



## AB 1957: Paradise Irrigation District- Design Build Authority

### SUMMARY

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AB 1957 would help Paradise Irrigation District (PID) recover from the devastating impacts of the Camp Fire by authorizing the use of design-build contract procurement for a pipeline from Paradise to Chico.

### ISSUE BACKGROUND

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PID is a special district which provides drinking water service to the town of Paradise. The district was severely impacted by the 2018 Camp Fire, losing most of its ratepayer base. While the State has provided some backfill funding, this funding is temporary and the district must diversify its revenue streams to remain viable.

PID is currently conducting a study to evaluate options for long-term operations. One of the options being considered is expanding PID's distribution system, thereby giving them the ability to sell excess water.

PID's reservoirs and treatment plant were largely undamaged by the Camp Fire. However, the loss of businesses and homes in Paradise translates into approximately 4,500 to 5,000 acre feet of water that PID will now save in its reservoirs. Expanding distribution pipelines would allow this treated water to be delivered to other areas within Butte County that are currently groundwater dependent. The district could also transfer untreated water to agricultural users in the county.

Unfortunately, PID is restricted in the methods of procurement they may utilize to construct such a pipeline. Project delivery system choice is an important part of the eventual success or failure of a project as it determines the contractual structure for how a project is procured and provided. Though some exemptions have been made, historically, public projects are limited to the design-bid-build (DBB) delivery method. DBB requires separate contracts for the design and construction of a project.

While there are benefits to DBB like an impartial design team and builders bidding on the same design, there are also several drawbacks. DBB could fail to account for unexpected costs during construction and could have

higher redesign costs. Alternative delivery methods, like design-build, can be more cost effective by creating efficiencies that are difficult to achieve with the traditional DBB method.

### SOLUTION

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AB 1957 authorizes PID to utilize the design-build procurement method for the construction of a pipeline from Paradise to Chico. This project would help PID diversify its revenue streams while ensuring high quality work, cost certainty, and greater flexibility in contracting.

### AUTHOR STATEMENT

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"As the community of Paradise recovers from the devastating impacts of the Camp Fire, it is essential that critical infrastructure and services are restored as soon as Possible. AB 1957 would help Paradise Irrigation District build a pipeline to help it remain financially viable and able to provide safe and affordable drinking water for the town."

### SUPPORT

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- Butte County
- Chico Chamber of Commerce
- Paradise Irrigation District
- State Building and Construction Trades Council of California

### OPPOSITION

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None on File

### MORE INFORMATION

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