



AGENDA

IDAHO WATER RESOURCE BOARD

Board Meeting No. 8-18

September 27, 2018 at 10:00 a.m.

Idaho Water Center

Director's Conference Room

322 E Front Street

BOISE

C.L. "Butch" Otter
Governor

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

Jo Ann Cole-Hansen
Lewiston
At Large

1. Roll Call
2. Mountain Home Air Force Base Water Sustainability Project*
3. Non-Action Items for Discussion
4. Next Meeting & Adjourn

* Action Item: A vote regarding this item may be made this meeting. Identifying an item as an action item on the agenda does not require a vote to be taken on the item.

Americans with Disabilities

The meeting will be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email nikki.regent@idwr.idaho.gov or by phone at (208) 287-4800.

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Phone: (208) 287-4800 Fax: (208) 287-6700 Website: idwr.idaho.gov/IWRB/

Memorandum



To: Idaho Water Resource Board (Board)
From: Brian Patton, Executive Officer of the Board
Date: September 26, 2018
Re: Mountain Home Air Force Base Sustainable Water Supply Project

REQUIRED ACTION: Staff is seeking a decision from the Board to cancel the Design-Build-Operate (DBO) Services Procurement.

Project Concept

The Mountain Home Air Force Base (Base) currently relies on groundwater for its water supply, but diverts its water from a critical declining aquifer. In 2014, with support from the Governor and Idaho State Legislature, the Board purchased senior Snake River water rights from the Simplot Corporation to provide a water supply to the Base. The surface water will be diverted out of the C.J. Strike Reservoir and delivered to the Base where it will be treated and used for municipal purposes. The Board is expected to retain the senior water rights and enter into a contract with the Base for the delivery of water.

Project Update

Procurement for DBO Services – With the assistance of the Board’s Owner Advisor, the Board issued a Request for Qualifications (RFQ) for Design-Build-Operate Services. The specifications in the RFQ were established through utility service contract (USC) negotiations between the Board and the Base. The Board received four statements of qualifications (SOQ) and subsequently short listed three proposers. As negotiations on the USC were being finalized, the Base became aware of new contracting limitations and issued a revised USC. The revised USC terms constrain the contract value and duration. The revisions significantly modify the specifications presented to the proposers in the RFQ. Staff is asking the Board to cancel the procurement for DBO services since the modified specifications significantly change the Proposers expectations set forth in the RFQ. The Base is still committed to the project and would like to reformulate the project approach. With the executed Right-of-Way Grant from the Bureau of Land Management establishing the pipeline corridor from the C.J. Strike Shoreline to the Base, both the Base and the Board are optimistic about reformulating and delivering the project.

Owner’s Advisor Services – The Board entered into an Owner’s Advisor contract with Brown and Caldwell to assist the Board with developing preliminary engineering information to be used in the procurement process for DBO services. With a cancelled DBO procurement, there will be no need for Brown and Caldwell’s services. Brown and Caldwell will provide a final 2018 pilot study report; the report is scheduled to be completed in November and will fulfill its contractual obligations within the current phase of work in the Owner’s Advisor Contract. Upon Submitting the 2018 Pilot Study, Brown and Caldwell’s services will no longer be necessary, and its contract will be terminated.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF MOUNTAIN HOME AIR
FORCE BASE SUSTAINABLE WATER SUPPLY
PROJECT

RESOLUTION TO CANCEL THE BOARD'S
DESIGN-BUILD-OPERATE SERVICES
PROCUREMENT AND TERMINATE OWNER'S
ADVISOR CONTRACT

1 WHEREAS, the Idaho Water Resource Board ("Board") is a constitutional agency of the State of
2 Idaho and empowered by Idaho Code §42-1734 to acquire, purchase, lease or exchange land, rights, water
3 rights, easements, franchises and other property deemed necessary or proper for construction, operation
4 and maintenance of water projects; and
5

6 WHEREAS, the Mountain Home Air Force Base ("Base"), as well as surrounding agricultural wells
7 and municipal wells, draw their supply from the Mountain Home Aquifer; and
8

9 WHEREAS, the Idaho Department of Water Resources ("IDWR") estimates that the rate of
10 withdrawal from the Mountain Home Aquifer exceeds the rate of natural recharge to the aquifer and due
11 to declining ground water levels, IDWR established the Cinder Cone Butte Critical Ground Water Area in
12 1981 and the Mountain Home Ground Water Management Area in 1982; and
13

14 WHEREAS, the State of Idaho recognizes the economic value of the Base to the local and state
15 economy and supports the United States military in achieving its national security functions; and
16

17 WHEREAS, the Board purchased senior Snake River water rights and is coordinating with the Base
18 to develop a pipeline and water treatment plant to deliver treated Snake River water to the Base as a
19 long-term sustainable water supply to support the Base and its mission; and
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21 WHEREAS, the Board contracted for Owner's Advisor services on March 24, 2017 to assist the
22 Board with project development and procurement of a Design-Build-Operator (DBO) for the project; and
23

24 WHEREAS, the Board began negotiating with the Base in June of 2017 on a utility service contract
25 (USC) that would formalize the utility relationship between the Base and the Board; and
26

27 WHEREAS, the Board prepared a request for qualifications (RFQ) for DBO services based on the
28 USC negotiations; and
29

30 WHEREAS, the Board issued the RFQ and received four responses that were eventually short listed
31 to three qualified proposers that would have been invited to respond to a Request for Proposals (RFP);
32 and
33

34 WHEREAS, after initiation of the Board's DBO procurement process, the Base issued new terms
35 to the USC that did not coincide with the project as specified in the RFQ necessitating cancellation of the
36 procurement; and
37
38

39 WHEREAS, the Owner’s Advisor services were specifically obtained to assist with the DBO
40 procurement process including collection of water quality data, geotechnical investigation, topographic
41 survey, and preparation of the specifications for the RFQ and RFP; and
42

43 WHEREAS, the Owner’s Advisor has completed all assigned data collection activities and is
44 finalizing a report of the 2018 pilot testing which will complete the Owner’s Advisors contract; and
45

46 WHEREAS, significant progress has been made by the Board in developing the project including
47 securing a water supply from the Snake River, gathering preliminary design information , and executing
48 the Right-of-Way Grant from the Bureau of Land Management establishing the pipeline corridor from the
49 C.J. Strike Shoreline to the MHAFB; and
50

51 WHEREAS, the Board continues to coordinate with the Base, the Office of the Governor, Idaho’s
52 Congressional delegation and legislators to identify an alternative option for delivery and construction of
53 the project; and
54

55 WHEREAS, the funding authorized by the Board to date has been \$5.765 Million and expenditures
56 will be \$5,329,844.76 upon canceling the DBO Services Procurement and terminating the Owner’s Advisor
57 Contract;
58

59 NOW, THEREFORE BE IT RESOLVED that the Board cancel the DBO Services Procurement because
60 project specifications set forth in the RFQ have been altered as a result of the new terms presented by
61 the Base in the USC; and
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63 NOW, THEREFORE BE IT RESOLVED that the Board terminate the Owner’s Advisor Services
64 Contract Phase II upon the submittal of the final 2018 pilot study report.
65

66 DATED this 27th day of September, 2018.
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69 _____
70 ROGER CHASE, Chairman
71 Idaho Water Resource Board
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74

75 ATTEST:
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78 _____
79 VINCE ALBERDI, Secretary