



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 7, 2016

ITEM NUMBER: **CC-4**

SUBJECT: COOPERATIVE AGREEMENT BETWEEN THE CITY OF SANTA ANA AND THE CITY OF COSTA MESA FOR THE CONSTRUCTION OF A PORTION OF THE SANTA ANA DELHI DIVERSION CHANNEL PROJECT

DATE: MAY 26, 2016

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: BALTAZAR MEJIA, ACTING CITY ENGINEER
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RECOMMENDATION:

1. Approve a Cooperative Agreement with the City of Santa Ana for the construction of a portion of the Santa Ana-Delhi Channel Project within the limits of the City of Costa Mesa.
2. Authorize the Chief Executive Officer and City Clerk to execute the Cooperative Agreement.

BACKGROUND:

The project proposes to divert dry weather low-flow urban discharges from the Santa Ana-Delhi Channel into the Orange County Sanitation District (OCSD) trunk sewer main to address surface water quality issues in accordance with the Orange County Municipal Separate Storm Sewer System (MS4) permit. The primary intent of the diversion system is to address the current Selenium Total Maximum Daily Load (TMDL) requirements. In addition, it will address TMDLs for bacteria, trash, toxics, metals, nutrients and remove dry weather flow discharges to the Upper Newport Bay from the Santa Ana Delhi Channel, and therefore, effectively reduce pollutant loads to the bay.

A number of agencies are involved in the funding of this project and are entering into a 25-year agreement to design, build, and maintain it. The agencies involved include the Orange County Flood Control District, the County of Orange, the cities of Santa Ana, Newport Beach, and Costa Mesa, the Irvine Water District (IRWD), and the Orange County Water District (OCWD). The City of Santa Ana is the lead agency for this project, assuming the role for the coordination, design, and administration.

The total project cost is approximately \$9.4 million consisting of a Project Capital Cost of \$8.4 million and an Operating and Maintenance Cost (O&M) of \$1.0 million. The City of Costa Mesa's share of the project cost including both capital and O&M costs is a not to exceed amount of \$600,000.00.

ANALYSIS:

The scope of work for the project includes the installation of the Diversion Structure (debris/trash collection unit) in the channel and the construction of a forced main storm drain pipeline along the Delhi Channel and Bristol Street, which ends at Baker Street where it ties to the Orange County Sanitation District sewer main.

The City of Costa Mesa currently has two major projects proposed to be constructed within the limits of the Santa Ana Delhi Channel Diversion Project, the Bristol Street Pavement Rehabilitation Project and the Bristol Street Median Improvement Project. In order to achieve significant savings and avoid construction conflicts, the City of Costa Mesa will take the lead to administer the construction of the portion of the Diversion Project forced main pipeline within the limits of the street rehabilitation and median improvement projects. All three projects are being combined to be executed under a single contract. Savings anticipated from this approach include those realized from reduced construction management, equipment mobilization, street reconstruction costs, reduced traffic control, as well as a reduced construction schedule.

To realize these cost savings, and allow all three projects to proceed together without delays, the City of Santa Ana and the City of Costa Mesa desire to enter into a Cooperative Agreement. This agreement outlines a funding exchange in which Santa Ana will advance funds to the City of Costa Mesa, in an amount not to exceed \$1,100,000.00 to allow for the portion of the Diversion Project between Newport Boulevard and Baker Street to move to the bid award and construction phases. The advance is comprised of the City of Costa Mesa's share for the entire project in the amount of \$600,000.00 and the City of Santa Ana's share of the construction cost for the Delhi portion of \$500,000.00. The Cooperative Agreement requires the City of Costa Mesa to reimburse the City of Santa Ana for its \$600,000.00 share by January 31, 2017.

ALTERNATIVES CONSIDERED:

The City Council may elect not to approve the Agreement. However, this alternative is not recommended as this will cause the Diversion project not to proceed as proposed. The City of Costa Mesa is a partner to the Diversion project and the majority of the pipeline is within the City's right-of-way. As a result, the future construction of the pipeline within the limits of the two City projects will require reconstruction of Bristol Street as per the City's moratorium requirements for recently paved streets and increase the overall project cost, including the City's share.

FISCAL REVIEW:

The City's share for the Delhi Channel Diversion Project is not to exceed \$600,000.00. This amount includes the capital cost for the construction and operating/maintenance cost to cover the long term maintenance of the project.

Funding is being requested in the Fiscal Year 2016-2017 Capital Improvement Budget from the Capital Improvement Fund to cover the share of Costa Mesa's cost of construction and maintenance of the Delhi Channel Diversion Project.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Cooperation Agreement as to form.

CONCLUSION:

Approval of the Cooperative Agreement is being recommended. A major part of this project is located within the City of Costa Mesa's right-of-way. The City of Santa Ana has taken the lead role in the coordination, design, and administration of the overall Delhi Channel Diversion Project. The attached Cooperative Agreement will provide funds to facilitate the construction of a portion of the project within the City of Costa Mesa's right-of-way. Staff recommends that the City Council authorize the Chief Executive Officer and the City Clerk to execute the Cooperative Agreement.

ERNESTO MUNOZ
Public Services Director

BALTAZAR MEJIA
Acting City Engineer

ATTACHMENTS: [1 - Cooperative Agreement](#)
 [2 - Vicinity Map](#)

DISTRIBUTION: Chief Executive Officer
 Assistant Chief Executive Officer
 City Attorney
 City Clerk
 Staff
 File