SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-F**

FROM: Steve Mack, General Manager

Meeting Date : June 3, 2010

SUBJECT: DISCUSSION/ACTION REGARDING 2011 AND 2012 CAPITAL IMPROVEMENT PROGRAM

RECOMMENDED ACTION: Receive a staff presentation regarding the 2011 and 2012 Capital Improvement Program.

FISCAL IMPACT: no significant additional costs expected.

DISCUSSION:

CIP IV-B, Project 2 Increase. The bid for CIP IV-B, Project 2, which is in the District's FY 11 capital budget, came in over $400,000 below the engineer's estimate of probable cost. The terms of the 75% grant with the Sonoma County Community Development Commission (CDC) are such that the District pays 25% of the total estimated project cost (District share is $420,000) and CDC picks up the rest, not to exceed the total project cost of $1,515,000. CDC staff have encouraged the District to identify additional work that can utilize the unused grant funding. Staff can be doing that during the month of June with the expectation that we can bring a proposed project to the Board for the July meeting and to the Russian River Redevelopment Oversight Committee for their review at their July meeting.

Initial staff analysis of available funding is that approximately $260,000 is available for a construction contract (design and construction management would be additional costs). None of the existing approved CIP project elements fit that amount. One possible needed project that does fit that amount is main replacement on Rio Vista Terrace in Monte Rio which has old pipe and one place in particular where the main has surfaced in the road. With Board concurrence, staff will work to try to add this project to the CIP IV-B, Project 2 CDC funding grant.

Changing the CIP Naming Convention. The Sweetwater Springs Water District naming for capital improvement projects is now on CIP IV-B, Project 2. This convention is hard to track historically because the Roman numerals don't necessarily fit with any particular historical year or event, and all of us consistently get confused as to what project we are talking about. After discussions with staff, we are recommending that the naming convention for capital improvement projects be based on fiscal year. Following this convention our next CIP project, which is scheduled to start after July 1, 2011 in Fiscal Year 2011-2012 (also called Fiscal Year 2012) and which includes replacement of 3,100 lf of existing main and appurtenances on Western, Eastern and Northern Avenues and Orchard Lane at the end of Drake Road, and installation of 1,000 lf of new 8 – inch main and appurtenances from B Street northwesterly to end of

existing 8 – inch main and make connection to other side of Foothill where section of road is closed to through traffic on Foothill Drive in Monte Rio, will be called CIP 2012. The capital program for the following year will be called CIP 2013, and so on.

Request for Proposals for Design and Construction Management Services for the Fiscal Year 2011-2012 Capital Projects. It is a good business practice to solicit proposals for engineering services on a periodic basis to ensure that the District is getting good quality and value in its design and construction management services. Staff plans to conduct a request for proposals process for these engineering services for CIP 2012 this summer so that CIP 2012 can be advertised for start of construction in early FY 2012 (after July 2011). Brelje and Race Engineers has done the design and construction management services for the last four capital projects – CIP IV-A, Projects 1 and 2, and CIP IV-B, Projects 1 and 2, and staff has been very happy with their work.

It is important to note that state law states that selection of engineering services should be based on qualifications, although value of the services can be a consideration.

Community Development Commission (CDC) Russian River Project Area Needs Assessment. CDC is reaching out to the community to find out what projects are being planned for the Russian River Redevelopment Project Area. Special districts in the area, including Sweetwater Springs Water District, have been asked to provide a list of planned projects for the next 20 years. We don't have a list of projects for the next 20 years, but we have been identifying needed projects. The District has an approved Capital Improvement Program (CIP) for 2010 through 2015. The 2010 and 2011 CIP projects are currently under construction (2010, CIP IV-B, Project 1) or under contract for construction (2011, CIP (IV-B, Project 2). Staff has planned to revisit the CIP next fall to extend it to 2017 or more. The needs assessment survey forms (one form for each project) is due July 9. My intention is to list all projects on the approved CIP (years 2012 through 2015) and list other projects staff have put on a list we were preparing for next fall with the recognition that other projects may be identified later on. Exhibit 1 shows the list of projects identified as of the writing of this report. Staff intend to put these projects in the CDC survey form and get them into the consultant doing the project prior to the July 9 deadline.

Exhibit 1. Future Sweetwater Springs Water District Capital Improvement Projects

June 2010

Capital improvements are an important element of the District's work effort. The District has an aging infrastructure, an unacceptable amount of unaccounted for water and District staff spend too much time reacting to leaks in the distribution system. The District approved the 2010-2015 Capital Improvement Program (CIP) in September 2009 but needs to identify projects with a further out time horizon. The approved CIP projects have costs identified by B&R Engineers. The non-approved future CIP project costs are based on $400/lineal foot of water main replacement, the projects have not been prioritized, and, of course, are subject to further review and change.

Prospective capital projects were identified using the following criteria:

- Number of leaks.
- District time dedicated to repair the leaks.
- Costs per Customer.
- Potential Liability to the District.
- Storage and booster stations based upon system requirements for fire flow, and storage requirements.
- Impacts to the optimum operation of the system.
- Elimination of as many dead-end lines as possible, which affect both water quality and pressure.

Table 1. Sweetwater Springs Water District Possible Future CIP Projects by Year		
	Approved CIP	
Year	**Projects**	**Estimated Cost**
2012		
	Western, Eastern and Northern Avenues and Orchard Lane (GV) - Replace 3,100 lf of existing main and appurtenances.	$684,000
	Foothill Drive (MR) – Install 1,000 lf of new 8 – inch main and appurtenances from B Street northwesterly to end of existing 8 – inch main and make connection to other side of Foothill where section of road is closed to through traffic.	$671,000
	2012 Total	**$1,355,000**
2013		

	Old Monte Rio Road (GV) – Replace 5,800 lf of existing main and appurtenances commencing at the Handy Andy Booster and proceeding westerly.	$936,000
	Canyon Seven Rd (GV) – Eliminate dead end mains and create loops by installing 1,950 lf of new main and appurtenances in Canyon Seven Rd between Sequoia Rd and Paradise Ln.	$329,000
	2013 Total	**$1,265,000**
2014		
	Hidden Valley Rd (GV) – Replace 3,900 lf of existing main and appurtenances on Hidden Valley Rd.	$656,000
	Guernewood Lane (GV) - – Replace 1,800 lf of existing main and appurtenances and abandon 200 lf of redundant 4 – inch main along Hwy 116.	$318,000
	2014 Total	**$974,000**
2015		
	Upper Summit Tank - Construct a storage tank with a nominal capacity of approximately 120,000 gallons at the District–owned site on McLane Avenue. Project to include relocation/ construction of the existing hydro-pneumatic pump station.	$490,000
	Natoma Tank – Replace the existing 10,000 gallon storage tank with a 30,000 storage tank. 2005 cost estimate	$190,000
	Schoeneman Tank– Replace the existing 10,000 gallon tank with a 30,000 gallon storage tank. 2005 cost estimate	$127,000
	2015 Total	**$807,000**
	Total Approved Post 2011 CIP	**$4,401,000**
	Possible Future Projects, Not Prioritized	**Approximate Cost (@$400/lf)**
	Schoeneman pressure zone- main line replacement. **(GV)** Replace approximately 2,000 ft of existing mainline and 31 associated services along Highland Way, Sunset Ave, Woodland Dr, Laurel Way. (requires completion of Schoeneman Tank)	**$800,000**
	Woodland Drive – mainline replacement. (GV) Replace approximately 1,900 ft of existing	**$760,000**

	mainline and 27 associated services along Woodland Dr in the main pressure zone. (requires completion of Schoeneman Tank)	
	Wright Drive upper pressure zone. – (GV) Replace approximately 3,280 ft of existing mainline and 47 associated services along Wright Dr, Glenda Dr, Natoma Dr. (requires completion of Natoma Tank)	**$1,312,000**
	Wright Drive main pressure zone. – (GV) Replace approximately 1,120 ft of existing mainline and 18 associated services along Wright Dr. and Wright Ln. (requires completion of Natoma Tank)	**$448,000**
	Canyon 1 (Rio Nido) Replace approximately 3,900 ft of existing mainline and 75 services along Canyon 1 Rd., Memory Ln., Memory Park Rd.	**$1,560,000**
	Main St (MR) Replace approximately 800 ft of mainline along Main St.	**$320,000**
	Highway 116 (MR) Replace approximately 850 ft of main line.	**$340,000**
	Rio Vista Terrace (MR) Replace approximately 1100 ft of main line.	**$440,000**
	Total Approximate Cost of Future, Unapproved Projects	**$5,980,000**