

CITY OF DANA POINT
AGENDA REPORT

Reviewed By:	
DH	X
CM	X
CA	X

DATE: JULY 13, 2005

TO: CITY MANAGER/CITY COUNCIL

FROM BRAD FOWLER, DIRECTOR OF PUBLIC WORKS AND ENGINEERING SERVICES

SUBJECT: ADOPTION OF A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF DANA POINT AND THE SOUTH COAST WATER DISTRICT FOR THE OPERATION AND MAINTENANCE OF THE SALT CREEK OZONE TREATMENT FACILITY

RECOMMENDED ACTION:

That the City Council (1) adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, APPROVING AN AGREEMENT BETWEEN THE CITY OF DANA POINT AND THE SOUTH COAST WATER DISTRICT FOR THE OPERATION AND MAINTENANCE OF THE SALT CREEK OZONE TREATMENT FACILITY

(2) authorize the City Manager to sign the agreement on the City Council's behalf once the agreement is approved and the resolution is signed; (3) authorize the City Manager to pay SCWD for the operation and maintenance of the facility pursuant to the recommended agreement, provided that the cost of said services can be increased up to 25% for actual costs and contingencies; and (4) authorize an additional expenditure for construction support services for construction project completion from budgeted funds.

ISSUES:

Should the City Council adopt the subject resolution, attached as Action Document A, approving an agreement with the South Coast Water District for the operation and maintenance of the Salt Creek Ozone Treatment Facility.

BACKGROUND:

The Salt Creek watershed is one of the larger drainage basins that flows into the Pacific Ocean within the boundaries of the City of Dana Point. Typical Salt Creek dry weather flows are from approximately 600-1,000 gallons per minute (gpm). Prior to discharge into the ocean, Salt Creek flows under Pacific Coast Highway into a 12' wide x 14' high

reinforced concrete box culvert approximately 650' long. The culvert discharges the flow at the base of the ocean bluff over a concrete apron and into the ocean. Flows from the Salt Creek watershed may contribute to bacteria levels in the Pacific Ocean that may result in beach closures due to potential risks to public health.

The City of Dana Point successfully secured grant funding from the State of California Water Resources Control Board for the design and construction of the Salt Creek Ozone Treatment Facility. The City Council has approved numerous items over the course of the project development phases including consideration of the preliminary design report, adoption of a mitigated negative declaration (environmental phase), authorization of design services, approval of various easement documents, approval of agreement with South Coast Water District (SCWD) for acceptance of backwash waste from the plant, authorization to advertise the project for construction bids, award of a construction contract, and status updates on the construction of the project.

The City Council authorized the construction of the Salt Creek Ozone Treatment Facility on April 28, 2004. The project construction commenced on June 14, 2004 and is currently underway. Significant progress has been made to date and, although the project completion date has been delayed slightly, the City plans to have the treatment facility operating in the fall of this year.

One of the key long-term components of this project is the facility operation and maintenance. The City of Dana Point does not have staff available with the technical expertise to operate this facility. Therefore, City staff approached SCWD to request that the Board of Directors and staff consider providing services to operate the City's facility. City staff worked closely with SCWD Staff, the Engineering and Operations Committee, and the Board of Directors to develop an agreement that outlines staffing and resources to properly operate and maintain the Salt Creek Ozone Treatment Facility.

DISCUSSION:

SCWD and City staff worked together to draft an agreement that outlines the specific functions to be completed to operate the Salt Creek Ozone Treatment Facility and estimate the cost. As the agreement indicates, portions of the work are related to specialty items which will be operated and maintained in part by specialty staff contracted through SCWD.

As indicated previously, the SCWD Engineering and Operations Committee and the Board of Directors have considered this item many times. Through that process and a considerable effort by both staffs, an agreement was prepared, reviewed by both agency's legal counsel, and has been fully approved by the SCWD Board of Directors based on a recommendation by the SCWD Engineering and Operations Committee.

Included herein as Supporting Document B is the staff report considered by the SCWD Board of Directors on May 26, 2005.

The operation and maintenance of the Salt Creek Ozone Treatment Facility is based on a time and materials estimate outlined in the agreement. SCWD staff does not know how much the plant will cost to operate, so a good faith estimate has been provided. As the operation of the facility commences, the costs will be tailored specifically to the level of effort required to operate the facility.

City staff recommends that the Council consider adopting the subject resolution and approve the agreement with SCWD included as Attachment A of the resolution (Action Document A).

Also, due to the storms this year and other unforeseen circumstances, the project construction completion date has been extended by several months. In order to properly staff the project and protect the City's interest in the construction of this project, City staff recommends that an expenditure be authorized for additional construction support services per the Fiscal Impact Section to cover the additional effort required over the extended construction time period.

NOTIFICATION/FOLLOW-UP:

SCWD

STRATEGIC PLAN IMPLEMENTATION:

In compliance with the Strategic Plan Initiative to restore and maintain the integrity of our ocean waters and beaches, this project's goal is improve water quality at Salt Creek Beach Park.

FISCAL IMPACT:

The agreement with SCWD is based upon a time and materials estimate based upon the construction drawings for the plant. The current man-hour and equipment estimate is \$96,320 per year for the operation and maintenance of the facility excluding the possible contingency of 25%. This amount does not include requiring testing costs.

The FY 05/06 and FY 06/07 budget includes funding for the cost of the operation and maintenance, as well as contingencies.

As a result of delays to the construction, City staff recommends that an additional expenditure be authorized for construction support services in the amount of \$95,000 to work with the Contractor to finish the project. Relative to the additional construction support services, there is sufficient budgeted funding to support the recommended expenditure of \$95,000 in CIP Account #1154, Salt Creek Treatment Project.

ALTERNATIVE ACTIONS:

- 1. City Council-directed alternative action.

ACTION DOCUMENTS:

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SUPPORTING DOCUMENTS:

None

ACTION DOCUMENT A: Resolution**RESOLUTION NO.****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, APPROVING AN AGREEMENT BETWEEN THE CITY OF DANA POINT AND THE SOUTH COAST WATER DISTRICT FOR THE OPERATION AND MAINTENANCE OF THE SALT CREEK OZONE TREATMENT FACILITY**

THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the State Water Resources Control Board, under the Clean Beaches Initiative Grant Program, is funding a portion of the costs of a project to improve overall water quality at Salt Creek Beach Park;

WHEREAS, Dana Point is a co-permittee of the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System ("MS4") Storm Water Permit No. CAS0108740 (Order No. R9-2002-0001) issued by the San Diego Regional Water Quality Control Board (SDRWQCB);

WHEREAS, the County of Orange owns and maintains the outlet of Salt Creek, the "Salt Creek Storm Drain," which discharges into the Salt Creek Beach Park;

WHEREAS, Dana Point, in conjunction with the County of Orange, has identified the Salt Creek Storm Drain as a storm drain (creek) that has varying levels of elevated bacteria concentration at the outlet on the beach at various times of the year;

WHEREAS, Dana Point is constructing an Ozone Treatment Facility to reduce the bacterial concentrations at the beach and is responsible to arrange for the effective operation and maintenance of the facility;

WHEREAS, the South Coast Water District Board of Directors approved the agreement for operation and maintenance of the Salt Creek Ozone Treatment Facility on May 26, 2005; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Dana Point does hereby resolve as follows:

Section 1. The City of Dana Point:

- A. Approves the agreement included in "Attachment A" and agrees to comply with all requirements of the subject agreement; and
- B. Agrees to assume payment of all costs associated with the operation and maintenance of the Salt Creek Ozone Treatment Facility in accordance with the agreement.

Section 2. City Clerk is directed to certify the Resolution.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2005.

WAYNE RAYFIELD, MAYOR

ATTEST:

Elizabeth Ehring, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF DANA POINT)

I, _____, City Clerk of the City of Dana Point, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. _____ adopted by the City Council of the City of Dana Point, California, at a regular meeting thereof held on the ____ day of _____, 2005, by the following vote:

AYES:

NOES:

ABSENT:

(SEAL)

ELIZABETH EHRING, CITY CLERK

Attachment A

Hard Copy Provided