the new wells 6, 7 and 8, do not produce enough water to bring the plant to its full capacity of 6.37 mgd.

In 2002, the SDCWA directed the drilling of 11 exploratory wells to map the Basin for possible future use. As a part of the drilling project, Oceanside was granted the right to analyze up to five sites with an emphasis on three that can replace the poorly performing wells 6, 7 and 8. Oceanside's share of the drilling and analysis procedure was \$778,300.

On November 19, 2003 the City Council approved Amendment 1 extending the original agreement to December 31, 2004; however the SDCWA did not follow through with execution of the amendment. This is a reiteration of the original amendment, now extending the agreement to June 30, 2007.

ANALYSIS

The SDCWA has drilled seven exploratory wells to date, with three of them exceptionally promising as production wells. The SDCWA has enlarged one exploratory well, Well No. 9, and this amendment will be for the drilling of Wells 10 and 11. These wells are at the northeast corner of Foussat Road and Mission Avenue which is also the site for new Fire Station 7 – all within one mile of the Mission Basin facility. These two sites will be enlarged to a 16-inch casing for maximum production capability, and are expected to produce enough water to bring the Mission Basin facility to its current maximum production capacity of 6.37 mgd or 18 percent of the City's average daily demand. The future goal is for Oceanside to become as independent as possible from imported water.

FISCAL IMPACT

\$11,600,000 had been appropriated for the Mission Basin Desalting (Groundwater Purification) Facility Expansion Project (715-85-7425) with \$2,230,000 received from the U.S. Bureau of Reclamation during the construction phase. Except for the production wells, the expansion project was completed at a cost of \$8,872,012. The in-depth analysis of the five sites was \$778,300 and resulted in the identification of three sites as production wells. Drilling these two additional wells will be an additional \$600,000. Therefore, adequate funds are available.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

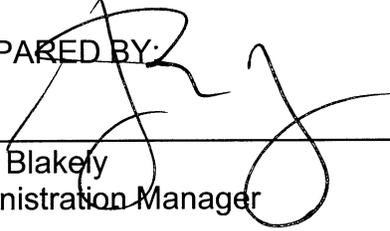
COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved staff's recommendation at its meeting on July 18, 2006.

RECOMMENDATIONS

Staff and the Utilities Commission recommend that the City Council approve Amendment 1 in the amount of \$600,000 to the agreement between the City of Oceanside and the San Diego County Water Authority (SDCWA) for the Mission Basin Groundwater Storage and Recovery Project, and authorize the Mayor to execute the amendment.

PREPARED BY:



Greg Blakely
Administration Manager

SUBMITTED BY:



Barry E. Martin
Interim City Manager

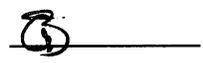
Exhibit A - Site Map
Exhibit B - Amendment No. 1

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager



Lonnie Thibodeaux, Interim Water Utilities Director



Contract Amendment No. 1
Between the San Diego County Water Authority and The City of Oceanside
for Mission Basin Groundwater Storage and Recovery Project

The contract between the City of Oceanside (Contractor) and the San Diego County Water Authority, which was executed by the parties on March 12, 2003 is hereby amended as follows:

1. The term of the contract is extended for an additional forty-two months and the termination date of this contract is changed from December 31, 2003 to June 30, 2007.
2. The total maximum amount payable under this contract is increased by \$600,000, from \$778,300 to \$1,378,300.
3. The following attachments are amended:

Exhibit A – Additional tasks added to Scope of Work.
4. All other terms, covenants, and conditions in the original agreement as amended shall remain in full force and effect and shall be applicable to this amendment.

The individuals executing this amendment to the contract represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this 1st Amendment to contract on the following date.

DATED: _____, 2006

San Diego County Water Authority

City of Oceanside

By _____
Ken Weinberg, Director of Water Resources

By _____
Jim Wood, Mayor

Approved as to form:
DANIEL S. HENTSCHKE
General Counsel
San Diego County Water Authority

Approved as to form:


City Attorney

By: _____

Attest:

City Clerk

EXHIBIT A-1
SCOPE OF WORK

The City of Oceanside will not perform any of the following tasks in the Scope of Work; Tetra Tech, under the 8th Amendment to their contract, will perform all tasks.

Add the following activities related to the construction of two large diameter test groundwater production wells in the City of Oceanside:

1. Consultant project management and administration, and technical review and oversight of large diameter test well construction and testing;
2. Permitting of test wells;
3. Preparation, advertisement, and distribution of requests for water well construction and testing bids;
4. Coordination and facilitation of a pre-bid meeting, agenda preparation, meeting minutes, and addendums.
5. Review and analysis of well construction bids.
6. Drilling, installation and cementing of conductor casing;
7. Pilot borings, and soil and groundwater sample collection;
8. Borehole geophysical surveys;
9. Aquifer zone testing for potential groundwater yield and water quality;
10. Final design of well casing, screen and filter pack;
11. Reaming of pilot hole;
12. Installation of water well casing and screen;
13. Placement of artificial filter pack, and annular seal;
14. Test well development;
15. Well and aquifer testing;
16. Video log of constructed wells;
17. Well disinfection;
18. Preparation of well construction and testing report.
19. Water Authority project administration and management.

**AGREEMENT
BETWEEN
THE CITY OF OCEANSIDE
AND
SAN DIEGO COUNTY WATER AUTHORITY**

MISSION BASIN GROUNDWATER STORAGE AND RECOVERY PROJECT

The parties to this agreement are the San Diego County Water Authority, a county water authority (AUTHORITY), and the City of Oceanside, a municipal corporation (OCEANSIDE), hereinafter referred to as a "Party" or "Parties". This agreement establishes the framework for cooperation between the AUTHORITY and OCEANSIDE for professional services provided by Tetra Tech, Inc. (TETRA TECH) to conduct groundwater storage and recovery feasibility investigations (INVESTIGATIONS) in the Mission Basin.

RECITALS:

- A. AUTHORITY is currently conducting a multi-phase study of the feasibility of groundwater storage and recovery in the Lower San Luis Rey River Valley, including the Mission and Bonsall Groundwater Basins. The AUTHORITY study is entitled "Groundwater Storage and Recovery Feasibility Study: Lower San Luis Rey River Valley" (STUDY).
- B. The Authority's STUDY is included in the Authority's Capital Improvement Program. The first phase of the STUDY identified groundwater storage and recovery project concepts in the Mission and Bonsall Groundwater Basins.
- C. TETRA TECH, INC. (CONSULTANT) has been contracted by the AUTHORITY to perform work on the STUDY, which is currently ongoing.
- D. OCEANSIDE has identified a potential project from the STUDY in the Mission Basin – the "Mission Basin Groundwater Storage and Recovery Project" (PROJECT). The PROJECT would further expand the capacity of its Mission Basin Desalting Facility. The PROJECT will in part, rely on artificial recharge to increase the average annual yield of the Mission Groundwater Basin.

B. The PARTIES agree to the following:

- AUTHORITY shall have responsibility for the day-to-day management and direction of CONSULTANT conducting the INVESTIGATIONS.
- AUTHORITY, in cooperation with OCEANSIDE, will provide general oversight and direction, through the Technical Steering Committee, to CONSULTANT to assist with the completion of the INVESTIGATIONS.
- OCEANSIDE agrees to pay the Authority for field investigations incurred by the Authority and conducted by CONSULTANT in the Mission Groundwater Basin for work authorized by OCEANSIDE.
- The financial responsibilities of OCEANSIDE among the PARTIES applies solely to those investigations identified in the scope of work attached hereto as EXHIBIT 1, Scope of Work – City of Oceanside Mission Basin Investigations (EXHIBIT 1).
- Scope of Work - City of Oceanside Mission Basin Investigations, includes review and analysis of existing cores recovered from exploratory borings previously completed, analysis of geophysical borehole logs, design and construction of test wells and piezometers, aquifer testing, spinner logging of test wells, groundwater sampling and quality analysis, numerical groundwater modeling, and the preparation of technical reports, and recommendations for production well construction and groundwater recharge. Task 1 of the scope of work is attached hereto as Exhibit 1.
- OCEANSIDE shall pay the AUTHORITY for CONSULTANT services provided to the AUTHORITY for all work described in Exhibit 1 in accordance with the not-to-exceed fee schedule attached hereto as Exhibit 2. AUTHORITY will invoice OCEANSIDE for payment of CONSULTANT services rendered and for reimbursable expenses incurred upon completion of work described in Exhibit 1. OCEANSIDE

If to AUTHORITY:

San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
ATTN: Ken Weinberg

If to OCEANSIDE:

City of Oceanside
300 North Coast Highway
Oceanside, CA 92054
ATTN: Barry Martin

Any party may change such address by notice given to the other parties as provided herein.

5. AMENDMENTS

The agreement may be amended as circumstances necessitate by written agreement executed by the PARTIES.

6. ASSIGNMENT

OCEANSIDE or AUTHORITY shall not assign, sublet, or transfer this agreement or any of the rights or interests in this agreement without the written consent of the other parties.

7. SEVERABILITY

The partial or total invalidity of one or more parts of this agreement will not affect the intent or validity of remaining parts of this agreement.

IN WITNESS WHEREOF, the PARTIES have executed this agreement as of the date below.

Date _____

**San Diego County
Water Authority**

By: _____

Ken Weinberg

Director of Water Resources

Approved as to Form:

By: _____

Daniel S. Hentschke

General Counsel

City of Oceanside

By: _____

Terry W. Johnson

Mayor

Approved as to Form:

By: _____

City Attorney