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

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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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 Board 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.

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

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

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

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

WHEREAS, the Board purchased senior Snake River water rights and is coordinating with the Base to develop a pipeline and water treatment plant to deliver treated Snake River water to the Base as a long-term sustainable water supply to support the Base and its mission; and

WHEREAS, the Board contracted for Owner's Advisor services on March 24, 2017 to assist the Board with project development and procurement of a Design-Build-Operator (DBO) for the project; and

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

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

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

WHEREAS, after initiation of the Board's DBO procurement process, the Base issued new terms to the USC that did not coincide with the project as specified in the RFQ necessitating cancellation of the procurement; and
WHEREAS, the Owner’s Advisor services were specifically obtained to assist with the DBO procurement process including collection of water quality data, geotechnical investigation, topographic survey, and preparation of the specifications for the RFQ and RFP; and

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

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

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

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

NOW, THEREFORE BE IT RESOLVED that the Board cancel the DBO Services Procurement because project specifications set forth in the RFQ have been altered as a result of the new terms presented by the Base in the USC; and

NOW, THEREFORE BE IT RESOLVED that the Board terminate the Owner’s Advisor Services Contract Phase II upon the submittal of the final 2018 pilot study report.

DATED this 27th day of September, 2018.

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ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST:

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VINCE ALBERDI, Secretary