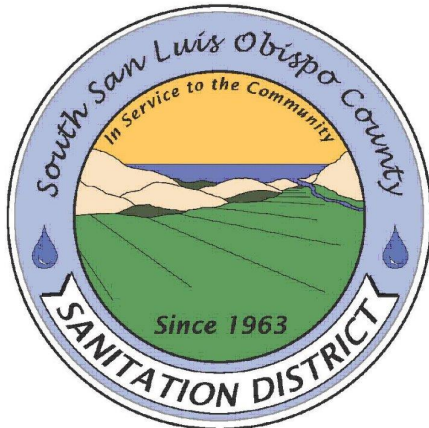


ITEM 6B - Update on Financial Expenditures for District's Wastewater Redundancy Project

April 3, 2019

Jeremy Ghent PE
District Administrator





Outline

- Background and Status
- Project Phases
- FY 18/19 Summary
- Historic Expenditures and Future Projections
- Total Project Budget and Expenditures to date
- Schedule

Redundancy Project (Background)

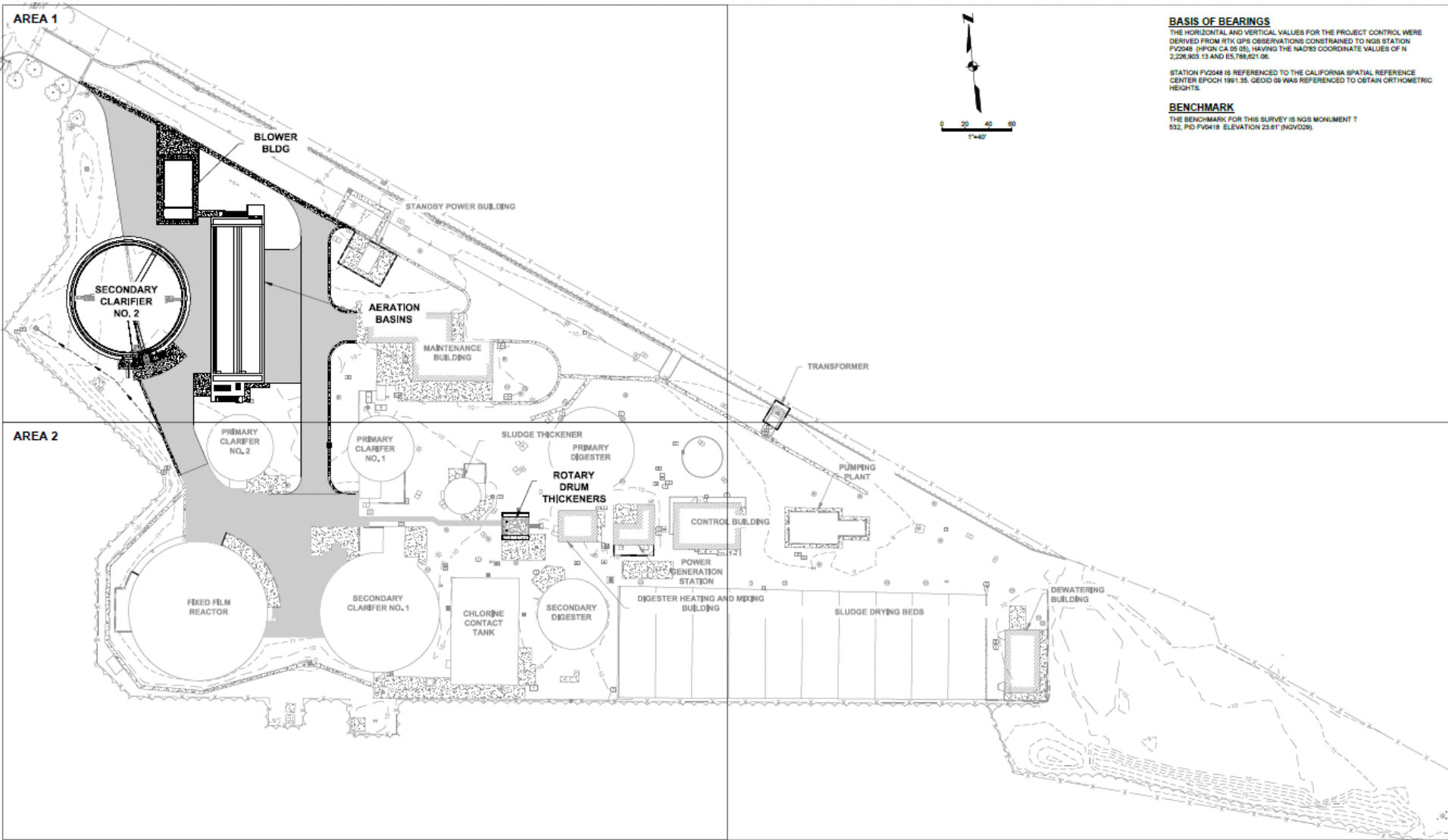
As far back as calendar year 2005, the District has discussed and evaluated the need for a project that would:

- Construct and operate additional or redundant secondary treatment processes at the District wastewater treatment plant.

Need:

- Required by the RWQCB
- No Backup of Secondary (Biological) Treatment Processes;
- Operation: Unable to do Maintenance Upgrades (30+ year old, running 24/7)

Site Plan



BASIS OF BEARINGS
 THE HORIZONTAL AND VERTICAL VALUES FOR THE PROJECT CONTROL WERE DERIVED FROM RTK GPS OBSERVATIONS CONSTRAINED TO NGS STATION PV2048 (HPGN CA 05 05), HAVING THE NAD83 COORDINATE VALUES OF N 2,226,903.13 AND E5,788,521.06.

STATION PV2048 IS REFERENCED TO THE CALIFORNIA SPATIAL REFERENCE CENTER EPOCH 1985.35. GEOID 99 WAS REFERENCED TO OBTAIN ORTHOMETRIC HEIGHTS.

BENCHMARK
 THE BENCHMARK FOR THIS SURVEY IS NGS MONUMENT T 532, PD F0418, ELEVATION 23.61 (MVD29).



Redundancy Project (Status)

- In March, 2016, the Board approved a design contract with Kennedy Jenks.
- 90% Design Plans received on December 21st
- Final Design to be received April 11 2019
- Current design cost is \$1.64 million
- Total costs to date are \$1,843,547
- Total project costs currently estimated at \$27.9 million.
- Construction November 2019 – April 2022
- Project Startup May 2022

Redundancy Project (Funding)

- In 2015/16 the district adopted a rate structure that could fund an approximately \$25 million dollar project with favorable interest rates. Project costs have increased to \$27.9 million due to two primary factors: 1.) Expanded scope, and 2.) Material Costs
- Rate Analysis with Barttle Wells and Associates
 - Due to the District's increase in cash holdings an additional rate increase to fund the project is not needed.
 - Funding assumes conventional Bond funding with partial Low Interest USDA Loan.
- Bonds will fund after Bid Results.

PROJECT PHASES

DISTRICT PHASE	PROJECT PHASE	BUDGET
1	PERMITS, FEES, ENVIRONMENTAL and UTILITIES	\$330,000.00
2	DESIGN	\$1,700,000.00
3	BID SUPPORT	\$60,000.00
4	DESIGN TEAM SERVICES DURING CONSTRUCTION	\$600,000.00
5	CONSTRUCTION MANAGEMENT	\$1,700,000.00
6	PROJECT FINANCE and ADMINISTRATION	\$500,000.00
7	CONSTRUCTION	\$21,010,000.00
8	START-UP SUPPORT and SOPs	\$300,000.00
	CONTINGENCY	\$1,700,000.00
	TOTAL REDUNDANCY PROJECT BUDGET	\$27,900,000.00

PROJECT PHASES

PHASE 1

Phase 1 covers Permits, Fees, Environmental, and Utilities. This phase accounts for \$330,000 of the total \$27.9 million project budget. To date \$191,504 of that budget has been expended. These expenditures have been used to obtain environmental analysis and CEQA document, compliance efforts for the Coastal Development Permit, PG&E Utility relocation design, etc. This phase will remain open throughout the duration of the project.

PHASE 2

Phase 2 covers project Design. The current project budget for design is \$1,700,000. To date the District has expended \$1,642,004 in completing project Design. This phase is nearly complete and is anticipated to stay within budget.

PROJECT PHASES

PHASE 3

Phase 3 provides Bid Support from the designer. This phase is budgeted at \$60,000. During bidding contractors often seek clarifying information in support of preparing a competitive bid. No monies have been spent to date in this project phase, but the District is under contract with Kennedy Jenks to provide this support at a contract price of \$56,361.

PHASE 4

Phase 4 provides Design Team Support During Construction. This phase is budgeted at \$600,000. During construction contractors and the construction management firm will need design support in structural and geotechnical inspection, review of product submittals, and design effort for any potential Change Orders. No monies have been spent to date in this project phase, but the District is under contract with Kennedy Jenks to provide this support at a contract price of \$580,627.

PROJECT PHASES

PHASE 5

Phase 5 provides construction management and inspection services. This phase is budgeted at \$1,700,000. The District is under contract with MKN and Assoc. to prepare and solicit an RFP to procure these services. To date no money has been spent in this project phase.

PHASE 6

Phase 6 is for Project Finance and Administration Support. This phase is budgeted at \$500,000 and covers the costs of obtaining financing, selecting a construction manager, bidding and awarding the project. The District currently has a contract (Referenced in Phase 5) with MKN and Assoc. to provide these administrative services through March of 2020 in the amount of \$105,725. The District has currently spent \$10,039 in this phase. Expenditures to date have been in pursuit of financing options, analysis and documentation.

PROJECT PHASES

PHASE 7

Phase 7 is for project construction. The Designer estimates construction costs at \$21,010,000. No monies have been expended in this phase.

PHASE 8

Phase 8 is for training, start-up support, and preparation of Standard Operating Procedures for the newly constructed processes and equipment. This phase is budgeted at \$300,000. A contract for these services will be obtained after project construction begins.

CONTINGENCY

In addition to the \$26,200,000 currently assigned to phases 1 through 8. The District maintains a \$1,700,000 Project Contingency. No charges will settle directly to the contingency. The contingency is maintained to protect the project from increases or undetermined work efforts in any of the named project phases.

FY 18/19 Expenditures

FY 18/19	
Approved Budget	\$1,400,000.00
Expense as of 3/15/19	\$1,012,199.00
Budget Remaining FY 18/19	\$387,801.00

Historic Expenditures and Future Projections

DISTRICT PHASE	PROJECT PHASE	FY 15/16	FY 16/17	FY 17/18	FY 18/19 To Date	FY 18/19 Year End	FY 19/20	FY 20/21	FY 21/22
1	PERMITS, FEES, ENVIRONMENTAL and UTILITIES	\$ 112,533	\$ 18,315	\$ 37,998	\$ 22,658	\$ 40,000	\$ 135,000	\$ 10,000	\$ 10,000
2	DESIGN	\$ 78,070	\$ 117,377	\$ 467,055	\$ 979,502	\$ 1,100,000	\$ -	\$ -	\$ -
3	BID SUPPORT	\$ -	\$ -	\$ -		\$ 15,000	\$ 45,000	\$ -	\$ -
4	DESIGN TEAM SERVICES DURING CONSTRUCTION	\$ -	\$ -	\$ -			\$ 120,000	\$ 240,000	\$ 240,000
5	CONSTRUCTION MANAGEMENT	\$ -	\$ -	\$ -		\$ 10,000	\$ 400,000	\$ 700,000	\$ 600,000
6	PROJECT FINANCE and ADMINISTRATION	\$ -	\$ -	\$ -	\$ 10,039	\$ 30,000	\$ 130,000	\$ 130,000	\$ 130,000
7	CONSTRUCTION	\$ -	\$ -	\$ -			\$ 6,300,000	\$ 8,200,000	\$ 6,510,000
8	START-UP SUPPORT and SOPs	\$ -	\$ -	\$ -			\$ -	\$ 50,000	\$ 250,000
	CONTINGENCY	\$ -	\$ -	\$ -			\$ 70,000	\$ 770,000	\$ 860,000
	TOTAL REDUNDANCY PROJECT BUDGET	\$ 190,603	\$ 135,692	\$ 505,052	\$ 1,012,199	\$ 1,195,000	\$ 7,200,000	\$ 10,100,000	\$ 8,600,000

Total Project Budget with Expense through 03/08/2019

DISTRICT PHASE	PROJECT PHASE	BUDGET	To Date
1	PERMITS, FEES, ENVIRONMENTAL and UTILITIES	\$330,000.00	\$ 191,504
2	DESIGN	\$1,700,000.00	\$ 1,642,004
3	BID SUPPORT	\$60,000.00	\$ -
4	DESIGN TEAM SERVICES DURING CONSTRUCTION	\$600,000.00	\$ -
5	CONSTRUCTION MANAGEMENT	\$1,700,000.00	\$ -
6	PROJECT FINANCE and ADMINISTRATION	\$500,000.00	\$ 10,039
7	CONSTRUCTION	\$21,010,000.00	\$ -
8	START-UP SUPPORT and SOPs	\$300,000.00	\$ -
	CONTINGENCY	\$1,700,000.00	\$ -
	TOTAL REDUNDANCY PROJECT BUDGET	\$27,900,000.00	\$1,843,547.00

SCHEDULE

Phase	Date	Duration
Design completion	April 2019	2 months
Develop permitting and funding requirements	June 2019	2 months
Bid Phase	June – October 2019	4 months
Construction	November 2019 – March 2022	30 months

QUESTIONS??

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