

AGENDA

REGULAR CITY COUNCIL MEETING

January 22, 2018

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Tourism Report – Lisa Farquharson, CEO Chamber of Commerce
 - B. Historic Landmarks Annual Report – Dawn Hert, Senior Planner
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORTS
10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be “pulled” from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the “Action Items” section.

- A. Approval of January 8, 2018 Regular City Council Meeting Minutes

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

from the regulatory side, the City would need to apply to the Water Resources Department to amend its water rights to include ASR, and then to obtain what is called a “limited license” to do a full scale test of ASR. Under a limited license, testing is done to determine if recovery of the water injected into the aquifer is feasible; this testing may go on for a number of years. Once the viability of ASR is demonstrated, an ASR permit can be issued.

The second aspect of implementing an ASR program would be to design and construct the system. The design for the project would need to address the following issues:

- Identify where to locate the new ASR wells.
- Acquire property, if needed.
- Develop detailed specifications of the wells and appurtenances to be constructed.
- Develop the details of connecting the new wells to the existing distribution system.
- Identify and design any distribution system improvements needed to carry larger volumes of water from the new ASR sources to the areas of water demand, primarily the Port Industrial Area.

Because there are a number of issues to be addressed and potential trade-offs and efficiencies to be considered – capacity, location, connections, trade-off in costs between potential well locations and needed piping/appurtenances, operational requirements, etc. – staff believes that there are considerable opportunities for innovation in a project of this type and magnitude. As such, and based upon the excellent experience we’re having with the current Wastewater Treatment Plant Upgrade project, staff is recommending use of another progressive design-build contract to design and construct an ASR system.

Design LLC is a growing local industry with an essential need for a very reliable, uninterrupted and robust water supply. As such, it paid the full cost of conducting the most-recent ASR feasibility study. Given the promising results of the study, Design LLC would like to assist the City in moving forward with ASR implementation. To that end, Design LLC is proposing to enter into a development agreement with the City whereby Design LLC would pay for the permitting, design engineering, construction and start-up of an ASR program and associated infrastructure. Under the proposed concept, the City would issue and administer all contracts for the design and construction of the infrastructure systems, and all water system improvements would be owned and operated by the City as part of its water utility, just as if the City were paying for the work. The anticipated project is currently envisioned to ultimately include construction of two new ASR wells, each with a production capacity of about 2000 gpm. The design and construction of each new well is conceptually estimated to cost about \$2 million each. A 2006 engineer’s estimate of the costs to construct distribution system improvements to add capacity from the Garrison Reservoir to the Port Industrial Area was \$1.7 million; that cost could now be about \$2.2 million.

Design LLC has also proposed to contract further with GSI Water Solutions to perform the work necessary to amend the City’s water rights, obtain a limited license, and ASR permits.

Staff recommends that a yet-to-be-negotiated development agreement include a provision that the costs incurred by Design LLC for construction of an ASR system qualify as credits against future Water SDCs, as allowed by the City's SDC Ordinances for construction of off-site infrastructure improvements that add capacity to the water system.

If Council supports the concept of developing and implementing an ASR program now, staff time would be required to negotiate the terms of a related development agreement with Design LLC for Council's consideration. Once Council approves a final development agreement, staff time would be required to make findings for Council's adoption by resolution allowing use of progressive design-build contracting, develop a progressive design-build contract, solicit for and select a design-build team, and administer the contracted work. Council authorization would be required for award of the progressive design-build contract, and any subsequent phases of work just as has been done with the wastewater treatment plant project.

BUDGET IMPLICATIONS: If approved, it is anticipated that the primary funds expended would be those provided by Design LLC for the development of an ASR program. The City may incur some incidental expenses associated with printing and copying of contracting documents, advertising the contract for submission of Statements of Qualification and Proposals, and conducting Proposal Workshops. It is estimated that these costs will be less than \$2000 from the Water Utility Fund.

COUNCIL ALTERNATIVES

1. **Staff Recommendation:** *Move to authorize staff to negotiate a development agreement with Design LLC to permit, design, construct, and start-up infrastructure improvements necessary to implement an Aquifer Storage and Recovery system utilizing a progressive design-build contracting method.*
2. Alternative 1: Authorize staff to negotiate a development agreement with Design LLC to permit, design, construct, and start-up infrastructure improvements necessary to implement an Aquifer Storage and Recovery system utilizing a traditional design-bid-build contracting method.
3. Alternative 2: Deny authorization to negotiate a development agreement with Design LLC and provide alternative direction to staff.