


TO: COMMITTEE MEMBERS
FROM: BRUCE BUEL 
DATE: AUGUST 21, 2009

AGENDA ITEM
4
AUGUST 24, 2009

DISCUSS TUCKFIELD COMPARISON OF ASSESSMENT VS. COP

ITEM

Discuss Tuckfield comparison of Assessment vs. Certificates of Participation [Forward Recommendations to Board].

BACKGROUND

Attached are excerpts from Clayton Tuckfield's Work Product #2 describing the user fee increase required to fund the Waterline Intertie Project if the Assessment District passes (Option 2) and if Assessments are not used to fund the capital share of the project (Option 5). Also attached is a staff memo comparing the total cost of the two options.

Staff expects to present Tuckfield's Financial Plan to the Board on September 9, 2009.

RECOMMENDATION

Staff recommends that the Committee discuss the analysis, provide requests to staff and forward recommendations to the Board.

ATTACHMENT

- EXCERPTS FROM TUCKFIELD'S WP#2
- STAFF MEMO

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July 17, 2009

Mr. Bruce Buel
General Manager
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

Dear Mr. Buel:

This interim report corresponds to Work Product #2 of our scope of work and presents the findings and results for water rates of the Nipomo Community Services District (District). This report builds upon the assumptions and projections detailed in our June 19, 2009 letter of which have been incorporated herein.

The analysis has been conducted for fiscal years (FY) 2009-10 through 2013-14, the study period, and includes a discussion of the proposed water system capital improvement program (CIP), CIP funding, an assumed preferred Water Fund financial plan, and water rate structures and rates. A matrix is presented for the financial plan under alternative scenarios, showing the impact of financing the Waterline Intertie Project under two methods, and the impacts for three replacement funding programs identified in the 2007 Water and Sewer Replacement Study (Replacement Study). These scenarios include the following.

- Option 1 – Assessment Financing with Model 1: 20-Yr Savings Replacement
- Option 2 – Assessment Financing with Model 2: Service Life Savings Replacement
- Option 3 – Assessment Financing with Model 3: Pay-As-You-Go Replacement

- Option 4 – Certificates of Participation Financing with Model 1: 20-Yr Savings Replacement
- Option 5 – Certificates of Participation Financing with Model 2: Service Life Savings Replacement
- Option 6 – Certificates of Participation Financing with Model 3: Pay-As-You-Go Replacement

In addition, water rates are presented that include three residential structures and two non-residential structures for each financing method and replacement program. A water rate survey is also included that shows water rates for each customer classification identified through the survey.

Capital Improvement Program

The District has developed a capital improvement program (CIP) for the water utility that is shown in Table 1. Major project expenditures include those related to the Waterline Intertie Project, Hetrick to

Table 1
 Nipomo Community Services District
 Water Utility
 Proposed Capital Improvement Program

Line No.	Project Description	Fiscal Year Ending June 30					Total
		2009-10	2010-11	2011-12	2012-13	2013-14	
1	Waterline Intertie Project	\$9,745,000	\$0	\$0	\$0	\$0	\$9,745,000
2	Desalination	100,000	100,000	100,000	500,000	500,000	1,300,000
3	Camino Caballo - Blue Gum to Existing 16"	200,000	0	0	0	0	200,000
4	Grande - Cyclone to Orchard	0	0	100,000	0	0	100,000
5	Second Connection to Blacklake	100,000	0	0	0	0	100,000
6	Water Storage Tank	0	0	300,000	200,000	1,080,000	1,580,000
7	Misty Glen to Pomeroy to Hetrick	1,000,000	0	0	0	0	1,000,000
8	Hetrick to Sandydale	300,000	1,650,000	0	0	0	1,950,000
9	SCADA Upgrades - Water Fund Share	110,000	20,000	20,000	20,000	20,000	190,000
10	GIS Upgrades - Water Fund Share	27,500	10,000	10,000	10,000	10,000	67,500
11	Standpipe Mixing	150,000	0	0	0	0	150,000
12	Security Upgrades	20,000	20,000	20,000	20,000	20,000	100,000
13	Reset Valves for County Road Projects	25,000	25,000	25,000	25,000	25,000	125,000
14	Relocate Water Mains for County Projects	50,000	50,000	50,000	50,000	50,000	250,000
15	State Title 22 Requirements	10,000	10,000	10,000	10,000	10,000	50,000
16	Brytec Court Dead End Main	0	0	0	0	3,000	3,000
17	N. Blume Dead End Main	51,800	0	0	0	0	51,800
18	N. Crosby Dead End Main	0	0	0	14,000	0	14,000
19	Eve Dead End Main	0	0	0	66,500	0	66,500
20	Grove Dead End Main	0	0	100,000	0	0	100,000
21	Branch Dead End Main	0	0	0	0	111,000	111,000
22	Valves	184,000	184,000	184,000	184,000	184,000	920,000
23	Fire Hydrants	72,600	72,600	72,600	72,600	72,600	363,000
24	Air/Vac's	16,500	16,500	16,500	16,500	16,500	82,500
25	Water Meters	150,000	150,000	150,000	150,000	150,000	750,000
26	Well Refurbishment	100,000	100,000	100,000	100,000	100,000	500,000
27	Tank Coating and Repairs	325,000	175,000	300,000	0	0	800,000
28	Total Capital Improvements (Uninflated)	\$12,737,400	\$2,583,100	\$1,558,100	\$1,438,600	\$2,352,100	\$20,669,300
29	Total Capital Improvements (Inflated)^[1]	\$12,737,400	\$2,686,500	\$1,685,200	\$1,618,100	\$2,751,600	\$21,478,800

^[1] Projects inflated at 4.0% per year based on 5-year average annual increase in the historical ENR Index.

Sandydale waterline, desalination project, and water storage tank construction. Estimates of improvement costs on line 29 include inflation and total over \$21,478,000 during the study period.

Capital Improvement Program Financing

Table 2 shows the sources of funds to finance the CIP listed in Table 1. There are several sources of funding for the projects including assessment district financing for the Water line Intertie Project, and transfers from the Water Fund, Replacement Fund, Capital Fund, and Supplemental Water Fund. The

Table 2
 Nipomo Community Services District
 Water Utility
 Water Capital Improvement Financing

Line No.	Description	Fiscal Year Ending June 30				
		2009-10	2010-11	2011-12	2012-13	2013-14
Source of Funds						
1	Funds on Hand at Beginning of Year	\$0	\$0	\$0	\$0	\$0
2	Transfer In from Water Fund	0	0	34,700	261,800	1,341,700
3	Transfer In from Replacement Fund	1,230,600	856,100	1,025,300	729,000	758,200
4	Transfer In from Water Capacity Fund	1,661,800	1,726,400	517,000	64,900	66,800
5	Transfer In from Supplemental Water Fund	100,000	104,000	108,200	562,400	584,900
6	Assessment District Proceeds ^[1]	9,745,000	0	0	0	0
7	Total Sources of Funds	12,737,400	2,686,500	1,685,200	1,618,100	2,751,600
Use of Funds						
8	Major Capital Improvements ^[2]	12,737,400	2,686,500	1,685,200	1,618,100	2,751,600
9	Total Use of Funds	12,737,400	2,686,500	1,685,200	1,618,100	2,751,600
10	Funds on Hand at End of Year	\$0	\$0	\$0	\$0	\$0

^[1] Assumes Waterline Intertie Project is financed with an Assessment District.

^[2] From Table 1.

funding of the improvements has been designed to minimize debt financing that would be paid from the Water Fund and to match improvement expenditures to available funds for the appropriate year.

Financial Plan

An assumed preferred financial plan for the Water Fund has been prepared that includes revenue projected using the existing water rates, and revenue requirements from Work Product #1. The preferred plan is Option 2, Assessment Financing with Model 2: Service Life Savings Replacement. Water sales revenue has been projected through application of the July 1, 2009 water rates to projections of customer growth and water sales volume per account, both of which are based on the assumptions in Work Product #1. Future customer growth was estimated to increase by 0.5 percent annually for residential accounts only, or about 19 new single-family residential accounts and 2 multifamily accounts.

Water sales volume was projected assuming a 1 percent decrease in the average usage per dwelling unit for single family and multifamily customers, reflecting on-going conservation efforts and customer resistance. All other customer classifications assume constant use per account/unit at FY 2008-09 levels.

Water system operation and maintenance expense (O&M) is projected to increase based on historical expense increases and expectation of future inflation rates. The detailed historical, budgeted, and projected O&M and associated inflation rates are presented in Work Product #1.

Currently, the Water Fund pays annual debt service on a 1978 revenue bond issue totaling approximately \$15,000 annually. The bonds will be retired in FY 2017-18.

Minor capital expenditures are also included as a revenue requirement. These expenditures include fixed asset purchases, utility vehicles, office/technical equipment, and other assets.

Capital improvement financing shown in Table 2 will have impacts to the Water Fund. Transfers of about \$1,638,200 are planned to pay for capital expenditures out of the Water Fund. These transfers are used to pay for improvements as shown on line 2 of Table 2.

A key revenue requirement in the financial plan includes the Transfer to the Replacement Fund. The District commissioned a Water and Sewer Replacement Study in 2007 to study the amount that should be included annually as a transfer for water system replacement. The study analyzed three replacement program funding methods. The District's preference is the Service Life Savings Replacement program. Alternative financial plan scenarios for the three funding programs are presented in Appendix A of this report, and exclude any "Catch-Up" amount as identified in the Replacement Study so as to make a fair comparison among the replacement programs.

Table 3 presents the assumed preferred financial plan of the Water Fund that includes proposed adjustments to revenue. Analysis of the financial plan indicates that the Water Fund will be deficient in meeting future obligations. The deficiency is due to inflation in expenses and additional expense obligations including supplemental water and cash funding of CIP. The statement indicates that revenue from water service rates will need to increase by 19.5 percent annually, shown on lines 2 through 6.

The adjustments to revenue were determined based on financial planning criteria developed for the Water Fund. The criteria included maintaining a Water Fund working capital reserve of 180 days of O&M expense, while also maintaining a debt service coverage ratio that meets the requirements of Resolution No. 137.

Alternative Financial Plans

Part of the scope of work for the water rate study includes identifying the impacts to the Water Fund for financing the Waterline Intertie Project through Certificates of Participation (COPs) instead of an assessment. Additionally, the District is interested in evaluating the impacts associated with the three replacement funding programs for each of the two Waterline Intertie Project financing options.

Table 3 **With Assessment Financing**
Nipomo Community Services District **Model 2: Service Life Savings Replacement**
Water Utility
Water Fund Flow of Funds Statement

Line No.	Description	Fiscal Year Ending June 30				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue						
1	Water Sales Revenue Under Existing Rates ^[1]	\$3,145,800	\$3,140,100	\$3,134,400	\$3,128,800	\$3,123,100
	Additional Water Sales Revenue Required:					
	Fiscal Year	Revenue Increase	Effective Date			
2	2009-10	19.5%	July 1, 2010	0	612,300	611,200
3	2010-11	19.5%	Jan 1, 2011		365,900	730,400
4	2011-12	19.5%	Jan 1, 2012			436,400
5	2012-13	19.5%	Jan 1, 2013			871,300
6	2013-14	19.5%	Jan 1, 2014			520,600
7	Total Additional Water Sales Revenue			0	978,200	1,778,000
8	Total Water Sales Revenue	3,145,800	4,118,300	4,912,400	5,859,900	6,989,900
9	Transfer In Supplemental Water Fees	0	0	0	0	0
10	Other Revenue ^[2]	76,300	76,500	76,500	76,500	76,500
11	Interest Income From Operations ^[3]	24,900	19,300	18,200	22,000	29,200
12	Total Revenue	\$3,247,000	\$4,214,100	\$5,007,100	\$5,958,400	\$7,095,600
Revenue Requirements						
13	Operation and Maintenance Expense ^[4]	\$2,988,400	\$3,111,300	\$3,814,100	\$3,960,000	\$4,112,400
14	1978 Water Revenue Bonds ^[5]	15,800	15,300	14,800	15,200	15,700
15	Proposed Ceticates of Participation ^[6]	0	0	0	0	0
16	Minor Capital Expenditures	204,000	50,000	51,500	53,000	54,600
17	Transfers to Replacement Fund ^{[4][7]}	700,000	1,132,000	1,132,000	1,132,000	1,142,000
18	Transfers for Capital Improvement Financing	0	0	34,700	261,800	1,341,700
19	Total Revenue Requirements	3,908,200	4,308,600	5,047,100	5,422,000	6,666,400
20	Net Funds Available	(\$661,200)	(\$94,500)	(\$40,000)	\$536,400	\$429,200
21	Beginning Water Fund Balance	1,992,000	1,330,800	1,236,300	1,196,300	1,732,700
22	Cumulative Water Fund Balance	\$1,330,800	\$1,236,300	\$1,196,300	\$1,732,700	\$2,161,900
23	Minimum Desired Balance ^[8]	\$1,494,200	\$1,555,700	\$1,907,100	\$1,980,000	\$2,056,200
Annual Debt Service Coverage						
24	Net Revenue ^[9]	\$686,600	\$1,550,200	\$1,641,500	\$2,458,500	\$3,457,100
25	Existing Debt Service Payments ^[10]	15,800	15,300	14,800	15,200	15,700
26	Additional Debt ^[11]	\$0	\$0	\$0	\$0	\$0
27	Coverage	4346%	10132%	11091%	16174%	22020%

^[1] Estimated revenue based on number of customers and projected water sales volume.

^[2] Includes penalties and miscellaneous income.

^[3] Assumes an interest rate of 1.5% on the average fund balance.

^[4] Projected expense from Work Product #1.

^[5] Existing 1978 Revenue Bonds debt service.

^[6] Certificates of Participation assume an interest rate of 6.0% and a 20 year term.

^[7] Annual amount for water system replacement. As budgeted for FY 2009-10.

^[8] Estimated at 180 days of operation and maintenance expense.

^[9] As defined in Resolution No. 137. Includes all charges and all other income including interest income of the Enterprise.

^[10] Debt service from line 14 above.

^[11] Debt service from line 15 above.

This analysis is presented in a matrix format in Table 4. Options 1 through 3 include financing the Waterline Intertie Project with assessment financing while Options 4 through 6 include COPs financing. The COPs financing assumes a 6 percent interest rate with a 20-year term, a reserve equal to one year's principal and interest, and issuance costs of 4 percent of the debt issue amount. For each option, the annual replacement amount corresponds to the levels defined in the 2007 Water and Sewer Replacement Study. Alternative financial plans for each option are provided in Appendix A.

Table 4

Nipomo Community Services District
 Water Utility

**Summary of Annual Revenue Adjustments Required for Waterline Intertie Project
 Financing Assumptions and Fixed Asset Replacement Program Funding**

WITH ASSESSMENT FINANCING			
	OPTION 1	OPTION 2	OPTION 3
	Model 1	Model 2	Model 3
Date of Increase	20-Yr Savings	Service Life Savings	Pay-As-You-Go
	Revenue Increases (Table 3a) ^[1]	Revenue Increases (Table 3)	Revenue Increases (Table 3c) ^[1]
July 1, 2010	19.5%	19.5%	13.0%
Jan 1, 2011	19.5%	19.5%	13.0%
Jan 1, 2012	19.5%	19.5%	13.0%
Jan 1, 2013	19.5%	19.5%	13.0%
Jan 1, 2014	19.5%	19.5%	13.0%

WITH COPs FINANCING			
	OPTION 4	OPTION 5	OPTION 6
	Model 1	Model 2	Model 3
Date of Increase	20-Yr Savings	Service Life Savings	Pay-As-You-Go
	Revenue Increases (Table 3d) ^[1]	Revenue Increases (Table 3e) ^[1]	Revenue Increases (Table 3f) ^[1]
July 1, 2010	30.5%	30.5%	25.5%
Jan 1, 2011	30.5%	30.5%	25.5%
Jan 1, 2012	30.5%	30.5%	25.5%
Jan 1, 2013	30.5%	30.5%	25.5%
Jan 1, 2014	30.5%	30.5%	25.5%

^[1] Table presented in Appendix A.

Water Rate Structures and Rates

An analysis of the overall water system was evaluated to determine a methodology for which to design rates. The District has less than 4,500 accounts with non-residential customers making up about 4 percent of those accounts. This information lends support to using a commodity-demand method of cost allocation.

In the commodity-demand method, revenue requirements are assigned as commodity costs, capacity costs, and customer costs. Commodity costs are characterized by those costs that vary with the quantity of water produced, such as pumping power, chemicals, purchased water, and other costs. Demand costs are generally those costs associated with providing facilities to meet peak rates of use. Such costs may include all transmission and distribution system pumping and all treatment, transmission, and distribution mains and storage facilities that are sized to meet peak demands. Customer costs include those incurred to serve the customer, regardless of the amount of water consumed. These costs include meter and service maintenance, meter reading, billing, collecting, and accounting costs.

Fixed Charge Component

A review and analysis was conducted of the current fixed charges of the District. The fixed charges are established recognizing meter capacity ratios and are priced such that revenue from fixed charges is slightly above 25 percent of the total system revenue. The cost of service analysis produced a similar result for the existing charges. Because the fixed charges reflect industry practice, it is proposed that future charges be established by increasing the current fixed charges by the annual percentages shown in Table 4 for each option. Doing so will maintain the current ratio of fixed charge revenue to total revenue (25 percent of total revenue) and provide a fair comparison among the alternatives. Table 5 presents the proposed fixed charges by meter size for the July 1, 2010 increase.

Variable Rate Component

Water service rates are typically composed of a fixed charge and a volume charge (variable charge). All costs not recovered in the fixed charge are recovered in the volume charge. The volume charge may be a uniform charge per unit of consumption, or established as a series of block rates, where a block of water is a defined amount of water consumption, such as zero to 500 cubic feet (0 to 5 Ccf).

Rate blocks are designed based on an analysis of the bills rendered by customer classification for various levels of consumption. This analysis includes tabulating the number of bills and their consumption, then developing cumulative consumption of bills rendered at each consumption level. The result of this tabulation is the determination of the percentage of the total water volume that is consumed in each block, allowing consumption curves to be drawn to illustrate usage patterns. Such curves allow pricing to be established for various rate blocks and the determination of revenue impacts from such pricing.

Table 5
 Nipomo Community Services District
 Water Utility
 Summary of Proposed Residential Water Bi-monthly Fixed Charges By Financing Option and Replacement Funding Program

Water Size	Existing Charges	WITH ASSESSMENT FINANCING			WITH COPs FINANCING		
		OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6
		Model 1: 20-Yr Savings	Model 2: Service Life Savings	Model 3: Pay-As-You-Go	Model 1: 20-Yr Savings	Model 2: Service Life Savings	Model 3: Pay-As-You-Go
5/8	\$30.84	\$36.85	\$36.85	\$34.85	\$40.25	\$40.25	\$38.70
3/4	30.84	36.85	36.85	34.85	40.25	40.25	38.70
1	30.84	36.85	36.85	34.85	40.25	40.25	38.70
1 1/2	83.97	100.34	100.34	94.89	109.58	109.58	105.38
2	124.61	148.91	148.91	140.81	162.62	162.62	156.39
3	233.07	278.52	278.52	263.37	304.16	304.16	292.50
4	376.68	450.13	450.13	425.65	491.57	491.57	472.73
6	738.80	882.87	882.87	834.84	964.13	964.13	927.19
8	\$1,153.71	\$1,378.68	\$1,378.68	\$1,303.69	\$1,505.59	\$1,505.59	\$1,447.91

A bill tabulation and analysis was performed for the District's customer classifications using 5 year's of historical information from billing system records. Several findings can be drawn from the bill tabulation and analysis.

- Over 82 percent of the water consumed is related to residential customers (single-family, multifamily).
- The average bi-monthly consumption of a single-family residential customer is 40 Ccf.
- The average bi-monthly consumption of a multifamily dwelling unit is 12 Ccf.
- The average bi-monthly water consumption of the commercial classification is 60 Ccf.
- Commercial accounts consist of less than 3 percent of the total accounts.

From the tabulation, customer classification usage patterns were drawn and evaluated and are presented in Appendix B. Figure B-1 shows consumption patterns of the various customer classifications of the District. Review of all the curves indicate that it is appropriate to recognize these as separate classes, because of the wide separation of the curves from one another.

The curve for single family customers exhibits a typical consumption pattern for this classification. The multifamily curve has been determined on an individual dwelling unit basis and displays a more uniform use per unit than single family.



NIPOMO COMMUNITY SERVICES DISTRICT

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NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address www.nipomocsd.com

TO: BOARD
FROM: BRUCE BUEL *BB*
DATE: JULY 27, 2009
RE: COMPARISON OF WIP ASSESSMENT VS COP FINANCING
CC: PETER SEVCIK, LISA BOGNUDA, CELESTE WHITLOW

Clayton Tuckfield's June 19, 2009 Letter Report (Work Product #1) estimates the FY2011-12 Annual Cost for financing the Waterline Intertie Project with a COP plus Annual Increase in O&M Cost at \$2,444,300. This translates into \$591.27 per year or \$49.27 per month for each of NCSD's 4,134 connections.

For the Assessment Proposal, the Wallace Group estimates the Assessment per a residential lot of 13,068 square feet or less at \$228.74 per year or \$18.69 per month. Clayton Tuckfield estimates the FY2011-12 Annual WIP O&M Cost for the balance of the City of Santa Maria Annual Cost at \$897,000. This translates into \$216.98 per year or \$18.08 per month for each of NCSD's 4,134 connections. Adding the Assessment from the Wallace Group to the User Fee from Tuckfield results in a WIP Cost of \$445.72 per year or \$37.14 per month.

More detailed comparison of the cost by volume of consumption will be possible when the Board selects a rate structure.

TO: COMMITTEE MEMBERS
FROM: BRUCE BUEL *B81a*
DATE: AUGUST 21, 2009

AGENDA ITEM
5
AUGUST 24, 2009

REVIEW STATUS OF SOUTHLAND WWTF UPGRADE PROJECT

ITEM

Review status of Southland WWTF Upgrade Project [Forward Recommendations to Board].

BACKGROUND

Attached is the latest Monthly Report from AECOM along with a draft project Budget.

DWA is proceeding to prepare the Draft EIR.

Staff and District Legal Counsel have negotiated a draft Right of Entry Agreement with Charles Pasquini so that Fugro can proceed with their Hydro-Geologic Research. See agenda item 6.

It should be noted that the Board has already funded the proposed project and the District already owns the land for construction.

RECOMMENDATION

Staff recommends that the Committee receive AECOM's presentation and ask questions as appropriate.

ATTACHMENT

- MONTHLY REPORT AND BUDGET

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AECOM
1194 Pacific Street, Suite 100
San Luis Obispo CA 93401
T 805.542.9840 F 805.542.9990 www.aecom.com

Memorandum

Date: August 14, 2009
To: Bruce Buel, General Manager – Nipomo Community Services District
From: Michael K. Nunley, PE
Subject: Southland WWTF Upgrade Project – Design Phase Status Report

Distribution: Josh Reynolds, PE
Peter Sevcik, PE
Jon Hanlon, PE
Eileen Shields
Jim Froelicher
Kirk Gonzalez, PE

The Project Team has completed the following work items this month:

1. Fugro performed field geotechnical exploration at the Southland WWTF during the week of July 20th.
2. AECOM has been working with GTA to produce a final base map of existing topography at the WWTF.
3. Supplemental influent monitoring has continued at the plant. Results for June were received.
4. AECOM created a draft sketch of existing plant piping from survey results and as-builts, and met with operations staff on August 7th to review the sketch and investigate areas of question.

Schedule

The Project Schedule is attached. The Design Phase is on schedule.

Budget Status

The Invoice Summary is attached. The Invoice Summary indicates an amount invoiced which is consistent with the work completed to date. The project cost opinion has not been updated since the January 2009 Master Plan, but the summary table is included and will be updated with the 30% design submittal.

Yours Sincerely



Michael K. Nunley, PE

Enclosures: Project Schedule
Invoice Summary
Project Budget Summary

AECOM Water

Project Budget Summary

8/14/2009

Engineering Services for NCSD - Southland WWTF Upgrade

Nipomo CSD

	Total Budget	Amount Previously Invoiced	Current Invoice Amount	% of Budget Earned to date	% of Work Complete
Task Group 1 - Concept Design Phase	\$188,622.00	\$34,643.70	\$12,337.65	25%	25%
Task Group 2 - Construction Documents	\$478,948.00	\$0.00	\$0.00	0%	0%
Task Group 3 - Project Management	\$68,787.00	\$7,113.15	\$3,693.60	16%	16%
Task Group 4 - Assistance During Bid	\$39,539.00	\$0.00	\$0.00	0%	0%
Task Group 5 - Office Engineering Services	\$147,198.00	\$0.00	\$0.00	0%	0%
Total	\$923,094.00	\$41,756.85	\$16,031.25	6%	6%

Southland WWTF Design Schedule

Fri 8/14/09

ID	Task Name	% Work Complete	Duration	Start	Finish	Gantt Chart											
						Qtr 1, 2009	Qtr 2, 2009	Qtr 3, 2009	Qtr 4, 2009	Qtr 1, 2010	Qtr 2, 2010	Qtr 3, 2010	Qtr 4, 2010	Qtr 1, 2011	Qtr 2, 2011	Qtr 3, 2011	
1	Negotiation and Notice to Proceed	100%	20 days	Thu 2/26/09	Wed 3/25/09	[Gantt bar: 100% complete]											
2	Design	0%	357 days	Thu 3/26/09	Fri 8/6/10	[Gantt bar: 0% complete]											
3	Survey	90%	105 days	Thu 3/26/09	Wed 8/19/09	[Gantt bar: 90% complete]											
4	Preliminary Soils Report	100%	75 days	Thu 3/26/09	Wed 7/8/09	[Gantt bar: 100% complete]											
5	Draft Site Plan	30%	117 days	Thu 3/26/09	Fri 9/4/09	[Gantt bar: 30% complete]											
6	Draft Soils Report	30%	50 days	Thu 7/9/09	Wed 9/16/09	[Gantt bar: 30% complete]											
7	Operations Plan - TM 1	20%	30 days	Thu 8/20/09	Wed 9/30/09	[Gantt bar: 20% complete]											
8	Final Soils Report	0%	15 days	Thu 10/1/09	Wed 10/21/09	[Gantt bar: 0% complete]											
9	Administrative Draft Concept Report	0%	41 days	Fri 10/23/09	Fri 12/18/09	[Gantt bar: 0% complete]											
10	District Review	0%	10 days	Mon 12/21/09	Fri 1/1/10	[Gantt bar: 0% complete]											
11	Draft Concept Report	0%	5 days	Mon 1/4/10	Fri 1/8/10	[Gantt bar: 0% complete]											
12	District / Peer Review	0%	10 days	Mon 1/11/10	Fri 1/22/10	[Gantt bar: 0% complete]											
13	Final Concept Report	0%	20 days	Mon 1/25/10	Fri 2/19/10	[Gantt bar: 0% complete]											
14	60% Plans, Specifications, and Estimates	0%	60 days	Mon 2/22/10	Fri 5/14/10	[Gantt bar: 0% complete]											
15	District / Peer Review	0%	10 days	Mon 5/17/10	Fri 5/28/10	[Gantt bar: 0% complete]											
16	95% Plans, Specifications, and Estimates	0%	20 days	Mon 5/31/10	Fri 6/25/10	[Gantt bar: 0% complete]											
17	District / Peer Review	0%	10 days	Mon 6/28/10	Fri 7/9/10	[Gantt bar: 0% complete]											
18	Final Plans, Specifications, and Estimates	0%	20 days	Mon 7/12/10	Fri 8/6/10	[Gantt bar: 0% complete]											
20	Environmental Impact Report	0%	231 days	Wed 4/8/09	Wed 2/24/10	[Gantt bar: 0% complete]											
21	Notice of Award	0%	1 day	Wed 4/8/09	Wed 4/8/09	[Gantt bar: 0% complete]											
22	Preparation of Public Draft EIR	0%	22.8 wks	Thu 4/9/09	Tue 9/15/09	[Gantt bar: 0% complete]											
23	EIR Public Review Period	0%	7.4 wks	Fri 9/25/09	Mon 11/16/09	[Gantt bar: 0% complete]											
24	Preparation of Administrative Final EIR/Responses to Comments	0%	1 mon	Tue 11/17/09	Mon 12/14/09	[Gantt bar: 0% complete]											
25	Completion and Receipt of Comments from District on Final EIR	0%	6 days	Tue 12/15/09	Tue 12/22/09	[Gantt bar: 0% complete]											
26	Completion of Final EIR	0%	2 wks	Fri 1/1/10	Thu 1/14/10	[Gantt bar: 0% complete]											
27	Completion of Findings of Fact	0%	11 days	Fri 1/15/10	Fri 1/29/10	[Gantt bar: 0% complete]											
28	Public Hearings/EIR Certification	0%	11 days	Wed 2/10/10	Wed 2/24/10	[Gantt bar: 0% complete]											
30	Bid Phase	0%	55 days	Mon 8/9/10	Fri 10/22/10	[Gantt bar: 0% complete]											
31	Advertisement	0%	30 days	Mon 8/9/10	Fri 9/17/10	[Gantt bar: 0% complete]											
32	Bid Opening	0%	5 days	Mon 9/20/10	Fri 9/24/10	[Gantt bar: 0% complete]											
33	Bid Review and Notice of Award	0%	20 days	Mon 9/27/10	Fri 10/22/10	[Gantt bar: 0% complete]											
35	Construction	0%	295 days	Mon 5/17/10	Fri 7/1/11	[Gantt bar: 0% complete]											
36	Retain Design Firm to Perform Services During Construction	0%	20 days	Mon 5/17/10	Fri 6/11/10	[Gantt bar: 0% complete]											
37	Construct	0%	160 days	Mon 10/25/10	Fri 6/3/11	[Gantt bar: 0% complete]											
38	Startup	0%	10 days	Mon 6/6/11	Fri 6/17/11	[Gantt bar: 0% complete]											
39	Testing	0%	10 days	Mon 6/20/11	Fri 7/1/11	[Gantt bar: 0% complete]											

Project: Southland Design 8 03 08 Date: Fri 8/14/09	Task: [Icon] Task Progress: [Icon] Progress Baseline: [Icon] Baseline Milestone: [Icon] Milestone	Baseline Milestone: [Icon] Summary: [Icon] Rolled Up Task: [Icon] Rolled Up Critical Task: [Icon]	Rolled Up Milestone: [Icon] Baseline Summary: [Icon] Rolled Up Baseline: [Icon] Rolled Up Baseline Milestone: [Icon]	Rolled Up Progress: [Icon] Split: [Icon] Baseline Split: [Icon] External Tasks: [Icon]	Project Summary: [Icon] Group By Summary: [Icon] Deadline: [Icon]
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Item	Description	Budgeted Amount Jan 2009 Master Plan	Updated Amount
1	Frontage Road sewer upgrade (street to influent pump station)	\$366,000 (4) (5)	\$366,000
2	Influent pump station upgrade	\$670,900	\$670,900
3	Influent screening system	\$327,400	\$327,400
4	Grit removal system	\$402,700	\$402,700
5	Phase I Biolac system	\$3,877,500	\$3,877,500
6	Phase I Sludge holding lagoons	\$67,700	\$67,700
7	Phase I Sludge drying beds	\$1,160,700	\$1,160,700
Construction Subtotal		\$6,872,900	\$6,872,900
8	Contingency	\$2,061,870 (6)	\$2,061,870
9	Design-Phase Engineering	\$923,093	\$923,093
10	Construction Management	\$1,138,777 (7)	\$1,138,777
11	Environmental Mitigation	-- (8)	-- (8)
12	Environmental Monitoring	-- (8)	-- (8)
13	Permitting Fees	-- (8)	-- (8)
PROJECT TOTAL (Rounded to 1000)		\$10,997,000	\$10,997,000

Notes:

- (1) ENR CCI: November 2008 = 8602
- (2) Costs are from the January 2009 Southland WWTF Master Plan.
- (3) Costs are escalated by 4 % per year to anticipated midpoint of construction (2011).
- (4) The Frontage Rd Sewer Upgrade project includes the sewer main from Division St. to the influent pump station. The portion between the street and the influent pump station is currently included in the Southland WWTF Upgrades project scope of work, but may be moved to the Waterline Intertie Project for expedited construction.
- (5) The cost for this portion of Frontage Rd was estimated by prorating the cost opinion for the Frontage Road Sewer Upgrade (based on linear footage) to arrive at the 2008 Construction Cost Opinion. A 4% per year escalation was used to arrive at the 2011 midpoint of construction cost opinion.
- (6) Contingency is estimated at 30% of construction subtotal.
- (7) To be updated by CM Team, assumed to be 30% of construction subtotal minus the engineering fee.
- (8) Costs to be developed with EIR process

TO: COMMITTEE MEMBERS
FROM: BRUCE BUEL **BBB**
DATE: AUGUST 21, 2009

**AGENDA ITEM
6
AUGUST 24, 2009**

ACCESS TO PASQUINI PROPERTY

ITEM

Discuss access to Pasquini property[Forward Recommendations to Board].

BACKGROUND

Attached is the draft agreement that has been negotiated between NCSD Staff and Mr. Charles Pasquini providing for access to his property on Orchard Road. This agreement would allow NCSD to conduct the geo-hydrological, cultural and biological research required to complete the Southland EIR. Staff estimates that the total cost to NCSD at less than \$5,000.

This item is scheduled for Board consideration on August 26, 2009.

RECOMMENDATION

Staff recommends that the Committee review the agreement and forward recommendations to the Board.

ATTACHMENT

- RIGHT OF ENTRY AGREEMENT

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RIGHT OF ENTRY AGREEMENT

Exhibit "A" – Hydrogeologic Investigation Work Plan Dated June 24, 2009 (Work Plan).

This Right of Entry Agreement ("Agreement") is entered into effective this _____ day of August 2009 by and between the Nipomo Community Services District ("District") and the Charles A. Pasquini, Jr. Separate Property Trust under Agreement dated May 26, 2005 ("Pasquini") with regard to that certain Property located on Orchard Road, APN 090-311-001 ("Property").

RECITALS

Whereas, Pasquini is the owner of the Property; and

Whereas, the District desires to enter the Property for the purpose of conducting certain tests to determine the suitability of the Property for District's future purposes including those tests and investigations referenced in Exhibit "A" – The Hydrogeologic Investigation Work Plan (Work Plan); and

Whereas, Pasquini is willing to allow the District to enter upon the Property without waiving any of his rights to oppose condemnation of the Property.

AGREEMENT

Now therefore, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Pasquini grants to District the right to enter the Property for the following purposes (herein Authorized Activities):
 - A. To conduct the tests and investigations referenced in the Work Plan, except that the site of the percolation pond referenced in Task 3 will be approved by Pasquini's tenant, Gresser, Inc. ("Gresser"), and the total area to construct the percolation pond will not exceed 3, 600 square feet (herein Task 3 Site).
 - B. To conduct environmental investigations of the Property including but not limited to:
 - archeological surveys
 - biological surveys

Such environmental investigations shall be conducted by observation, and disturbance to the Property is limited to the use of minor implements such as hand trowels.

2. In granting the District this Right of Entry, Pasquini does not waive the right to oppose condemnation of the Property, the right to just compensation for the Property (or any part thereof), or of any remedy authorized by law to secure payment thereof.

3. The District agrees to indemnify and hold harmless Pasquini and Gresser, and, subject to Paragraph 6, to repair and pay for any damages, including environmental damages, to the Property or to the crops or equipment on the Property caused by the District or its agents during the conduct of the Authorized Activities except those damages arising out of the sole negligence of Pasquini or Gresser.

4. The District acknowledges that the Property is currently leased to Gresser, for farming strawberries and is currently fenced and gated. District agrees to coordinate with Gresser's representative, Bryan Gresser, for the following:

- A. Entry onto the Property.
- B. The connection of the Property's irrigation system to provide water to conduct Task 3 Testing as referenced in the Work Plan (Task 3 Testing).
- C. Reimbursement of the cost of Task 3 water use as provided in Paragraph 6 below.
- D. To determine whether or not the rent provisions of Paragraph 8 are activated.
- E. The timing and quantity for delivery of irrigation water to facilitate Task 3 Testing.

5. The right of entry granted by this Agreement is irrevocable during the term provided herein.

6. The District agrees pay to Pasquini and/or Gresser, as follows:

- A. The cost of Task 3 water at the rate of \$150.00 per acre foot plus Gresser's extraordinary costs for hiring irrigation workers to facilitate the District's irrigation water delivery requirements.
- B. Pasquini's reasonable attorney fees in negotiating this agreement. Those Fees through 18 August 2009 are estimated at \$3000.00.

C. \$500.00 as rent for an eight (8) month period for the Task 3 Site in the event the District's testing at the site interferes with Gresser's existing right to farm strawberries.

D. Any damages, including environmental damages, to the Property or to the crops or equipment on the Property caused by the District or its agents during the conduct of the Authorized Activities except those damages arising out of the sole negligence of Pasquini or Gresser.

7. The term of the right of entry shall commence on the date the last party signs this agreement (Commencement Date) and shall terminate as provided in Paragraph 8 below.

8. The District agrees to complete the Authorized Activities referenced in Paragraph 1A, with the exception of Task 3 Testing, on or before the 14th day from the Commencement Date. The District will complete the Authorized Activities referenced in Paragraph 1B no later than December 31, 2009. In the event the Task 3 Testing cannot be completed prior to Gresser's schedule to prepare the ground to plant strawberries, as determined by Gresser, then the right of entry for the Task 3 Site shall be extended for an additional eight (8) months from the Commencement Date. In any event, the right of entry for purposes of Task 3 shall terminate on the sooner of the date that Task 3 Testing is completed or eight (8) months from the Commencement Date.

9. The District additionally agrees as follows:

- A. To use reasonable efforts to minimize interference with the use of the Property by Gresser.
- B. To use reasonable efforts to keep gates closed during the time that the District or its agents and contractors are on the Property.
- C. At its sole cost to connect and disconnect to the existing irrigation system to provide Task 3 water.
- D. To meter irrigation water for reimbursement pursuant to Paragraph 6A.
- E. To segregate soils related to the excavation of the Task 3 percolation pond so that the top 12 to 18 inches of soil is kept separate from the balance of the soil and to refill the excavation on a first out last in basis.
- F. To provide water storage capabilities, on an as-needed basis, at the Task 3 Site if Gresser reasonably determines that the demand for water requires the use of a storage tank.

G. To stop any use of water during periods of time that would interfere with the reasonable conduct of the farming operation on the Property.

10 The District agrees to provide to Pasquini, without cost, copies of all photographs, studies, surveys, and reports relating to examinations, tests, soundings, borings, or samplings which are made or taken by District and/or its consultants in connection with the entry onto the Property.

11. Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review or determination of either party hereto, such terms are not intended to and shall never be construed to permit such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable. The District and Pasquini shall each act in good faith in performing their respective obligations as set forth in this Agreement.

12. Any notice to be given (other than the notice of entry onto the Property as provided for in Paragraph 4 of this Agreement), shall be given in writing at the address specified below and shall be deemed given upon personal delivery, or three days after it has been sent by prepaid certified mail, return receipt requested:

If to District:

Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

With copy to:

Shipsey & Seitz
Attn: Jon S. Seitz
P. O. Box 953
San Luis Obispo CA 93406

If to Pasquini:

Charles A. Pasquini, Jr.
2381 Brant Street
Arroyo Grande CA 93420

With copy to

Andre, Morris & Buttery
Attn: Michael J. Morris
P.O. Box 730
San Luis Obispo, CA 93406

13. This Agreement contains all the understandings and agreements of whatsoever kind and nature existing between the parties hereto with respect to the Property. This Agreement may not be amended, altered or modified except by a written instrument signed by each of the parties.

14. The parties hereby represent that the person(s) executing this Agreement are expressly authorized to do so for and on behalf of the parties.

In witness whereof the parties have executed this Agreement effective on the date set forth above.

Nipomo Community Services District

By: _____

Name and Title

Charles A. Pasquini, Jr. Separate Property Trust
under Agreement dated May 26, 2005

By: _____
Charles A. Pasquini, Jr., Trustee

TO: COMMITTEE MEMBERS
FROM: BRUCE BUEL *B813*
DATE: AUGUST 21, 2009

AGENDA ITEM
7
AUGUST 24, 2009

SET NEXT COMMITTEE MEETING

ITEM

Set next committee meeting [Set Date/Time].

BACKGROUND

The Committee would normally meet next on September 28, 2009.

RECOMMENDATION

Staff recommends that the Committee set a time and date.

ATTACHMENT- NONE

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