CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on September 5, 2017 at 7:00 p.m.

Posted: September 1, 2017 at 3:00 p.m.

Any written materials distributed to the Board in connection with this agenda will be made available at the same time for public inspection at the District office located at the above address.

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the subject matter jurisdiction of the Board. This opportunity is non-transferable and speakers are limited to one three (3) minute comment.

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Adjourned Regular Meeting on August 15, 2017.

Action Calendar

The public shall have an opportunity to comment on any action item as each item is considered by the Board prior to action being taken. This opportunity is non-transferable and speakers are limited to one two (2) minute comment.

1. **Adopt Post-Issuance Tax Compliance Policy – **Consideration and motion to adopt a Tax Compliance Policy related to the refinancing of the 2007 Certificates of Participation.
2. **CVWD's Well 2 and Related Facilities, Project E-956 –** Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, California Building Evaluation & Construction, Inc. for the construction of Well 2 and related facilities at a cost of $1,245,501 and establish a contingency amount of $124,550 (10% of contract) to cover the cost of unforeseen or additional work.
3. **CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956** – Consideration and motion to authorize the General Manager to amend the existing professional service agreement with SA Associates, Inc. to provide additional engineering services and construction support services for CVWD's Well 2 and related facilities at Ordunio Reservoir for a not-to-exceed cost of $71,600.

Information Items

Written Communications to District/Board of Directors

General Manager's Report

Attorney Report

Reports of Committees

- **Engineering Committee**
- **Finance Committee**
- **Employee Relations Committee**
- **Policy Committee**
- **Community Relations/Water Conservation Committee**
- **Emergency Planning Committee**

Director's Oral Reports

Report on issues, meetings, or activities attended by Directors.

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT
REGULAR MEETING, BOARD OF DIRECTORS
August 15, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting of July 11, 2017, a Regular Meeting was held on August 15, 2017, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

At roll call, the following Directors and staff members were present:

Directors:	**James D. Bodnar** **Michael L. Claessens** **Kerry D. Erickson** **Kenneth R. Putnam** **Judy L. Tejeda**
Attorney:	**Thomas S. Bunn**
General Manager:	**Thomas A. Love**
Secretary-Treasurer:	**Ron L. Mitchell**
District Engineer:	**David S. Gould**
Others Present:	**Christy Scott, Program Specialist** **Wendy Holloway, Customer Accounts Supervisor** **Dennis Maxwell, Superintendent** **James Lee, Accountant** **Kathy Ross, FMWD Director** **Richard Brandis, Brandis Tallman LLC** **Nicki Tallman, Brandis Tallman LLC** **Danny Kim, Nixon Peabody, LLP**

PLEDGE OF ALLEGIANCE

President Bodnar opened the meeting by asking Director Erickson to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Tejeda, seconded by Director Putnam and carried by a 5-0 vote that the Agenda for the Regular Meeting of August 15, 2017 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Kathy Ross reported on the last FMWD meeting held on July 17, 2017 and the Water Resource Committee Meeting. She said the water sales are up for the year end with overall conservation is at 24%. She also reported that MWD has plenty of water and is looking for more ways of storing it. On September 23, 2017 at Descanso Gardens, there will be an event entitled Wet and Wonderful Water Festival.

CONSENT CALENDAR

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on July 11, 2017, attendance at the 2017 ACWA Fall Conference to be held November 28 – December 1, 2017 in Anaheim, CA, and to authorize the General Manager to advertise for bids for steel reservoir rehabilitation at Oak Creek #1 & #2 Reservoirs with an engineer's construction estimate of $658,000 and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA).

It was moved by Director Tejeda, seconded by Director Claessens at carried by a 5-0 vote to ratify the disbursements for July 2017.

Payment of demands against the Crescenta Valley Water District on or before July 31, 2017 the same having been approved by the General Manager, Thomas A. Love, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of One Million, Six Hundred Twenty Two Thousand, Eight Hundred Seventy Eight Dollars and Seventy Six Cents (1,622,878.76) which is composed of the individual items set forth herein.

ACTION CALENDAR

Appeal of a High Water Bill – Mr. Mitchell reported the owner at 3307 Park Vista, Ms. Duncan, received a high water billing for the May 31, 2017 billing. Staff sent this out to have this re-read and check for leaks and it showed no leaks and the read was correct. Staff also went out on June 12th and on July 18th to check again and took a final reading on July 28th that showed no leaks. The billing for the July 31, 2017 showed her consumption is back to normal. Because there was no leak detected at the house, staff has not granted any relief in the form of an adjustment. If the Board directs staff to recalculate the bill charging only tier 2 rates for the usage in tier 3 it would result in a reduction of $429.37.

Following discussion:
It was moved by Director Putnam, seconded by Director Erickson, and carried by a 5-0 vote to bill the excess water usage at a tier 2 rate and directed staff to allow an amortization of the balance for 2 years.

Appeal of a High Water Bill – Mr. Mitchell reported Kyoung Koo, the owner at 5311 Ramsdell, received a high water bill for the June 30, 2017 billing of 202 units of consumption. Staff re-read the meter on July 7, 2017 that showed no leaks and the read was correct. On July 17, 2017, Mr. Koo brought in a leak letter and the repair bill that was dated July 1, 2017. On that date staff was informed that the leak had been repaired and the meter was re-checked to verify the lead was fixed. Staff processed the maximum leak adjustment of $300.00. Mr. Koo contacted the office on August 8, 2017 to request an appeal to the Board of Directors. Staff re-calculated the bill in question charging only tier 2 rate for all the usage over the average consumption. This shows that the bill would be $1,494.67 instead of $2,118.19 which was billed or a difference of $623.52. Since staff already credited the adjustment of $300.00, the additional credit adjustment would be for $323.52.
Following discussion:

It was moved by Director Putnam, seconded by Director Tejeda and carried by a 5-0 vote to bill the excess usage at a tier 2 rate and directed staff to allow an amortization of the balance for 2 years.

<u>Resolution No. 738</u> – Mr. Love requested the Board adopt Resolution No. 738 necessary to move forward with completing the refinancing transaction. Legal Counsel requested, and the Board approved, that the Post Issuance Tax Compliance Policy and Procedures be pulled from the Resolution at this time to provide additional time for a complete review and understanding. He said that the District can adopt the revised Resolution and be in full compliance with all provisions. The removed item will be brought back at a future meeting for adoption.

Following discussion:

It was moved by Director Claessens and seconded by Director Tejeda to adopt Resolution No. 738 with amendments by the following roll call vote:

AYES:	**Director Bodnar**
AYES:	**Director Claessens**
AYES:	**Director Erickson**
AYES:	**Director Putnam**
AYES:	**Director Tejeda**
NOES:	**None**

<u>CVWD's Well 2 and Related Facilities, Project E-956</u> – Mr. Gould reported that staff sent Request for Proposals to four firms qualified to provide construction management services for Well 2. Proposals were received on August 2, 2017 from three firms and one firm declined to bid due to insufficient availability of staff. It is staff's recommendation to enter into an agreement with Cannon for quality control inspections and construction management services at a not-to-exceed cost of $128,614.

Following discussion:

It was moved by Director Claessens, seconded by Director Putnam and carried by a 5-0 vote to authorize the General Manager to enter into an agreement with Cannon Corporation for quality control inspection services for Well 2 and related facilities at a not-to-exceed cost of $128,614 and establish a contingency in the amount of $12,861 (10% of contract) to cover the cost of additional work.

<u>FY 2017/18 Grant Assistance Consulting Services, Project M-965</u> – Mr. Love reported that staff requested John Robinson Consulting, Inc. (JRC) to provide a new time & materials proposal for grant assistance and project management services during for FY 2017/18. JRC provided a proposal for $30,000 and staff recommends that the General Manager enter into an agreement for a time & material contract at a not-to-exceed cost of $30,000.

Following discussion:

It was moved by Director Claessens, seconded by Director Putnam and carried by a 5-0 vote to authorize the General Manager to enter into an agreement with John Robinson Consulting to provide services for coordination and preparation of applications for State and Federal Grant at a not-to-exceed cost of $30,000 and establish a contingency amount of $3,000 (10% of contract) to cover the cost of additional work.

INFORMATION ITEMS – Director Tejeda provided a newspaper article, Yucaipa Valley Water District hosts South Korean representatives to its processing systems at sewer plant. CalPERS: reports preliminary 11.2% investments return for Fiscal Year 2016-17

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL

GENERAL MANAGER **–** Mr. Love reported on staffing, General Manager activities, the Fiscal Year End Budget variance report, engineering operations, investment summary, and water quality. He reported on the water production for the period of July 1 through July 31, 2017, saying water production averaged 128.2 million gallons per day, which is **4.2% more** than the daily average production of the same period in 2016. This is **5.0% less** from the daily average production of the previous five years. He also reported on the leak detection process, the completion of the Pennsylvania Avenue pipeline, and water quality issues.

There is one employee who has a work anniversary in August; Darlene Telles has been with the District 4 years.

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ATTORNEY **–** Mr. Bunn reported on a program that will assist low income homes with their water bills saying that the State Board plans to achieve this by February 1, 2018. He reported on legislation including SB623 which assists disadvantaged communities in needs of drinking water, Friedman bills, the Governor's order on water conservation, AB466 which the ULARA & Tributary Working Group has been tasked to come up with a revitalization plan for the Upper Los Angeles River and the tributaries such as the Verdugo Basin.

REPORTS OF COMMITTEES

Engineering Committee – Mr. Gould reported that the Committee met on August 10, 2017 at 9:00 a.m. and reviewed the status of the groundwater wells and well capacity, award of contract – FY 2017/18 Grant Consultant Services, Project M-965, award of contract for Quality Control Inspection Services Construction for Well 2 and related facilities at 4209 Lowell Ave, Project E-956, advertise for bids for the steel reservoir rehabilitation at Oak Creek #1 & #2 Reservoirs, and project E-970. The Committee will meet on August 31, 2017 at 9:00 a.m.

Finance Committee **–** Director Tejeda reported that the Committee met on August 10, 2017 at 4:00 p.m., and reviewed the Fiscal Year 2016/17 preliminary year end budget variance summary for the water and wastewater funds, the Bond refinance issue, and the grant consultants.

Employee Relations Committee – Director Putnam reported that the Committee had not met; however a meeting will be scheduled as needed.

Policy Committee – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

Community Relations/Water Conservation Committee – Director Erickson reported that the Committee had not met; however a meeting will be scheduled as needed.

Emergency Planning Committee **–** Director Bodnar reported that the Committee met on July 13, 2017 at 4:00 p.m. and discussed the Public Water Agency Group emergency preparedness coordinator, the CVWD emergency response plan and the FMWD Mutual Aid Agreement.

<u>Executive Committee</u> – Director Bodnar reported that the Committee had not met; however a meeting will scheduled as needed.

DIRECTORS ORAL REPORTS

Director Bodnar reported that he attended the National Night Out on August 1st, and tomorrow he will be attending the Water Education Seminar at Santiago College.

Director Claessens – No Report

Director Tejeda congratulated Director Erickson on his 50th wedding anniversary. She attended the Chamber of Commerce meeting last week and the National Night Out on August 1st. She will be going to Salem, Oregon to watch the eclipse.

Director Putnam reported that the 2007 Water Master Plan was not completed until 2010. We should set a date to do the 2018 Water Master Plan so it won't be overdue.

Director Erickson – No report

ADJOURNMENT

There being no other business to come before the Board at 9:07 p.m., it was moved by Director Tejeda and seconded by Director Claessens and carried by a 5-0 vote that the meeting be adjourned to September 5, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar	Ron L. Mitchell
President	Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
September 5, 2017

To: Honorable President and Members of the Board of Directors

From: Ron L. Mitchell, Secretary-Treasurer

Subject: **Adopt Post-Issuance Tax Compliance Policy**

ACTION ITEM:

Adopt Post-Issuance Tax Compliance Policy – Consideration and motion to adopt a Tax Compliance Policy related to the refinancing of the 2007 Certificates of Participation.

BACKGROUND:

On August 15, 2017, the Board approved Resolution No. 738, which approved an Escrow Agreement, Installment Sales Agreement, and Debt Management Policy in connection with refinancing the District's 2007 Certificates of Participation (the "2007 Bonds"). It was decided at that time that the Board would adopt one more related policy at a later date to allow staff time to refine it. This was a Post-Issuance Tax Compliance Policy (the "Tax Policy").

DISCUSSION:

The purpose of the Tax Policy is to ensure that the District complies with federal tax obligations to maintain the exclusion from federal income taxes of interest on each financing. The policy is intended to avoid noncompliance – e.g. arbitrage rebate limitations, private-use activity restrictions etc. – and to facilitate discovery of noncompliance should it occur. Adoption of this policy is also a best practice that mitigates the chance of being audited and, in the case of an audit, shows proactive management of the subject area. The District will have the opportunity to tailor the Tax Policy in the event of future financings. Many federal tax provisions such as those mentioned above will not apply to the 2017 refinancing of the 2007 Bonds, so compliance with the Tax Policy will be relatively simple.

RECOMMENDATION:

It is Staff's recommendation that the District approve the Tax Policy.

Prepared by:

Ron L. Mitchell
Secretary-Treasurer

Submitted by:

Thomas A. Love
General Manager

Post-Issuance Tax Compliance Procedures of

Crescenta Valley Water District

The purpose of these Post-Issuance Tax Compliance Procedures ("Procedures") is to establish procedures to assist the Crescenta Valley Water District (the "Issuer") in complying with its federal tax obligations to maintain the exclusion from federal income taxes of interest on tax-exempt obligations that have been issued on its behalf (each an "Issue" and collectively, the "Bonds"). The Bonds, as updated from time to time, are listed in Exhibit A along with other information regarding each Issue of Bonds.

I. Overview of Objectives

These Procedures are intended to raise awareness within the Issuer of the ongoing requirements and limitations that must be satisfied to maintain the exclusion from federal income taxes of interest on each Issue, to avoid circumstances that cause noncompliance, and to facilitate the prompt discovery of any noncompliance should it occur. These Procedures are not a comprehensive guide to the Issuer's post-issuance compliance requirements imposed by the Internal Revenue Code (the "Code") and the Treasury Regulations (the "Regulations"). The Issuer will seek assistance from nationally recognized bond counsel dealing with situations not addressed herein and as appropriate from time to time.

Each tax certificate or agreement (each, a "Tax Certificate" and collectively, the "Tax Certificates") executed by the Issuer in conjunction with an Issue will provide specific information regarding the expected facts regarding such Issue and a more specific analysis of the limits imposed on the Issuer regarding the way it can invest proceeds of such Issue and use the facilities financed or refinanced by such Issue (such facilities financed by an Issue is referred to as a "Project," and any portion or component thereof, a "Project Component"). Accordingly, the Issuer will treat each Tax Certificate as supplementing these Procedures in fulfilling its obligations hereunder.

Each Tax Certificate will also provide a basis for tailoring these Procedures as appropriate for the Issue. As described hereafter, in consultation with the respective bond counsel or other nationally recognized bond counsel, these Procedures will be supplemented with an addendum for each Issue (each, an "Addendum") within a reasonable time following the issuance thereof to set forth specific Procedures, if any, for that Issue as appropriate or necessary to ensure the continued qualification of the interest on that Issue for tax-exemption.

The Issuer will conduct, in consultation with nationally recognized bond counsel if necessary, a periodic review of these Procedures and make updates or changes as necessary to accomplish the purpose of these Procedures, until the final maturity date of each Issue of Bonds.

The post-issuance obligations imposed by the Code and the Regulations are to ensure compliance with the following two general principles:

- LIMITS ON THE ABILITY TO EARN AND RETAIN ARBITRAGE: An issuer generally may not take advantage of the reduced borrowing costs associated with tax-exempt bonds by investing tax-exempt bond proceeds in investments with a higher yield and retaining the difference ("arbitrage"); and

- LIMITS ON NONGOVERNMENTAL OR PRIVATE USE OF THE FINANCED PROJECT: While any Issue of Bonds are outstanding, no more than 10 percent of the Issue's proceeds, or the Project financed by the Issue, may be used in any trade or business activity carried on by any person or entity, including the United States Government and its agencies and instrumentalities, other than the Issuer or a state or political subdivision of a state. In addition, no more than 5% of an Issue's proceeds (or the Project) may be used in any trade or business activity carried on any person or entity, including the United States Government and its agencies and instrumentalities, other than the Issuer or a state or political subdivision of a state where such use is (i) disproportionate to a related governmental use or is (ii) unrelated to the governmental use of the proceeds of the Bonds.

As outlined below, the Issuer should keep accurate and adequate records to facilitate compliance with the above limits as appropriate for each Issue, and should conduct periodic checks to affirm compliance. To the extent that the Issuer has or may have violated one of the above limits, nationally recognized bond counsel should be promptly consulted to assist with evaluating next steps. Further, timely identification of violations is critically important as there are provisions in the Code which allow the Issuer to "remediate" the violations without jeopardizing the continued exclusion of interest on each Issue of Bonds for federal tax purposes, so long as the identification of the violation and the remediation thereof is timely made.

There are other rules that must be complied with and which are described in the Tax Certificate for each Issue; however, the limits noted above generate the most significant compliance obligations with respect to an Issue of Bonds.

II. Delegation of Responsibility

- The Secretary-Treasurer (the "Responsible Officer"), will have primary responsibility for compliance with these Procedures and ensuring that these Procedures are responsive to future legislative changes at both the federal and state level;

- The Responsible Officer will be assisted by other persons with responsibility to ensure compliance with these Procedures as determined by the Responsible Officer.

- If the Responsible Officer is unsure whether the Issuer is in compliance, the Responsible Officer shall consult with nationally recognized bond counsel for advice and, if necessary, assistance in taking steps necessary to remedy any failure to comply with these Procedures.

- For each Issue, the Responsible Officer will perform periodic compliance checks as provided in the respective Addendum.

III. Issue by Issue Approach for Establishing Specific Procedures

In view of (i) the fact that the Issuer has only one Issue currently outstanding (i.e., the Installment Sale Agreement issued on August 29, 2017 (the "2017 Installment Sale Agreement")) and expects to issue new Issues on an infrequent basis and (ii) the Issuer having been advised that it is best that the peculiar facts of each Issue inform, in addition to the general Procedures outlined herein, specific Procedures appropriate or necessary for that Issue, as and when new Issues or issued, the Responsible Officer will add each new Issue to Exhibit A. In addition, in consultation with the bond counsel for each new Issue or other nationally recognized bond counsel, the Responsible Officer will attach an Addendum to Exhibit A that sets forth specific Procedures for that Issue, if any. The Addendum for the 2017 Installment Sale Agreement is attached.

IV. Investment of Proceeds (arbitrage and rebate)

a. Arbitrage Limitations and Requirements.

The ability to issue tax-exempt debt may present the Issuer with the opportunity to invest the proceeds of an Issue in debt or other investments that are subject to tax and that bear a higher investment return. In other words, "arbitrage" in the context of tax-exempt debt relates to the ability to issue tax-exempt debt and use the proceeds from the debt to purchase securities or other investments that are not tax-exempt, and realize a positive difference between the interest income on the investments and the interest costs of the tax-exempt debt. The arbitrage requirements and limitations must be satisfied for the life of each Issue or, if not so satisfied, such Issue could be determined to fail to qualify for tax exemption, retroactive to the date of issuance.

The federal tax law requirements and limitations generally are structured as follows:

- Rule 1- Arbitrage earnings are not permitted, meaning that the proceeds of an Issue may not be invested at more than the yield of the Issue.

- Rule 2 – Exceptions to Rule 1 permit arbitrage earnings for short "temporary periods" pending the expenditure of the proceeds or for certain specific and/or limited amounts such as a reasonably required reserve fund.

- Rule 3 – Arbitrage permitted to be earned pursuant to Rule 2 generally may not be retained by the state or local government but instead must be paid, or "rebated," to the federal government.

- Rule 4 – Limited exceptions to Rule 3 allow arbitrage earnings to be retained, all in circumstances where the potential for arbitrage earnings is expected to be minimal (such as the 2-Year, 18 Month or 6 Month exceptions to rebate).

Generally, arbitrage remains relevant for post-issuance compliance for each Issue only for such time for which there are unspent bond proceeds. However, the concept of proceeds is quite broad and there may be unspent bond proceeds in many different situations. Proceeds include the amounts derived from the sale of an Issue of Bonds ("Sale Proceeds"), earnings on Sale Proceeds ("Investment Proceeds") and amounts that have a direct nexus to the Issue or to the governmental purpose of the Issue ("Replacement Proceeds"). Replacement Proceeds could include amounts, if any, set aside in a sinking fund or pledged fund for an Issue. For example, if, after all the proceeds of an Issue have been spent on Project costs or to redeem a prior Issue, the Issuer establishes a sinking fund to repay such Issue, the amounts in the sinking fund would likely be treated as Replacement Proceeds of the Issue and subject to the arbitrage rules. Refunding Issues may have an additional category of proceeds referred to as "Transferred Proceeds" which generally are proceeds of a prior Issue that remain unspent on the date or dates that such prior Issue is redeemed with proceeds of a refunding Issue which are treated as "transferring" to the refunding Issue. Sale Proceeds, Investment Proceeds, Replacement Proceeds and Transferred Proceeds are together referred to as "Proceeds." If the Proceeds of an issue are to be used to retire a prior Issue, the Issuer will determine whether there are any unspent Proceeds of such prior Issue, including reviewing the Tax Certificate for that Issue and any discussion therein regarding Transferred Proceeds.

b. Procedures Relating to Arbitrage.

The Issuer will perform the following procedures relating to arbitrage:

- For each new Issue, review the Tax Certificate for the Issue in consultation with the bond counsel for that Issue or other nationally recognized bond counsel and
  - Identify all current or expected future Proceeds of such Issue, the dates by with such Proceeds are expected to be expended and other facts regarding such Proceeds (including whether Proceeds are deposited to a Reserve Fund and whether there are or may be Transferred Proceeds of such Issue).
  - Note the date(s) on which, if any, such Proceeds may not be invested at a yield in excess of the yield on the Issue (e.g., for an Issue the Proceeds of which are deposited to a construction fund to provide new projects, such date is on typically three years following the issue date) and ensure that unspent Proceeds remaining on such date(s) are appropriately invested.
  - Determine whether the Issue is expected to be excepted from the arbitrage rebate requirements. For Issues not excepted from the arbitrage rebate requirements, as appropriate:
    - Determine how to comply with the rebate requirements in a manner that is appropriate for the particular Issue.
    - Note the dates that any arbitrage rebate must be computed (each a "Computation Date") (generally, within 45 days of each Bond Year and within 45 days of the date that the Issue is fully paid or redeemed and the dates that any arbitrage earnings must be paid (each a "Rebate

Payment Date") (generally, the fifth Computation Date, each fifth successive Computation Date thereafter and the date that the Issue is fully paid or redeemed).

    - Monitor and track the amounts of unspent Proceeds, the expenditures of Proceeds and work with a rebate service provider or with bond counsel as required to determine if any exceptions from arbitrage rebate are applicable.
    - Engage a rebate service provider as necessary to assist in calculating the amount of arbitrage rebate due to the federal government.
    - Each Bond Year (up to and including the Bond Year in which all of the proceeds of an Issue have been fully expended), confirm that the Issuer's rebate analyst has received trustee reports or other data that reflects investment and expenditure activity of proceeds of the Issue within 30 days of each Computation Date in such year.
    - Arrange the payment of rebate, if any is owed, within 45 days of each Rebate Payment Date.
- Develop any additional Procedures relating to arbitrage compliance appropriate for such Issue.

Until three years following the final maturity date of an Issue (or any tax-exempt bonds issued to refund an Issue), the Issuer shall maintain copies of all arbitrage reports, trustee statements, disposition records, and other documentation relating to arbitrage in accordance with Section VI of these Procedures.

V. Use of the Project

a. Limitations on Private Business Use

To preserve the tax exemption of each Issue of Bonds, private business use of the Project financed by each Issue is limited. If a facility is financed by funds in addition to the proceeds of an Issue, only those specific portions of the facility that were financed with proceeds from the Issue comprise the Project for purposes of these Procedures and are subject to private business use limitations.

b. What is "private business use"?

The Code requires the application of complex rules regarding "private business use," the application of which is required (1) prior to issuance based on the Issuer's reasonable expectations and (2) on an ongoing basis based on actual facts until the bonds are fully paid. Private business use generally means the use of a financed Project in the trade or business of any person other than a state or local government, other than use that is on the same basis of the use of the project by the general public. Loans of proceeds of an Issue to nongovernmental persons ("private loans") also will generally prevent such Issue from qualifying for tax exemption. De minimis amounts of "private business use" or "private loans" is permitted but the application of complex rules is required to measure the amount of private use or private loans. Private business use generally may not exceed ten percent or, in certain circumstances, five percent of the Project financed by each Issue of Bonds. Private loans made with the Proceeds of each Issue may not exceed the lesser of five percent of the proceeds of an Issue or $5,000,000. Both direct and indirect use by an entity or person other than the Issuer or other state or political subdivision must be taken into account. For example, a Project or Project Component that is leased to a government and subleased to an entity or person that is not a government is taken into account as private business use.

For purposes of these Procedures, private business use may include use pursuant to any of the following types of arrangements with respect to a Project or Project Component:

- Ownership by an entity or person that is not a state or local government.
- A management or service contract (such as a contract to operate a Project) that does not meet the guidelines set forth in Rev. Proc. 2017-13, as amended and amplified;
- A lease or license;
- An installment sale or other form of transfer of ownership;
- Research agreements that do not meet the guidelines set forth in Rev. Proc. 2007-47;
- Any arrangement regarding the delivery of water from a Project or Project Component that conveys priority or reserved rights or other preferential benefits not enjoyed by the general public (including specially negotiated rate arrangements not available to similarly situated water customers and "take" contracts, "take or pay" contracts and certain "requirements" contracts); and
- Any other arrangements conveying special legal entitlements with regard to the Project including, for example, naming rights contracts.

c. What is not "private business use"?

For purposes of these Procedures, "private business use" does not include the following:

- Use of a Project of Project Component in the same manner as the Project or Project Component is used by the general public; and
- Activities conducted in any portion of a facility that was not constructed, renovated, or improved using proceeds of an Issue.

In addition, the Code and related Regulations include certain de minimis exceptions where use that would otherwise constitute private business use is permitted, including:

- Any single contract for use with a term of less than 50 days (measured both annually and in the aggregate for multiple years) including all renewals, with a fee negotiated on an arms-length basis;

- "Incidental Uses" (e.g., vending machine, pay phone, kiosks) if the same do not aggregate more than 2.5% of the bond-financed facilities and are not functionally related to other use of the facility by the same private user;

- Short-term contracts that are not longer than three years where the payment for the water is at fair market value or is based on uniformly applied rates (and where the Project is not financed for the principal purpose of providing the Project to the contract party).

d. <u>Procedures relating to Private Business Use</u>

The Issuer will perform or caused to be performed, the following procedures:

- For each new Issue, review the Tax Certificate for the Issue and prepare, to the extent that is reasonably possible, a schedule that details all of the Project Components for the Issue and the funding provided for such Project Components from Proceeds (including buildings, equipment, tangible property, etc.), and to update the schedule from time to time as necessary.

- The Responsible Officer has primary responsibility for compliance with these Procedures for each Project Component as set forth on each Addendum.

- The Responsible Officer shall monitor the use of each Project Component provided by Proceeds of an Issue as set forth on each Addendum to ensure the use of such Project Components is consistent with the applicable Tax Certificate.

- The Responsible Officer shall consult with nationally recognized bond counsel and other professional advisors as necessary with regard to any planned disposition of a Project Component and in connection with review of any material contracts (including management contracts, leases, licenses, research contracts) that may result in private business use of a Project or Project Component.

- All identified private business uses of a Project or Project Component for each Issue shall be included on the schedule and updated from time to time as necessary.

- Additional procedures may be appropriate for any particular Issue. If the Issuer is unsure whether additional Procedures are necessary for an Issue, the Issuer will consult the Tax Certificate for the Issue and with nationally recognized bond counsel as necessary.

- For the duration of the Retention Period (defined below), maintain records in accordance with Section VI of these Procedures.

VI. Record Keeping Requirements

The Issuer shall continue to keep records and retain documents for either (1) six years past the final maturity date of each Issue of Bonds, or (2) if there is a refunding of the Issue, six years following the final maturity date of the refunding issue (the "Retention Period"). The retained documents shall include all records related to expenditures of proceeds of an Issue and all records related to the use and disposition of the Project acquired or constructed with proceeds of an Issue. The following are some examples of records that should be kept, along with any other relevant documents, over the course of the Retention Period:

- Basic records and documents relating to the Issue (i.e., the transcript);

- Documentation evidencing the investment activity and expenditure of proceeds of an Issue, including the dates and amounts of expenditures for the Issue;

- Documentation evidencing the use of all, any portion or any components of the Project by public and private sources (i.e., copies of management contracts, research agreements, leases, sales or other dispositions of all, portions or components of the Project, etc.);

- Documentation evidencing all sources of payment or security for the Issue;

- Documentation regarding the timing and allocation to expenditures of proceeds of the Issue;

- Documentation pertaining to any investment of proceeds of the Issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations);

- Records of all amounts paid to the United States as rebate or yield reduction payments.

VII. Procedures for Correcting Non-Compliance

Procedures exist for self-reporting and correcting any post-issuance compliance violations. If any non-compliance of applicable federal tax requirements is identified, the Responsible Officer shall immediately evaluate, with the assistance of nationally recognized bond counsel, the availability of the remedies provided under the Code, including Treasury Regulation 1.141-12 and other IRS guidance as to remediation of violations of Sections 103 and 141-150 of the Code, as well as the IRS Voluntary Closing Agreement Program. The Issuer will comply with such procedures to the extent necessary to ensure that the interest on the Bonds remains excludable from gross income for federal income tax purposes.

VIII. Training

Upon each new Issue, upon the designation of a new Responsible Officer, and periodically thereafter, Responsible Officer and other Issuer staff as determined by the Responsible Officer shall receive training relevant and appropriate to the responsibility undertaken and assigned hereunder.

Exhibit A

Bond Issues

1. Installment Sale Agreement dated August 29, 2017 ("2017 Installment Sale Agreement")

Addendum for 2017 Installment Sale Agreement

Procedures relating to Arbitrage

The Issuer has been advised by bond counsel

- that Sale and Investment Proceeds of the 2017 Installment Sale Agreement consist solely of amounts
  - (a) deposited to an escrow fund to redeem prior obligations, all of which will be expended on October 29, 2017 and
  - (b) to be used to pay costs of issuance, all of which is expected to expended by September 30, 2017; and
- There are no Transferred Proceeds of the 2017 Installment Sale Agreement.

As a result of the short investment of Proceeds of the 2017 Installment Sale Agreement at rates that are known to not exceed the yield of the 2017 Installment Sale Agreement, the Issuer has been advised by bond counsel that there is no context for ongoing arbitrage compliance activities, including there being no need for an arbitrage rebate consultant.

In the event, however, that a sinking fund is established or other means by which Replacement Proceeds of the 2017 Installment Sale Agreement arise, the Responsible Officer will consult with nationally recognized bond counsel to determine the appropriate arbitrage procedures thereafter.

Procedures relating to the Use of the Project or any Project Component

The Responsible Officer will familiarize himself or herself with the Project Components financed with Proceeds of the 2017 Installment Sale Agreement and monitor on an ongoing basis whether any arrangements involving such Project Components involved or might involve private business use. Further, the Responsible Officer will ensure that no Project Component can be sold, leased, licensed, subjected to a management or service contract, or made subject to an extraordinary arrangement regarding water rates without the review and approval of the Responsible Officer.

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2

To: Honorable President and Members of the Board of Directors September 5, 2017

From: David S. Gould. P.E. – District Engineer

Subject: **Award of Contract** for the Construction of Well 2 and Related Facilities, Project E-956

ACTION ITEM:

CVWD's Well 2 and Related Facilities, Project E-956 – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, California Building Evaluation & Construction, Inc. for the construction of Well 2 and related facilities at a cost of $1,245,501 and establish a contingency amount of $124,550 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

The project includes installation of a new 150 gpm submersible pump and motor, onsite piping, a pre-fabricated operations building, electrical and telemetry system, on-site storm drain line, on-site sewer line drain to waste, and on-site improvements. The project also includes the installation of a nitrate removal treatment facility (by APTwater) within a pre-fabricated "carport-type" structure, which will treat the groundwater below the MCL and remove nitrates from the Verdugo Basin.

APTwater was awarded a contract on December 8, 2015 for the design and installation of the ARoNite Nitrate Removal Treatment System for Well 2 for a total cost of $625,000.

Royal Wholesale Electric was awarded a contract on May 16, 2017 at a cost of $98,547 to provide the electrical motor control center (MCC), which has a long lead-time and will assist with the project schedule.

DISCUSSION:

Bid Opening:

On July 11, 2017, the Board authorized the General Manager to advertise for bids for the subject project. A mandatory pre-bid meeting was held on August 8, 2017, which was attended by seven (7) contractors. CVWD specifications indicate that only contractors who attend this meeting are allowed to bid on the project.

On August 30, 2017, at 2:00 PM, the District opened and read the following bid proposals for this project:

	Bidder	Total Bid Amount
Low	California Building Evaluation & Construction, Inc	$1,245,501
2	Pacific Hydrotech Corp.	$1,472,240
3	PPC Construction	$1,599,130

California Building Evaluation & Construction (CBEC) of Buena Park, CA was the apparent lowest responsible bidder for the project. The engineer's estimate was $907,300 and the low bid was $338,501 or 37% higher than the engineer's estimate.

Staff has previously worked with CBEC on the construction of CVWD's Well 16 facility and the installation of the Motor Control Center (MCC) at Oak Creek Reservoir. Staff was satisfied with the progress of these projects and change orders were minimal.

The 2nd lowest bidder has raised questions regarding CBEC's bid proposal, legal counsel is reviewing the questions and will provide more information at the Board meeting.

Review – Bid Proposal:

Staff reviewed CBEC's bid proposal and cost breakdown and compared it to CVWD's cost estimate. In general, the engineer's cost estimate was low for the site preparation, on-site infrastructure, pipelines, building equipment, electrical temporary power, and the nitrate bldg roof structure. Where the engineer's estimate was high was on the installation of the electrical system and the pre-fabricated operations building.

Staff also looked at reducing the limits of work of the project and/or work that could be completed by CVWD's crews. However, the cost savings will be about $60,000 to $70,000 since the majority of work is specialized.

Staff contacted the contractors that did not provide a bid to ask why they did not bid on the project. The general response was that they currently had a backlog of projects and could not meet the District's deadline of May 2018.

Revised Project Cost and Funding:

The bid proposal from CBEC was $1,245,501, which was over the engineer's cost estimate of $907,000. The entire project costs including the contractor's bid proposal plus construction contingency, quality control inspection services, soils engineer, additional engineering and construction support services, permitting costs with Glendale, procurement of equipment and contingencies has been adjusted to $2,522,000. The current project budget is $2,025,000, which is $462,000 less than required to complete the project.

Staff reviewed the FY 17/18 CIP program to see if any other projects could be deferred to next year and determined that deferring of projects especially pipeline replacement will not be in the best interest of the District.

As an alternative, staff is recommending transferring $500,000 from the MTBE reserve funds to make up the budget shortfall. Staff's reasoning is that if MTBE returns, it will most likely be detected in the existing wells along the southerly part of the basin and not in the area of Well 2. The balance in the MTBE reserve fund as of July 1, 2017 was $5.8M and this transfer request will reduce the MTBE reserve to $5.3M. Staff evaluated the potential cost of purchasing additional imported water if MTBE levels increased above the secondary standard of 5 ppb. Staff evaluation concluded that CVWD would need about $3.7M for the purchase of additional imported water and that the transfer of MTBE funds should not adversely affect the District.

A comprehensive technical/financial analysis of the long-term MTBE reserve fund needs will be presented to the Engineering and Finance Committees in October 2017.

Local Resources Program (LRP) funding:

Staff discussed the Local Resources Program (LRP) funding application with a representative from Metropolitan Water District (MWD) and it was determined that CVWD does not qualify for LRP since the project unit cost is less than the MWD prevailing water rate.

Cost/Benefit Analysis:

The original benefit-cost analysis prepared by staff with respect to annual savings for purchasing less imported water showed a payback period of 7 years for CVWD's capital investment. Staff adjusted the benefit-cost analysis with the revised total budget and it showed a payback period of 11 years.

RECOMMENDATION:

It is staff's recommendation to award the contract for the subject project to the lowest responsible bidder, California Building Evaluation & Construction at a cost of $1,245,501 and establish a 10% contingency fund of $124,550. It is also staff's recommendation to transfer $500,000 from the MTBE reserve fund to provide the additional funding need for the project.

Staff will review the project with the Engineering Committee prior to the Board meeting and report on the Committee's recommendation at the Board meeting.

ENVIRONMENTAL REVIEW:

A California Environmental Quality Act (CEQA) Negative Declaration was approved on October 6, 2015.

FUNDING AVAILABILITY:

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	**$1,825,000**
Amount reimbursed from Grant (39%)	*$705,775*
CVWD Costs (61%)	*$1,119,225*
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	($197,000)
Approved Contract – APTwater for ARoNite Nitrate Treatment System	($625,000)
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	($98,547)
Contractor's Bid Proposal – Well 2 Facilities	($1,245,501)
10% Contingency	($124,550)
Quality Control Inspection Services	($141,475)
Estimate Cost – Soil Inspection, Permitting Fees, construction staking, and Misc work	($89,927)
Total Estimated Cost for Design & Construction	***($2,522,000)***
Amount Remaining for Well 2 Project	**($697,000)**
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	**$235,000**
Transfer of Funds from CVWD's MTBE Reserves	**$500,000**
Remaining Funds	**$38,000**

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

Thomas A. Love
General Manager

Attachments:

1. Bid Summary

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CRESCENTA VALLEY WATER DISTRICT

Title: Well 2 and Related Facilities at 4029 Lowell Ave		BID LOCATION:		CVWD's Office			
E-Job No: Project E-956	E-972	TIME:		2:00 PM			
Engineer's Estimate:	$907,000	DATE:		8/30/17			
Project Manager:	David Gould	BY:	DG	CHECKED:	JR	DATE:	8/30/17

				Engineers Estimate		California Bldg Eval Const		Pacific Hydrotech		PPC Construction	
ITEM	DESCRIPTION	QUANTITY		UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT
1	Mobilization and Demobilization (5%)	1	LS	$45,000.00	$45,000.00	$50,000.00	$50,000.00	$71,000.00	$71,000.00	$78,000.00	$78,000.00
2	Site Preparation	1	LS	$27,000.00	$27,000.00	$65,000.00	$65,000.00	$23,200.00	$23,200.00	$28,320.00	$28,320.00
3	Earthworks (Grading)	1	LS	$21,000.00	$21,000.00	$28,000.00	$28,000.00	$40,000.00	$40,000.00	$61,530.00	$61,530.00
4	On Site AC Paving	7100	SF	$3.86	$27,400.00	$6.25	$44,375.00	$6.00	$42,600.00	$6.60	$46,860.00
5	On Site Concrete Paving	320	SF	$15.16	$4,850.00	$20.15	$6,448.00	$19.00	$6,080.00	$15.00	$4,800.00
6	Furnish and install Concrete Swale	110	LF	$75.00	$8,250.00	$33.60	$3,696.00	$55.00	$6,050.00	$60.00	$6,600.00
7	Furnish and install 6" AC berm	100	LF	$15.00	$1,500.00	$30.80	$3,080.00	$36.00	$3,600.00	$25.00	$2,500.00
8	1-inch Water Service with backflow device, valves, meter &	1	LS	$5,000.00	$5,000.00	$21,000.00	$21,000.00	$6,900.00	$6,900.00	$14,145.00	$14,145.00
9	12-inch PVC Storm Drain with catch basins, connections &	270	LF	$177.78	$48,000.00	$229.60	$61,992.00	$228.00	$61,560.00	$272.00	$73,440.00
10	Furnish & install 4" ABS sewer include excavation, backfil	20	LF	$75.00	$1,500.00	$123.00	$2,460.00	$83.00	$1,660.00	$125.00	$2,500.00
11	Furnish & install 6" ABS sewer including cleanouts, manho	185	LF	$216.22	$40,000.00	$308.00	$56,980.00	$128.00	$23,680.00	$289.00	$53,465.00
12	Furnish & install Polycast Heavy Duty Sewer trench with g	50	LF	$92.00	$4,600.00	$84.00	$4,200.00	$435.00	$21,750.00	$195.00	$9,750.00
13	Furnish and install 6" Magmeter including Vault & appurte	1	EA	$11,500.00	$11,500.00	$28,000.00	$28,000.00	$22,900.00	$22,900.00	$19,070.00	$19,070.00
14	Furnish & install 36" RCP (manhole) with grate and inner c	1	EA	$5,500.00	$5,500.00	$16,800.00	$16,800.00	$9,000.00	$9,000.00	$9,670.00	$9,670.00
15	Furnish & install 150 gpm Submersible Well Pump with ap	1	LS	$22,000.00	$22,000.00	$36,000.00	$36,000.00	$31,700.00	$31,700.00	$29,930.00	$29,930.00
16	Furnish & install above ground 4-inch steel discharge pipin	1	LS	$26,000.00	$26,000.00	$33,000.00	$33,000.00	$40,000.00	$40,000.00	$23,200.00	$23,200.00
17	Furnish & install 4-inch Steel Well Bypass Piping including	1	LS	$7,500.00	$7,500.00	$20,000.00	$20,000.00	$21,100.00	$21,100.00	$17,800.00	$17,800.00
18	Furnish & install 4-inch Steel Pipe from Nitrate Bldg to Ex	20	LF	$250.00	$5,000.00	$750.00	$15,000.00	$509.00	$10,180.00	$731.00	$14,620.00
19	Furnish & install 6-inch Steel Water Pipe, including fittings	90	LF	$111.11	$10,000.00	$775.00	$69,750.00	$267.00	$24,030.00	$296.00	$26,640.00
20	Install Concrete Foundation for Nitrate Bldg including exca	1	LS	$20,000.00	$20,000.00	$36,000.00	$36,000.00	$68,000.00	$68,000.00	$60,250.00	$60,250.00
21	Install 6-foot high chain link around Nitrate Bldg including	90	LF	$133.33	$12,000.00	$28.00	$2,520.00	$169.00	$15,210.00	$200.00	$18,000.00
22	Contractor to coordinate, delivery and unload ARoNite Nit	1	LS	$15,000.00	$15,000.00	$18,500.00	$18,500.00	$8,800.00	$8,800.00	$33,150.00	$33,150.00
23	Install Concrete Foundations for Operations Bldg including	1	LS	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$90,000.00	$90,000.00	$46,350.00	$46,350.00
24	Furnish & install equipment for Chlorine Room including c	1	LS	$25,000.00	$25,000.00	$28,000.00	$28,000.00	$13,600.00	$13,600.00	$11,700.00	$11,700.00
25	Furnish & install 1-inch Schedule 80 PVC socket welded c	160	LF	$55.00	$8,800.00	$22.50	$3,600.00	$84.00	$13,440.00	$89.00	$14,240.00
26	Furnish & install Operations Building's ventilation, Restroo	1	LS	$35,000.00	$35,000.00	$64,500.00	$64,500.00	$31,100.00	$31,100.00	$15,000.00	$15,000.00
27	Furnish & install Electrical Transformer pad (15' x 15' x 8"	1	LS	$13,000.00	$13,000.00	$14,500.00	$14,500.00	$15,200.00	$15,200.00	$12,250.00	$12,250.00
28	Furnish & install Electrical Conduit, Junction Boxes and Tr	1	LS	$37,000.00	$37,000.00	$7,000.00	$7,000.00	$17,800.00	$17,800.00	$26,800.00	$26,800.00
29	Furnish & install Retaining Concrete Wall including excav	1	LS	$48,000.00	$48,000.00	$48,000.00	$48,000.00	$77,200.00	$77,200.00	$91,840.00	$91,840.00
30	Furnish and install automatic chain link swing gate includi	1	LS	$10,000.00	$10,000.00	$10,500.00	$10,500.00	$21,800.00	$21,800.00	$24,840.00	$24,840.00
31	Miscellaneous: include install H2 Generator and Air Comp	1	LS	$4,000.00	$4,000.00	$22,500.00	$22,500.00	$9,100.00	$9,100.00	$21,250.00	$21,250.00
32	Miscellaneous items include Solid metal plaque with prope	1	LS	$1,000.00	$1,000.00	$11,200.00	$11,200.00	$6,000.00	$6,000.00	$900.00	$900.00
33	Demolition - Electrical	1	LS	$7,600.00	$7,600.00	$15,000.00	$15,000.00	$2,400.00	$2,400.00	$6,400.00	$6,400.00
34	Motor Control Center and Switchboard (Labor only)	1	LS	$25,000.00	$25,000.00	$8,500.00	$8,500.00	$14,700.00	$14,700.00	$11,100.00	$11,100.00
35	Temporary Power and Controls	1	LS	$22,000.00	$22,000.00	$40,000.00	$40,000.00	$46,000.00	$46,000.00	$49,730.00	$49,730.00
36	Power Distribution & Lighting	1	LS	$15,000.00	$15,000.00	$58,000.00	$58,000.00	$79,000.00	$79,000.00	$72,500.00	$72,500.00
37	Conduits and Wires	1	LS	$20,000.00	$20,000.00	$14,000.00	$14,000.00	$69,000.00	$69,000.00	$51,300.00	$51,300.00
38	Other Electrical labor and Miscellaneous Materials	1	LS	$8,000.00	$8,000.00	$22,400.00	$22,400.00	$12,700.00	$12,700.00	$15,700.00	$15,700.00
39	Start-Up & Testing, Manuals, and Training	1	LS	$6,000.00	$6,000.00	$10,000.00	$10,000.00	$8,200.00	$8,200.00	$7,000.00	$7,000.00
40	Furnish and Install Pre-fabricated carport style structure for	1	LS	$28,000.00	$28,000.00	$55,000.00	$55,000.00	$52,300.00	$52,300.00	$48,600.00	$48,600.00
41	Furnish and Install Pre-fabrication Operations Building	1	LS	$200,000.00	$200,000.00	$165,000.00	$165,000.00	$333,700.00	$333,700.00	$437,390.00	$437,390.00
				EE	$907,000.00	LOW	$1,245,501.00	2ND	$1,472,240.00	3RD	$1,599,130.00

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3

To: Honorable President and Members of the Board of Directors — September 5, 2017

From: David S. Gould. P.E. – District Engineer

Subject: **Amendment No. 1 for Additional Engineering and Construction Support Services for CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956**

ACTION ITEM

CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956 – Consideration and motion to authorize the General Manager to amend the existing professional service agreement with SA Associates, Inc. to provide additional engineering services and construction support services for CVWD's Well 2 and related facilities at Ordunio Reservoir for a not-to-exceed cost of $71,600.

BACKGROUND:

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

In October 2015, SA Associates (SA) was awarded a professional services agreement (PSA) for the design of CVWD's Well 2 and Related Facilities at a cost of $114,000 with a contingency amount of $11,400 to cover the cost of additional work.

SA Associates completed the design services and prepared bid documents. The project was advertised for contractor bids in July 2017.

DISCUSSION:

Additional Engineering Services:

SA was involved in a number of changes that CVWD initiated during the design process including preparing plans and specifications for pre-ordering of the electrical motor control center, specifying pre-fabricated buildings, re-locating the buildings to better fit the site which resulted in retaining walls to protect the existing trees, new automatic entrance gate, and coordination of the AroNite nitrate treatment removal system.

Staff had included in the PSA, a contingency amount of $11,400 to cover any additional costs that may have occurred during the design process. Staff requested a fee adjustment letter from SA for the additional work requested. SA's adjustment letter request was for a total of $46,000. Staff reviewed the request and determined that the time spent and the corresponding fee was reasonable for the additional work requested. The amount requested as part of Amendment No. 1 to the agreement is $34,600.

Construction Support Services:

Staff requested a proposal from SA to provide construction support services during the construction of CVWD's Well 2 and Related Facilities. The scope of services included:

- Attending pre-Construction meeting
- Review of shop drawings, which is estimated to be twenty-five (25) submittals
- Response to requests for information and requests for clarification from the contractor which will occur during project
- Review of change orders (if requested by staff)
- Field visits to site including for testing and installation of electrical system, confirm material delivered to site such as pump, chemical system, building and review of site improvements.
- Attendance at meetings with staff and contractor that require input from SA
- Assisting staff with the startup (i.e. electrical) and commission of project
- Preparing As-Built drawings based on redline markups drawings from the contractor

SA provided a proposal to provide the construction support services as discussed above a cost not-to-exceed of $37,000.

RECOMMENDATION:

Staff recommendation is to amend the existing professional service agreement with SA Associates, Inc. to provide additional engineering services and construction support services for CVWD's Well 2 and related facilities at Ordunio Reservoir for a not-to-exceed cost of $71,600. Staff will review the project with the Engineering Committee prior to the Board meeting and report on the Committee's recommendation at the Board meeting.

ENVIRONMENTAL REVIEW:
N/A

FUNDING AVAILABILITY:
There are sufficient funds available in the following account for the project:

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	**$1,825,000**
Amount reimbursed from Grant (39%)	*$705,775*
CVWD Costs (61%)	*$1,119,225*
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	($125,400)
Additional Engineering & Construction Support Services	($71,600)
Approved Contract – APTwater for ARoNite Nitrate Treatment System	($625,000)
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	($98,547)
Contractor's Bid Proposal – Well 2 Facilities	($1,245,501)
10% Contingency	($124,550)
Quality Control Inspection Services	($141,475)
Estimate Cost – Soil Inspection, Permitting Fees, construction staking, and Misc work	($89,927)
Total Estimated Cost for Design & Construction	***($2,522,000)***
Amount Remaining for Well 2 Project	**($697,000)**
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	**$235,000**
Transfer of Funds from CVWD's MTBE Reserves	**$500,000**
Remaining Funds	**$38,000**

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

Thomas A. Love
General Manager

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report

To: Honorable President and Members of the Board of Directors — September 5, 2017

From: Thomas A. Love, General Manager

Subject: **General Manager Report**

September General Managers Report Topics:

- Staffing
- GM Activities
- Finance
- Engineering and Operations

The following are some highlights in this month's report:

- FY 2016/17 Investment interest earnings and gains exceed budget
- Water Production

Submitted by:

Thomas A. Love
General Manager

STAFFING

The District currently has 36 staff positions, of these 32 are filled leaving 4 vacant positions. In addition, two employees are on extended leave, two temporary employees are being used to fill these two positions On August 25th David Inman, was moved from temporary status to a regular full time employee filling a vacant Maintenance Worker I position.

Four employees have work anniversaries in September. David Inman – 1 year, Pete Hilke – 5 years, Brook Yared – 10 years and Bryan Jones has been with the District 22 years.

GENERAL MANAGER ACTIVITIES

Meetings:

Management staff meetings	- August 14th and 23rd
FMWD managers meeting	- August 16th
Urban Water Institute Conference	- August 16th, 17th and 18th
Bond refinance closing documents	- August 25th
Meeting with Sensus regardin AMI system	- August 25th
Rep. Grace Napolitano Water Forum	- August 31st

FINANCE

Investment Report

For the prior fiscal year (FY 2016/17) the net interest earnings and investment gains total $298,000, $57,800 over budget. No investment transactions have occurred since August 10th. The investment portfolio summary is attached.

CRESCENTA VALLEY WATER DISTRICT
INVESTMENT PORTFOLIO SUMMARY
August 10, 2017

INVESTMENT TYPE	ACCT/CUSIP I.D. NO.	PURCHASE DATE	*FACE VALUE	INVESTMENT COST	% OF TOTAL	**MARKET VALUE	MATURITY DATE	DATE CALLABLE	EARNED TO DATE	YIELD TO MATURITY	
GENERAL FUNDS											
GENERAL FUND-SWEEP ACCOUNT	0631-525246		$ 560,359	$ 560,359	3.75%	$ 560,359	none	n/a	$ 36	0.09%	
GREAT PACIFIC SECURITIES	GPC-804452		$ -	$ -	0.00%	$ -	none	n/a	$ -	0.41%	
BOND DEBT SERVICE FUND	6948-331525		$ 223,778	$ 223,778	1.50%	$ 223,778	none	n/a	$ 8	0.06%	
LOCAL AGENCY INVESTMENT FUND	90-19-007		$ 1,308,151	$ 1,308,151	8.76%	$ 1,308,151	none	n/a	$ 1,000	0.92%	Jun 2017
FEDERAL FARM CREDIT (83)	3133EAY28	10/9/2012	$ 500,000	$ 502,885	3.37%	$ 499,625	9/21/2017	n/a	$ 352	0.71%	
FEDERAL FARM CREDIT (101)	31331VY26	6/14/2016	$ 1,000,000	$ 1,211,530	8.11%	$ 1,146,770	8/16/2021	n/a	$ 4,671	1.26%	
FEDERAL FARM CREDIT (103)	31331VQG4	8/2/2016	$ 1,000,000	$ 1,287,830	8.62%	$ 1,200,660	2/6/2026	n/a	$ 4,416	1.88%	
FEDERAL FARM CREDIT (106)	3133EA3L0	6/26/2017	$ 1,000,000	$ 1,001,990	6.71%	$ 1,001,990	10/5/2022	n/a	$ 1,597	1.84%	
			$ 5,592,287	**$ 6,096,523**		**$ 5,941,333**			**$ 12,081**		
CONSTRUCTION FUNDS											
COPS RESERVE FUND	108614000		$ 617,211	$ 617,211	4.13%	$ 617,211	none	n/a	$ -	0.06%	
			$ 617,211	**$ 617,211**		**$ 617,211**			**$ -**		
MTBE CONTINGENCY FUNDS											
LOCAL AGENCY INVESTMENT FUND	90-19-007		$ -	$ -	0.00%	$ -	none	n/a	$ -	0.92%	Jun 2017
GREAT PACIFIC SECURITIES	GPC-003670		$ 142,243	$ 142,243	0.95%	$ 142,243	none	n/a	$ -	0.41%	
FEDERAL FARM CREDIT (M-48)	3133ED4U3	5/11/2016	$ 500,000	$ 518,915	3.47%	$ 507,155	10/11/2019	n/a	$ 902	0.99%	
FEDERAL FARM CREDIT (M-49)	3133EA5N4	5/11/2016	$ 1,250,000	$ 1,260,763	8.46%	$ 1,245,300	10/22/2019	n/a	$ 1,327	0.99%	
US TREASURY (M-53)	912828R36	7/12/2016	$ 1,000,000	$ 1,013,212	6.80%	$ 955,160	5/15/2026	n/a	$ 1,380	1.48%	
US TREASURY (M-54)	912828S76	8/5/2016	$ 1,000,000	$ 1,002,175	6.71%	$ 978,320	7/31/2021	n/a	$ 955	1.08%	
US TREASURY (M-55)	912828R36	8/25/2016	$ 1,000,000	$ 1,004,930	6.73%	$ 955,160	5/15/2026	n/a	$ 1,380	1.57%	
US TREASURY (M-56)	912828R36	10/4/2016	$ 1,000,000	$ 997,540	6.68%	$ 955,160	5/15/2026	n/a	$ 1,401	1.65%	
FEDERAL FARM CREDIT (M-57)	3133EGWX9	10/5/2016	$ 1,000,000	$ 987,148	6.61%	$ 943,200	4/6/2026	n/a	$ 1,546	1.96%	
FEDERAL FARM CREDIT (M-58)	31331VWN2	11/9/2016	$ 1,000,000	$ 1,266,700	8.48%	$ 1,228,240	4/13/2026	n/a	$ 4,586	2.24%	
			$ 7,892,243	**$ 8,193,626**		**$ 7,909,938**			**$ 13,479**		
TOTAL INVESTMENTS			$ 14,101,742	$ 14,907,360		$ 14,468,482			$ 25,559		
CASH- PAYROLL ACCOUNT	0948-024724		$ 26,702	$ 26,702	0.18%	$ 26,702					
TOTAL CASH AND INVESTMENTS			**$ 14,128,444**	**$ 14,934,062**	**100%**	**$ 14,495,185**			**$ 25,559**	**1.08%**	
						$ (438,877)	***Unrealized Gain/(Loss) on Investments				

Yield on investments including LAIF but not cash accounts	1.39%
Yield on investments not including LAIF or cash accounts	1.47%

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sections 5922 & 53601 as amended on 1/1/97; are currently in conformity with the investment policy as stated in Resolution No. 734 adopted on December 6, 2016.
As Treasurer of the Crescenta Valley Water District, I, Ron L. Mitchell hereby certify that sufficient investment liquidity and anticipated revenues are available to meet one year of estimated expenditures for the operations of Crescenta Valley Water District.
*Value at investment maturity date.
***Reported in compliance with GASB Standard No. 31, effective July 1, 1997, the "fair value" adjustment necessary between cost and market value.

	March 31, 2017	**February 28, 2017**	**January 31, 2017**
Water	$ 10,228,076.88	$ 10,608,056.95	$ 10,258,903.69
Wastewater	$ 5,037,485.89	$ 5,055,176.61	$ 4,666,726.45
	$ 15,265,562.77	$ 15,663,233.56	$ 14,925,630.14

Ron L. Mitchell, Secretary-Treasurer, CVWD

August 10, 2017
Date

Engineering and Operations

September 5, 2017
Staff Report

To: Thomas A. Love – General Manager

From: David S. Gould. P.E. – District Engineer

Subject: **Engineering & Operations – August 2017**

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1. **Water Production Report**
   - August 1 – 31 – Water production – 37%/63% split – 127.3 MG for the time period
   - Average use – 1.7% less than 2016 and 8.7% less than 5-yr average
2. **Rainfall Update**
   - 0.00" for August 2017
   - Rainfall total for Rainfall Year 2016/17 – 24.76”
3. **Report on Engineering**
   - **CIP Projects**
     - Ocean View Chloramination Project
       - Agreements – Working with FMWD & LADWP
     - Pipeline Projects
       - 2700, 3000 & 3100 Blocks of Brookhill
         - Design – 90% complete
         - Advertise for Bids – 9/19/17
     - Well 5 Rehabilitation
       - Work started on 8/10/17; to be completed by 9/6/17
     - Oak Creek #1 & #2 Reservoir Rehabilitation
       - Bid Opening – 9/13/17
     - Sewer Lift Station – Emergency Electrical Generator
       - Design – 90% complete
       - Advertise for Bids – 9/19/17
     - Seismic Sensors & Valve Actuators at Dunsmore & Pickens Reservoir
       - Pickens Reservoir – New valve vault under construction
   - **Nitrate Removal Treatment Facility at Well 2 Project**
     - See Staff Report
   - **Crescenta Valley County Park Stormwater Recharge Facility Study**
     - No Report
   - **ULARA**
     - No Report
   - **Grant Program**
     - No Report
   - **Leak Detection Survey**
     - North half of District (above Foothill) - Complete
     - South half of District (below Foothill) to started 8/28/17& to be completed by 9/8/17
   - **Water Meter Replacement Program**
     - FY 17/18 – Working in Zones 3, 4 & 5; Starting Oct. 2, 2017

4. Report on Administrative and Field Operations

- **Wells - Status**
  - Well production capacity – average was 1.45 MGD for August 2017

5. Field Maintenance & Operations

- **Water Lateral Leaks & Repairs**

2059 Hilldale	2707 Sanborn	2816 Frances
2524 Olive	2628 Pontiac	3536 Encinal
3045 Markridge	4642 La Crescenta	3235-37 Honolulu
2331 Honolulu	4840 Sunset	2941 Sycamore
2827 Orange		

- **Water Main Leaks**
  - 2800 Block of Los Olivos
- **Fire Hydrant Repair**
  - No Report
- **Developer Job**
  - No Report
- **Booster Pump Maintenance**
  - No Report
- **Reservoir Maintenance**
  - No Report
- **Sewer Maintenance**

Enhanced Maintenance Area Cleaning	Lift Station Maintenance	2800 Block of Alabama
2800 Block of Los Olivos	2600 & 2700 Blocks of Pinelawn	2600 Block of Ridgepine

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

July 1 - July 31, 2017

Well Production:	40,848,446	Gals		
GWP Production:	9,537,000	Gals		
Gravity Production:	1,440,700	Gals	% GW	40%
Purchased Water:				
FMWD:	76,430,466	Gals		
City of Glendale:	0	Gals	% Import	60%
TOTAL:	128,256,612	Gals		
	393.61	ac-ft		
Glenwood Nitrate Water Reclamation Plant:*	2,194,000	*Included in Well Production		

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
July 1, 2017 - July 31, 2017	4,167,835	
July 1, 2016 - July 31, 2016	3,999,693	4.2%
5-yr Average - July 2012 - 2016	4,384,947	-5.0%

RAINFALL: July 1 - July 31, 2017 — 0.00"

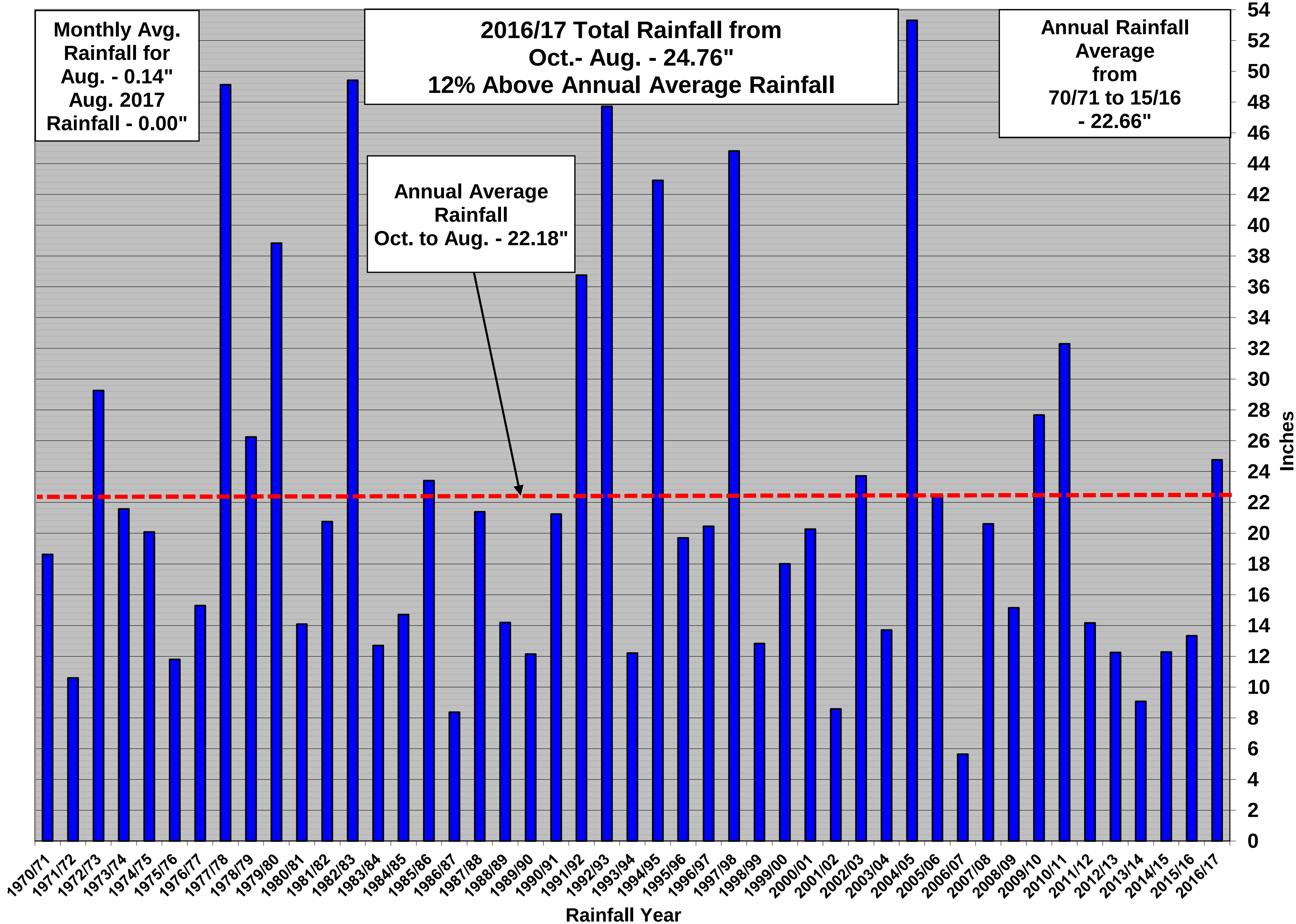
Season-To-Date: — 24.76"

2017/18 Fiscal Year Water Production			**Groundwater Production Water Rights**		**GWP (Well 16) Water Production**		**Purchased Water Production Tier 2 Allocation**	
Month	**Actual Total Water Production (ac-ft)**	**Projected Total Water Production (ac-ft)**	**Month**	**Month**	**Month**	**Well Production (ac-ft)**	**Month**	**Imported Water Production (ac-ft)**
July	**394**	**390**	**October**	**123**	**January**	**31**	**January**	**102**
August		**395**	**November**	**120**	**February**	**27**	**February**	**82**
September		**385**	**December**	**100**	**March**	**29**	**March**	**141**
October		**365**	**January**	**112**	**April**	**28**	**April**	**195**
November		**330**	**February**	**95**	**May**	**29**	**May**	**218**
December		**290**	**March**	**108**	**June**	**28**	**June**	**217**
January		**260**	**April**	**107**	**July**	**29**	**July**	**235**
February		**260**	**May**	**100**	**August**		**August**	
March		**295**	**June**	**122**	**September**		**September**	
April		**325**	**July**	**130**	**October**		**October**	
May		**365**	**August**		**November**		**November**	
June		**390**	**September**		**December**		**December**	
Total to Date	394	390	Total to Date	1,118	Total to Date	202	Total to Date	1,190
Projected	4,054	4,050	Water Rights	3,294			Tier 2	2,154
% of Projected	9.7%	9.6%	% of Rights	34%			% of Allocation	55%
Remaining	3,656	3,660	Remaining	2,176			Remaining	964

NOTE:

1) Blue Numbers = Estimated Water Production

Monthly Rainfall - 1970/71 - 2016/17 (Oct.- Aug.)



Revised Date: 9/1/2017

CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

Agenda for the Meeting of the Engineering Committee
of the Crescenta Valley Water District

To be held on

September 5, 2017 at 6:00 PM

Posted September 1, 2017 at 3:00 pm

Call to Order

Adoption of Agenda

Information Items

1. Status of Groundwater Wells and Well Capacity
2. Award of Contract for Construction of CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956
3. Amendment to Contract for Additional Engineering and Construction Support Services for CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956
4. Discussion - Preliminary Project Schedule – Update to 2007 CVWD Water Master Plan
5. Future Board Meeting Action Items – September 19, 2017
   - Advertisement for Bids – Emergency Electrical Generator at Wastewater Lift Station, Project S-962
   - Advertisement for Bids – 8-inch Water Main Replacement – 2700, 3000 & 3100 Blocks of Brookhill Ave, Project E-982
   - Award of Contract – Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970

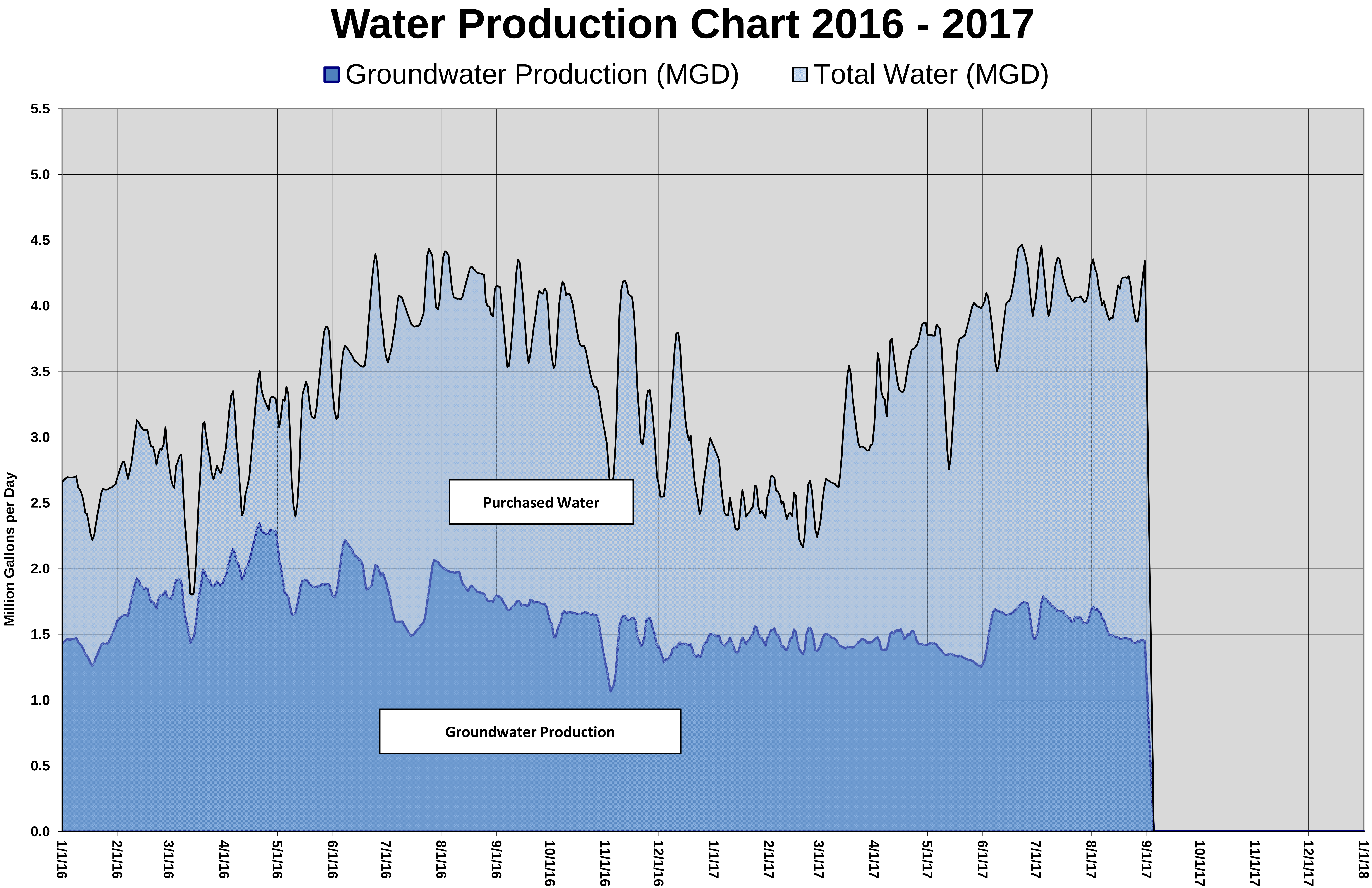
Public Comments

At this time, members of the public shall have an opportunity to address the Committee on items of interest that are within the subject matter jurisdiction of this Committee. This opportunity is non-transferable and speakers are limited to three (3) minutes each.

Committee Member's Request for Future Agenda Items

Next Engineering Committee Meeting – September 28, 2017

Adjournment



Water Production Chart 2016 - 2017
Groundwater Production (MGD)
Total Water (MGD)
Million Gallons per Day
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Purchased Water
Groundwater Production
1/1/16
2/1/16
3/1/16
4/1/16
5/1/16
6/1/16
7/1/16
8/1/16
9/1/16
10/1/16
11/1/16
12/1/16
1/1/17
2/1/17
3/1/17
4/1/17
5/1/17
6/1/17
7/1/17
8/1/17
9/1/17
10/1/17
11/1/17
12/1/17
1/1/18

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 2

To: Honorable President and Members of the Board of Directors September 5, 2017

From: David S. Gould. P.E. – District Engineer

Subject: **Award of Contract** for the Construction of Well 2 and Related Facilities, Project E-956

INFORMATION ITEM:

CVWD's Well 2 and Related Facilities, Project E-956 – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, California Building Evaluation & Construction, Inc. for the construction of Well 2 and related facilities at a cost of $1,245,501 and establish a contingency amount of $124,550 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

The project includes installation of a new 150 gpm submersible pump and motor, onsite piping, a pre-fabricated operations building, electrical and telemetry system, on-site storm drain line, on-site sewer line drain to waste, and on-site improvements. The project also includes the installation of a nitrate removal treatment facility (by APTwater) within a pre-fabricated "carport-type" structure, which will treat the groundwater below the MCL and remove nitrates from the Verdugo Basin.

APTwater was awarded a contract on December 8, 2015 for the design and installation of the ARoNite Nitrate Removal Treatment System for Well 2 for a total cost of $625,000.

Royal Wholesale Electric was awarded a contract on May 16, 2017 at a cost of $98,547 to provide the electrical motor control center (MCC), which has a long lead-time and will assist with the project schedule.

DISCUSSION:

Bid Opening:

On July 11, 2017, the Board authorized the General Manager to advertise for bids for the subject project. A mandatory pre-bid meeting was held on August 8, 2017, which was attended by seven (7) contractors. CVWD specifications indicate that only contractors who attend this meeting are allowed to bid on the project.

On August 30, 2017, at 2:00 PM, the District opened and read the following bid proposals for this project:

	Bidder	**Total Bid Amount**
Low	California Building Evaluation & Construction, Inc	$1,245,501
2	Pacific Hydrotech Corp.	$1,472,240
3	PPC Construction	$1,599,130

California Building Evaluation & Construction (CBEC) of Buena Park, CA was the apparent lowest responsible bidder for the project. The engineer's estimate was $907,300 and the low bid was $338,501 or 37% higher than the engineer's estimate.

Staff has previously worked with CBEC on the construction of CVWD's Well 16 facility and the installation of the Motor Control Center (MCC) at Oak Creek Reservoir. Staff was satisfied with the progress of these projects and change orders were minimal.

The 2nd lowest bidder has raised questions regarding CBEC's bid proposal, legal counsel is reviewing the questions and will provide more information at the Board meeting.

Review – Bid Proposal:

Staff reviewed CBEC's bid proposal and cost breakdown and compared it to CVWD's cost estimate. In general, the engineer's cost estimate was low for the site preparation, on-site infrastructure, pipelines, building equipment, electrical temporary power, and the nitrate bldg roof structure. Where the engineer's estimate was high was on the installation of the electrical system and the pre-fabricated operations building.

Staff also looked at reducing the limits of work of the project and/or work that could be completed by CVWD's crews. However, the cost savings will be about $60,000 to $70,000 since the majority of work is specialized.

Staff contacted the contractors that did not provide a bid to ask why they did not bid on the project. The general response was that they currently had a backlog of projects and could not meet the District's deadline of May 2018.

Revised Project Cost and Funding:

The bid proposal from CBEC was $1,245,501, which was over the engineer's cost estimate of $907,000. The entire project costs including the contractor's bid proposal plus construction contingency, quality control inspection services, soils engineer, additional engineering and construction support services, permitting costs with Glendale, procurement of equipment and contingencies has been adjusted to $2,522,000. The current project budget is $2,025,000, which is $462,000 less than required to complete the project.

Staff reviewed the FY 17/18 CIP program to see if any other projects could be deferred to next year and determined that deferring of projects especially pipeline replacement will not be in the best interest of the District.

As an alternative, staff is recommending transferring $500,000 from the MTBE reserve funds to make up the budget shortfall. Staff's reasoning is that if MTBE returns, it will most likely be detected in the existing wells along the southerly part of the basin and not in the area of Well 2. The balance in the MTBE reserve fund as of July 1, 2017 was $5.8M and this transfer request will reduce the MTBE reserve to $5.3M. Staff evaluated the potential cost of purchasing additional imported water if MTBE levels increased above the secondary standard of 5 ppb. Staff evaluation concluded that CVWD would need about $3.7M for the purchase of additional imported water and that the transfer of MTBE funds should not adversely affect the District.

A comprehensive technical/financial analysis of the long-term MTBE reserve fund needs will be presented to the Engineering and Finance Committees in October 2017.

Local Resources Program (LRP) funding:

Staff discussed the Local Resources Program (LRP) funding application with a representative from Metropolitan Water District (MWD) and it was determined that CVWD does not qualify for LRP since the project unit cost is less than the MWD prevailing water rate.

Cost/Benefit Analysis:

The original benefit-cost analysis prepared by staff with respect to annual savings for purchasing less imported water showed a payback period of 7 years for CVWD's capital investment. Staff adjusted the benefit-cost analysis with the revised total budget and it showed a payback period of 11 years.

RECOMMENDATION:

It is staff's recommendation to award the contract for the subject project to the lowest responsible bidder, California Building Evaluation & Construction at a cost of $1,245,501 and establish a 10% contingency fund of $124,550. It is also staff's recommendation to transfer $500,000 from the MTBE reserve fund to provide the additional funding need for the project.

ENVIRONMENTAL REVIEW:

A California Environmental Quality Act (CEQA) Negative Declaration was approved on October 6, 2015.

FUNDING AVAILABILITY:

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	**$1,825,000**
Amount reimbursed from Grant (39%)	*$705,775*
CVWD Costs (61%)	*$1,119,225*
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	($197,000)
Approved Contract – APTwater for ARoNite Nitrate Treatment System	($625,000)
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	($98,547)
Contractor's Bid Proposal – Well 2 Facilities	($1,245,501)
10% Contingency	($124,550)
Quality Control Inspection Services	($141,475)
Estimate Cost – Soil Inspection, Permitting Fees, construction staking, and Misc work	($89,927)
Total Estimated Cost for Design & Construction	***($2,522,000)***
Amount Remaining for Well 2 Project	**($697,000)**
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	**$235,000**
Transfer of Funds from CVWD's MTBE Reserves	**$500,000**
Remaining Funds	**$38,000**

Prepared & Submitted by:

David S. Gould, P.E.
District Engineer

Attachments:

1. Bid Summary

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CRESCENTA VALLEY WATER DISTRICT

Title: Well 2 and Related Facilities at 4029 Lowell Ave			BID LOCATION:		CVWD's Office				
E-Job No: Project E-956	E-972		TIME:		2:00 PM				
Engineer's Estimate:	$907,000		DATE:		8/30/17				
Project Manager:	David Gould		BY:	DG	CHECKED:	JR	DATE:	8/30/17	

ITEM	DESCRIPTION	QUANTITY		Engineers Estimate UNIT	Engineers Estimate AMOUNT	California Bldg Eval Const UNIT	California Bldg Eval Const AMOUNT	Pacific Hydrotech UNIT	Pacific Hydrotech AMOUNT	PPC Construction UNIT	PPC Construction AMOUNT
1	Mobilization and Demobilization (5%)	1	LS	$45,000.00	$45,000.00	$50,000.00	$50,000.00	$71,000.00	$71,000.00	$78,000.00	$78,000.00
2	Site Preparation	1	LS	$27,000.00	$27,000.00	$65,000.00	$65,000.00	$23,200.00	$23,200.00	$28,320.00	$28,320.00
3	Earthworks (Grading)	1	LS	$21,000.00	$21,000.00	$28,000.00	$28,000.00	$40,000.00	$40,000.00	$61,530.00	$61,530.00
4	On Site AC Paving	7100	SF	$3.86	$27,400.00	$6.25	$44,375.00	$6.00	$42,600.00	$6.60	$46,860.00
5	On Site Concrete Paving	320	SF	$15.16	$4,850.00	$20.15	$6,448.00	$19.00	$6,080.00	$15.00	$4,800.00
6	Furnish and install Concrete Swale	110	LF	$75.00	$8,250.00	$33.60	$3,696.00	$55.00	$6,050.00	$60.00	$6,600.00
7	Furnish and install 6" AC berm	100	LF	$15.00	$1,500.00	$30.80	$3,080.00	$36.00	$3,600.00	$25.00	$2,500.00
8	1-inch Water Service with backflow device, valves, meter &	1	LS	$5,000.00	$5,000.00	$21,000.00	$21,000.00	$6,900.00	$6,900.00	$14,145.00	$14,145.00
9	12-inch PVC Storm Drain with catch basins, connections &	270	LF	$177.78	$48,000.00	$229.60	$61,992.00	$228.00	$61,560.00	$272.00	$73,440.00
10	Furnish & install 4" ABS sewer include excavation, backfil	20	LF	$75.00	$1,500.00	$123.00	$2,460.00	$83.00	$1,660.00	$125.00	$2,500.00
11	Furnish & install 6" ABS sewer including cleanouts, manh	185	LF	$216.22	$40,000.00	$308.00	$56,980.00	$128.00	$23,680.00	$289.00	$53,465.00
12	Furnish & install Polycast Heavy Duty Sewer trench with g	50	LF	$92.00	$4,600.00	$84.00	$4,200.00	$435.00	$21,750.00	$195.00	$9,750.00
13	Furnish and install 6" Magmeter including Vault & appurte	1	EA	$11,500.00	$11,500.00	$28,000.00	$28,000.00	$22,900.00	$22,900.00	$19,070.00	$19,070.00
14	Furnish & install 36" RCP (manhole) with grate and inner	1	EA	$5,500.00	$5,500.00	$16,800.00	$16,800.00	$9,000.00	$9,000.00	$9,670.00	$9,670.00
15	Furnish & install 150 gpm Submersible Well Pump with ap	1	LS	$22,000.00	$22,000.00	$36,000.00	$36,000.00	$31,700.00	$31,700.00	$29,930.00	$29,930.00
16	Furnish & install above ground 4-inch steel discharge pipin	1	LS	$26,000.00	$26,000.00	$33,000.00	$33,000.00	$40,000.00	$40,000.00	$23,200.00	$23,200.00
17	Furnish & install 4-inch Steel Well Bypass Piping including	1	LS	$7,500.00	$7,500.00	$20,000.00	$20,000.00	$21,100.00	$21,100.00	$17,800.00	$17,800.00
18	Furnish & install 4-inch Steel Pipe from Nitrate Bldg to Ex	20	LF	$250.00	$5,000.00	$750.00	$15,000.00	$509.00	$10,180.00	$731.00	$14,620.00
19	Furnish & install 6-inch Steel Water Pipe, including fitting	90	LF	$111.11	$10,000.00	$775.00	$69,750.00	$267.00	$24,030.00	$296.00	$26,640.00
20	Install Concrete Foundation for Nitrate Bldg including exca	1	LS	$20,000.00	$20,000.00	$36,000.00	$36,000.00	$68,000.00	$68,000.00	$60,250.00	$60,250.00
21	Install 6-foot high chain link around Nitrate Bldg including	90	LF	$133.33	$12,000.00	$28.00	$2,520.00	$169.00	$15,210.00	$200.00	$18,000.00
22	Contractor to coordinate, delivery and unload ARoNite Nit	1	LS	$15,000.00	$15,000.00	$18,500.00	$18,500.00	$8,800.00	$8,800.00	$33,150.00	$33,150.00
23	Install Concrete Foundations for Operations Bldg including	1	LS	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$90,000.00	$90,000.00	$46,350.00	$46,350.00
24	Furnish & install equipment for Chlorine Room including c	1	LS	$25,000.00	$25,000.00	$28,000.00	$28,000.00	$13,600.00	$13,600.00	$11,700.00	$11,700.00
25	Furnish & install 1-inch Schedule 80 PVC socket welded c	160	LF	$55.00	$8,800.00	$22.50	$3,600.00	$84.00	$13,440.00	$89.00	$14,240.00
26	Furnish & install Operations Building's ventilation, Restroo	1	LS	$35,000.00	$35,000.00	$64,500.00	$64,500.00	$31,100.00	$31,100.00	$15,000.00	$15,000.00
27	Furnish & install Electrical Transformer pad (15' x 15' x 8"	1	LS	$13,000.00	$13,000.00	$14,500.00	$14,500.00	$15,200.00	$15,200.00	$12,250.00	$12,250.00
28	Furnish & install Electrical Conduit, Junction Boxes and T	1	LS	$37,000.00	$37,000.00	$7,000.00	$7,000.00	$17,800.00	$17,800.00	$26,800.00	$26,800.00
29	Furnish & install Retaining Concrete Wall including excav	1	LS	$48,000.00	$48,000.00	$48,000.00	$48,000.00	$77,200.00	$77,200.00	$91,840.00	$91,840.00
30	Furnish and install automatic chain link swing gate includi	1	LS	$10,000.00	$10,000.00	$10,500.00	$10,500.00	$21,800.00	$21,800.00	$24,840.00	$24,840.00
31	Miscellaneous: include install H2 Generator and Air Comp	1	LS	$4,000.00	$4,000.00	$22,500.00	$22,500.00	$9,100.00	$9,100.00	$21,250.00	$21,250.00
32	Miscellaneous items include Solid metal plaque with prope	1	LS	$1,000.00	$1,000.00	$11,200.00	$11,200.00	$6,000.00	$6,000.00	$900.00	$900.00
33	Demolition - Electrical	1	LS	$7,600.00	$7,600.00	$15,000.00	$15,000.00	$2,400.00	$2,400.00	$6,400.00	$6,400.00
34	Motor Control Center and Switchboard (Labor only)	1	LS	$25,000.00	$25,000.00	$8,500.00	$8,500.00	$14,700.00	$14,700.00	$11,100.00	$11,100.00
35	Temporary Power and Controls	1	LS	$22,000.00	$22,000.00	$40,000.00	$40,000.00	$46,000.00	$46,000.00	$49,730.00	$49,730.00
36	Power Distribution & Lighting	1	LS	$15,000.00	$15,000.00	$58,000.00	$58,000.00	$79,000.00	$79,000.00	$72,500.00	$72,500.00
37	Conduits and Wires	1	LS	$20,000.00	$20,000.00	$14,000.00	$14,000.00	$69,000.00	$69,000.00	$51,300.00	$51,300.00
38	Other Electrical labor and Miscellaneous Materials	1	LS	$8,000.00	$8,000.00	$22,400.00	$22,400.00	$12,700.00	$12,700.00	$15,700.00	$15,700.00
39	Start-Up & Testing, Manuals, and Training	1	LS	$6,000.00	$6,000.00	$10,000.00	$10,000.00	$8,200.00	$8,200.00	$7,000.00	$7,000.00
40	Furnish and Install Pre-fabricated carport style structure for	1	LS	$28,000.00	$28,000.00	$55,000.00	$55,000.00	$52,300.00	$52,300.00	$48,600.00	$48,600.00
41	Furnish and Install Pre-fabrication Operations Building	1	LS	$200,000.00	$200,000.00	$165,000.00	$165,000.00	$333,700.00	$333,700.00	$437,390.00	$437,390.00
				EE	$907,000.00	LOW	$1,245,501.00	2ND	$1,472,240.00	3RD	$1,599,130.00

CRESCENTA VALLEY WATER DISTRICT
STAFF REPORT

Information Item No. 3

To: Honorable President and Members of the Board of Directors — September 5, 2017

From: David S. Gould. P.E. – District Engineer

Subject: **Amendment No. 1 for Additional Engineering and Construction Support Services for CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956**

INFORMATION ITEM

CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956 – Consideration and motion to authorize the General Manager to amend the existing professional service agreement with SA Associates, Inc. to provide additional engineering services and construction support services for CVWD's Well 2 and related facilities at Ordunio Reservoir for a not-to-exceed cost of $71,600.

BACKGROUND:

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

In October 2015, SA Associates (SA) was awarded a professional service agreement (PSA) for the design of CVWD's Well 2 and Related Facilities at a cost of $114,000 with a contingency amount of $11,400 to cover the cost of additional work.

SA Associates completed the design services and prepared bid documents. The project was advertised for contractor bids in July 2017.

DISCUSSION:

Additional Engineering Services:

SA was involved in a number of changes that CVWD initiated during the design process including preparing plans and specifications for pre-ordering of the electrical motor control center, specifying pre-fabricated buildings, re-locating the buildings to better fit the site which resulted in retaining walls to protect the existing trees, new automatic entrance gate, and coordination of the AroNite nitrate treatment removal system.

Staff had included in the PSA, a contingency amount of $11,400 to cover any additional costs that may have occurred during the design process. Staff requested a fee adjustment letter from SA for the additional work requested. SA's adjustment letter request was for a total of $46,000. Staff reviewed the request and determined that the time spent and the corresponding fee was reasonable for the additional work requested. The amount requested as part of Amendment No. 1 to the agreement is $34,600.

Construction Support Services:

Staff requested a proposal from SA to provide construction support services during the construction of CVWD's Well 2 and Related Facilities. The scope of services included:

- Attending pre-Construction meeting
- Review of shop drawings, which is estimated to be twenty-five (25) submittals
- Response to requests for information and requests for clarification from the contractor which will occur during project
- Review of change orders (if requested by staff)
- Field visits to site including for testing and installation of electrical system, confirm material delivered to site such as pump, chemical system, building and review of site improvements.
- Attendance at meetings with staff and contractor that require input from SA
- Assisting staff with the startup (i.e. electrical) and commission of project
- Preparing As-Built drawings based on redline markups drawings from the contractor

SA provided a proposal to provide the construction support services as discussed above a cost not-to-exceed of $37,000.

RECOMMENDATION:

Staff recommendation is to amend the existing professional service agreement with SA Associates, Inc. to provide additional engineering services and construction support services for CVWD's Well 2 and related facilities at Ordunio Reservoir for a not-to-exceed cost of $71,600.

ENVIRONMENTAL REVIEW:
N/A

FUNDING AVAILABILITY:
There are sufficient funds available in the following account for the project:

Account Description	**Grant Cost Breakdown**
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	**$1,825,000**
Amount reimbursed from Grant (39%)	*$705,775*
CVWD Costs (61%)	*$1,119,225*
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	($125,400)
Additional Engineering & Construction Support Services	($71,600)
Approved Contract – APTwater for ARoNite Nitrate Treatment System	($625,000)
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	($98,547)
Contractor's Bid Proposal – Well 2 Facilities	($1,245,501)
10% Contingency	($124,550)
Quality Control Inspection Services	($141,475)
Estimate Cost – Soil Inspection, Permitting Fees, construction staking, and Misc work	($89,927)
Total Estimated Cost for Design & Construction	***($2,522,000)***
Amount Remaining for Well 2 Project	**($697,000)**
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	**$235,000**
Transfer of Funds from CVWD's MTBE Reserves	**$500,000**
Remaining Funds	**$38,000**

Prepared & Submitted by:

David S. Gould, P.E.
District Engineer

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 4
September 5, 2017

To: Engineering Committee

From: David S. Gould. P.E. – District Engineer

Subject: Preliminary Project Schedule – Update to 2007 CVWD Water Master Plan

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INFORMATION ITEM:

Discussion - Preliminary Project Schedule – Update to 2007 CVWD Water Master Plan

BACKGROUND:

At the August 15, 2017 Engineering Committee meeting, Director Putnam discussed the 2007 Water Master Plan (WMP) and if staff intends to update the WMP within the next year. Director Putnam's concerns were that the 2007 WMP did not address the recent drought conditions relative to reduced water demands and updating future water demands based on the last 10 years of water demand data.

Staff indicated that an updated WMP was included in the FY 18/19 administrative consultants' budget and will provide a preliminary schedule and estimated cost at the next Engineering Committee meeting.

The 2007 Water Master Plan prepared by Civiltec Engineering was an update of the 1994 Water Master Plan. Civiltec started the work in December 2004 and completed it in September 2007. The scope of work included the following:

- Planning of future capital improvements
- Projected future water demands for year 2010, 2015 & 2020
- Future water production strategies
- Future water supplies
- Additional water storage
- Improvements to the existing booster pump system
- Future water quality issues
- Financial/budget considerations.

The 2007 WMP created a new water distribution model using H_2ONet including inputting the existing water pipelines through GIS. The 2007 WMP used 2004 water demands for the analysis and that was the basis for the recommendations.

The initial cost for the 2007 WMP was $220,420 and the scope of work increased as more information was needed to complete the WMP, which included additional study of water surge in the system, detailed land use study, calibrating model versus SCADA information that amounting to a final cost of $312,240.

DISCUSSION:

Preliminary Project Schedule:

Staff has prepared a preliminary project schedule for the 2019 Water Master Plan as shown in Exhibit "A". The scope of work for the 2019 WMP will need to be updated and possibly include a study for a new reservoir and distribution system for the north end of Ocean View Blvd, water age using chlorine residual analysis, conversion of chlorine to chloramination, water surge analysis and subjects that have been previously discussed at the Engineer Committee and at Board Meetings. The major milestone dates from the project schedule are shown below:

- 12/7/17 Review Scope of Work and Request for Proposal with Engineering Committee
- 02/6/18 Award consultant contract
- 06/19/18 50% Preliminary 2019 WMP Report
- 12/1/18 100% 2019 WMP Report
- 03/19/19 Final Report

The goal for the 2019 WMP will be to complete the report and provide recommendations for capital improvement project in FY 19/20 water budget and for the next 10-years.

<u>Preliminary Cost Estimate:</u>

The project cost for the 2007 WMP was $312,240, which included creating the water distribution model and GIS mapping of the water distribution system. The updated WMP will be able to utilize these as the basis for updating the model, so there may be some cost savings by not having to re-creating the hydraulic model.

Staff has included the 2019 WMP as a study in the FY 18/19 water budget under Administrative Consultants, which also could include the surge analysis study and chlorine/THM Study for a total preliminary cost shown of $205,000 (See Exhibit B). However, after reviewing the 2007 WMP costs, the estimate costs shown appears not to be sufficient to complete the study.

Staff reviewed the preliminary cost again and estimated that the 2019 WMP will cost between $400,000 and $450,000 based on an estimated increase in consultant hourly rates after reviewing the 2004 proposals.

<u>Options for 2019 WMP:</u>

<u>Option1:</u> *<u>Proceed with the preparation of the updated 2019 WMP per the project schedule:</u>*

- Prepare the Request for Proposal
- Send out to Consultants
- Award Contract
- Obtain data information
- Dedicate one FTE to work with Consultant
- Complete the 50% preliminary report by June 2018
- Estimated cost for FY 17/18 - $160,000
- Defer the Cathodic Protection Inspection & Study - $36,510
- Increase the FY 17/18 Administrative Consultants from $131,000 to $254,490
- Complete the Final Report by March 2019
- Increase the FY 18/19 Administrative Consultants from $265,000 to $350,000

<u>Option2</u>: *<u>Determine scope of work in Phases and complete over 2-year period:</u>*

- Review 2004 WMP scope of work
- Prepare preliminary scope of work
- Break major tasks into phases and prepare scope
- Prepare an updated project schedule
- Review scope and cost at a future Engineering Committee meeting

<u>RECOMMENDATION:</u>

Staff recommends Option 2, which will allow staff to create the 2019 WMP scope of work in a timely fashion and provide for proper budgeting of funds for it.

<u>ENVIRONMENTAL REVIEW</u>:

N/A

<u>FUNDING AVAILABILITY</u>:

N/A

Prepared & Submitted by:

David S. Gould, P.E.
District Engineer

Attachments:

1. Exhibit A - 2019 Water Master Plan preliminary project schedule
2. Exhibit B - Administrative Consultants summary

Preliminary Schedule - 2019 Water Master Plan				
Task	**Start Date**	**End Date**	**Days**	**Comments**
Prepare Request for Proposal	10/19/17	12/3/17	45	
Staff Report	12/3/17	12/5/17	2	
Engineering Committee	**12/5/17**	**12/7/17**	**2**	**Review RFP**
Proposal Due	12/7/17	1/27/18	51	
Staff Report	1/27/18	1/29/18	2	
Engineering Committee	**1/29/18**	**1/31/18**	**2**	**Consultant Ranking**
Staff Report	1/31/18	2/2/18	2	
Board Meeting - Award of Contract	**2/2/18**	**2/6/18**	**4**	
Kickoff Meeting	2/6/18	2/20/18	14	
Data Request to CVWD	2/20/18	3/6/18	14	
Receive Data Request from CVWD	3/6/2018	5/5/2018	60	
50% Preliminary Report Memo Submittal	5/5/2018	6/19/2018	45	
CVWD Comments - 50% Preliminary Report Memo	6/19/2018	7/4/2018	15	
90% Report Submittal	7/4/2018	10/2/2018	90	
CVWD Comments - 90% Report	10/2/2018	11/1/2018	30	
100% Report Submittal	**11/1/2018**	**12/1/2018**	**30**	
CVWD Comments - 100% Report	12/1/2018	1/15/2019	45	
Final Report	1/15/2019	2/25/2019	41	
Staff Report	2/25/2019	2/27/2019	2	
Engineering Committee	**2/27/2019**	**3/13/2019**	**14**	**Review Report**
Staff Report	3/13/2019	3/15/2019	2	
Board - Accept 2020 Water Master Plan	**3/15/2019**	**3/19/2019**	**4**	
Goal - Complete 2019 Water Master Plan before FY 19/20 Preliminay CIP Budget in March 2019				

FY 17/18 Administration Consultants			
Project Name	**Water**	**Sewer**	**Total**
GIS - Update	$5,000	$5,000	$10,000
Reservoir Site Topo Boundary Survey	$0	$0	$0
Grant Admin	$30,000	$0	$30,000
Grant Stormwater Recharge Project	$20,000	$0	$20,000
Chlorine/Chloramination Study	$0	$0	$0
Wastewater Master Plan	$0	$45,000	$45,000
Pressure Reducing Station Study	$0	$0	$0
Cathodic Protection Inspection & Study	$36,510	$0	$36,510
Source Water Protection Plan	$39,490	$0	$39,490
Total	**$131,000**	**$50,000**	**$181,000**

FY 18/19 Administration Consultants			
Project Name	**Water**	**Sewer**	**Total**
GIS - Update	$5,000	$5,000	$10,000
Reservoir Site Topo Boundary Survey	$10,000	$0	$10,000
Hydraulic Study	$20,000	$0	$20,000
Grant Proposals	$25,000	$0	$25,000
Water Master Plan Update	$125,000	$0	$125,000
Surge Analysis Study	$45,000	$0	$45,000
Water Quality - Chlorine/THM Study	$35,000	$0	$35,000
Total	**$265,000**	**$5,000**	**$270,000**

FY 19/20 Administration Consultants			
Project Name	**Water**	**Sewer**	**Total**
GIS - Update	$5,000	$5,000	$10,000
Reservoir Site Topo Boundary Survey	$12,500	$0	$12,500
Grant Proposals	$25,000	$0	$25,000
Reservoir Water Quality & Mixing System Study	$35,000	$0	$35,000
Reservoir Interior/Exterior Coating Inspection	$25,000	$0	$25,000
Fixed Asset Study	$10,000	$10,000	$20,000
Total	**$112,500**	**$15,000**	**$127,500**

FY 20/21 Administration Consultants			
Project Name	**Water**	**Sewer**	**Total**
GIS - Update	$5,000	$5,000	$10,000
Reservoir Site Topo Boundary Survey	$15,000	$0	$15,000
Hydraulic Study	$10,000	$0	$10,000
Grant Proposals	$35,000	$0	$35,000
CMMS Study	$20,000	$20,000	$40,000
Bench-Marking Study	$20,000	$20,000	$40,000
LAFCO/Overlap Area Study with GWP	$20,000	$20,000	$40,000
Total	**$125,000**	**$65,000**	**$190,000**

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 5
September 5, 2017

To: Engineering Committee

From: David S. Gould. P.E. – District Engineer

Subject: Discussion of Future Board Meeting Action Items

INFORMATION ITEM:

Future Board Meeting Action Items – September 19, 2017

- Advertisement for Bids – Emergency Electrical Generator at Wastewater Lift Station, Project S-962
- Advertisement for Bids – 8-inch Water Main Replacement – 2700, 3000 & 3100 Blocks of Brookhill Ave, Project E-982
- Award of Contract – Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970

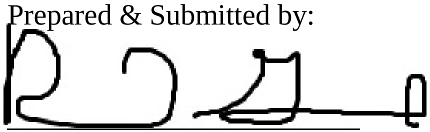
BACKGROUND:

Staff has three (3) projects that will be placed on the September 19, 2017 Board Meeting agenda for approval. The next Engineering Committee meeting is schedule for September 28, 2017 and therefore to meet the CIP project schedule, Staff would like to briefly describe each project before the next Engineering Committee meeting.

DISCUSSION:

1. Advertisement for Bids – Emergency Electrical Generator at Wastewater Lift Station, Project S-962
   - The project design is 90% complete
   - Engineer's Cost Estimate - $72,000
   - Project Schedule
     - 9/19/17 – Advertise for Bid
     - 10/17/17 – Award Contract
     - 12/4/17 – Mobilization
     - 2/2/18 – Complete Project
2. Advertisement for Bids – 8-inch Water Main Replacement – 2700, 3000 & 3100 Blocks of Brookhill Ave, Project E-982
   - The project design is 90% complete
   - Engineer's Cost Estimate - $615,000
   - Project Schedule
     - 9/19/17 – Advertise for Bid
     - 10/17/17 – Award Contract
     - 11/13/17 – Mobilization
     - 3/2/18 – Complete Project
3. Award of Contract – Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970
   - Engineer's Cost Estimate - $688,000
   - Project Schedule
     - 9/13/17 - Bid Opening
     - 11/6/17 – Mobilization – Oak Creek #1
     - 2/26/18 – Mobilization – Oak Creek #2
     - 6/5/18 – Complete Project

Prepared & Submitted by:



David S. Gould, P.E.
District Engineer