

# Agenda Report

August 12, 2013

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH KLEINSCHMIDT ASSOCIATES TO PROVIDE CONSULTING SERVICES FOR THE RE-LICENSING OF AZUSA HYDROELECTRIC PLANT WITH THE FEDERAL ENERGY REGULATORY COMMISSION**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed contract with Kleinschmidt Associates ("Kleinschmidt") is exempt from the California Environmental Quality Act ("CEQA") Guidelines in accordance with Section 15061 (General Rule); and
2. Authorize the City Manager to enter into a contract with Kleinschmidt to provide consulting services during the Federal Energy Regulatory Commission re-licensing of the Azusa Hydroelectric Plant for three years or after using the not-to-exceed budget amount of \$250,000, whichever occurs first; with up to two additional one-year extensions, each of which is not to exceed \$100,000, subject to approval by the City Manager.

## **BACKGROUND:**

Pasadena Water & Power ("PWP") owns and operates the Azusa Hydroelectric Plant, a 3 MW hydro-electric plant located in Azusa, California. The hydro plant is located at the mouth of the Azusa Canyon and has been in operation since 1898. Water is delivered to the hydro plant by the Azusa Conduit, a five and half mile gravity fed conduit that starts in a sandbox at San Gabriel Dam. The plant currently in operation was constructed in 1948 and has had only minor upgrades since installation. The energy produced by the plant is an important lower cost resource of the City of Pasadena's ("City") renewable portfolio.

The Federal Energy Regulatory Commission ("FERC") issued the current license for project No. 1250, Azusa Hydro, on January 5, 1989. The license is valid for a period of 30 years; therefore, the current license expires on December 30, 2018. The City must

initiate the re-licensing process by filing a Notice of Intent ("NOI") and Pre-application Document ("PAD") prior to December 30, 2013.

A Request for Proposals ("RFP") for Azusa Hydro Re-licensing services was posted on the City's website on June 25, 2013. The RFP was received by twenty firms; three firms responded. The proposals received were independently evaluated by four City staff members based on the criteria stated in the RFP. The evaluation yielded the following scores:

<u>BIDDERS</u>	<u>EVALUATED SCORE</u>
Kleinschmidt Associates, Gresham, OR	85
MWH Americas, Inc., Arcadia, CA	79
Tetra Tech, Inc., Irvine, CA	76

Kleinschmidt met the requirements of the RFP, received the highest evaluated score, and is therefore recommended for award of the proposed contract.

The proposed contract will provide consulting support and expertise as preparation for and throughout the re-licensing process. The specific services to be provided by Kleinschmidt will be defined in a task order letter issued by the General Manager based on the need for each task and the type of support required.

The proposed contract amount of not-to-exceed \$250,000 is based on the hourly rates provided in the Kleinschmidt proposal and the amount of work estimated by staff. The duration of the proposed contract shall be three years, or after the not-to-exceed budget amount of \$250,000 has been expended, whichever occurs first, with up to two additional one-year extensions, each of which is not to exceed \$100,000, subject to approval by the City Manager.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the Living Wage Ordinance, Pasadena Municipal Code 4.11.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract supports the City Council strategic goal to improve, maintain, and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life and safety of the community.

**ENVIRONMENTAL ANALYSIS:**

The proposed action is the execution of an agreement for professional services for consulting for the re-licensing of the Azusa Hydroelectric Plan. This action has been

determined to be exempt from the CEQA process pursuant to State CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question, such as executing a professional services agreement for consulting services, may have a significant effect on the environment, the activity is not subject to CEQA. This action does not have the potential for causing a significant effect on the environment and are therefore exempt from CEQA per Section 15061(b)(3) (General Rule). Construction activities or modifications to the existing infrastructure will not be undertaken pursuant to this contract; however, the environmental impact of the Azusa Hydroelectric Plant will be evaluated as part of the FERC re-licensing process through the CEQA and National Environmental Policy Act processes.

**FISCAL IMPACT:**

The cost of this action will be \$450,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations to Power Operating Budget Fund 401 (Account 8115-401-841200). It is anticipated that \$100,000 of the cost will be spent during the current fiscal year. The remainder will be spent over the next four fiscal years.

There are no other anticipated impacts to other operational programs or capital projects as a result of this action.

Respectfully submitted,

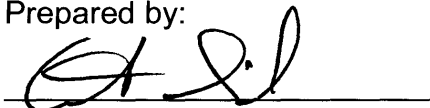


PHYLLIS E. CURRIE

General Manager

Water and Power Department

Prepared by:



Arturo Silva

Power Production Supervisor

Power Supply Business Unit

Approved by:



MICHAEL J. BECK

City Manager

**Disclosure Pursuant to the  
City of Pasadena Taxpayer Protection Amendment  
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

*(If printing, please print legibly. Use additional sheets as necessary.)*

1. Contractor/Organization Name: Kleinschmidt Associates

2. Type of Entity:  
 non-government       non-profit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:  
See Attached

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:  
None

Prepared by: 

Title: Jon M. Christensen, Executive Vice President

Phone: 207-416-1254

Date: June 28, 2013



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