SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. III-A**

FROM: Steve Mack, General Manager

Meeting Date: June 24, 2010

SUBJECT: APPROVAL OF RESOLUTION 10-13 WHICH ADDS THE RIO VISTA PROJECT TO THE 2010-2015 CIP AND REQUESTS THE SONOMA COUNTY REDEVELOPMENT AGENCY (RDA) TO AMEND THE REDEVELOPMENT AGENCY FUNDING AGREEMENT TO INCLUDE THE RIO VISTA PROJECT

RECOMMENDED ACTION: Approve Resolution 10-13, which

1. Adds the Rio Vista Project to the approved FY 2010-2015 CIP, and
2. Requests the RDA to Amend the Funding Agreement to include the Rio Vista Project.

FISCAL IMPACT: No known fiscal impact

DISCUSSION:

The Sonoma County Community Development Commission (CDC) approved an RDA/RRROC grant of $1,994,250 for construction of CIP IV-B, Projects 1 and 2 in December 2009. Project 1, the Schoolhouse Tanks, mainline replacement on Riverlands Road and Bonita Terrace, and feedline replacement at the Handy Andy Booster site is under construction. Project 2, mainline replacement on River Boulevard, Alder and Willow Roads, and Railroad Avenue in Monte Rio has been awarded to the low bidder and will start construction in July. The contract was awarded in an amount which is more than $400,000 below the engineer's estimate of probable cost. This means that approximately $350,000 of the RDA/RRROC grant would be unused.

CDC staff encouraged the District to identify additional work that can utilize the unused grant funding. At the June meeting staff proposed that a project on Rio Vista Terrace in Monte Rio is needed and has the appropriate cost parameters to fit the unused grant funds. This project includes replacing 1,300 lf of 2 inch water line with 6 inch line with 24 service connections, adding 3 fire hydrants, and paving roads on Rio Vista Terrace and Huckleberry Way in Monte Rio. Brelje and Race Consulting Engineers has estimated the total cost of the project at approximately $320,000 and a 10% contingency brings the cost to approximately $350,000. The Board directed staff to move forward with the request. At the June 17 RRROC meeting, the RRROC unanimously supported the District proposal.

To allow the addition of the Rio Vista project to the grant to move forward, CDC staff have informed us that the Board of Directors need to approve a resolution requesting this action. Resolution 10-13 makes this request. The resolution attached with this agenda report is a draft – Resolution 10-13 is concurrently being reviewed by CDC staff to make certain it conforms to CDC needs. At the June 24, 2010 meeting staff will have a final version for approval.

The special June 24 meeting and approval is necessary because the CDC has only one meeting in July (July 13) and all agenda report documents must be available on June 25.

The addition of the Rio Vista Project should have no budget impact on the District. This project would be funded entirely by CDC grant funds. It will also have no impact on the size of the CDC grant as its costs are within the remaining CDC grant funds allocated to the District.

Resolution No. 10-13

A Resolution of the Board of Directors of the Sweetwater Springs Water District Revising Resolution 09-22 to Include Main Replacement Work on Rio Vista Terrace in the Sonoma County Redevelopment Agency Grant Request and the District's 2010-2015 CIP and Requesting an Amendment to the Redevelopment Agency Funding Agreement to Include the Additional Project in the Agreement Attachment 1 Project Summary For the Fiscal Year Ending June 30, 2011,

WHEREAS, pursuant to Water Code Section 31007, the District Board of Directors shall establish rates and charges sufficient to pay for operating expenses, provide for repairs and depreciation of works and pay for the principal and interest on bonded debt; and

WHEREAS, pursuant to Water Code Section 31025, the District shall fix and through the General Manager collect water rates; and

WHEREAS, the Board of Directors has evaluated the anticipated revenues and expenditures necessary to operate the District; and

WHEREAS, portions of the Sweetwater Springs Water District (SSWD) customers are presently being served with antiquated, deteriorating infrastructure in serious need of repairs; and

WHEREAS, on September 3, 2009, the SSWD Board of Directors adopted Resolution 09-22 approving the revised Capital Improvement Program (CIP) for FY 2010-2015 identifying in excess of $7.2 million in capital improvement projects to make required improvements to the SSWD that would provide a greater proportion of the ratepayers with adequate water pressure, storage, and fire flow, and reduce system leakage, and requesting 75% funding from the Sonoma County Redevelopment Agency (RDA) and the Russian River Redevelopment Oversight Committee (RRROC) for the FY 2010 and FY 2011 capital projects contained in that CIP; and

WHEREAS, Resolution 09-22 has findings that the SSWD does not have funds to complete the approved CIP without funding assistance, that SSWD has made many attempts to find other sources of funding, that SSWD spends 36% of its revenues servicing existing debt and increasing that debt is not feasible, and that increasing water rates higher places a burden on the ratepayers, and, therefore, the entire community, that no other source of funding is available, and those findings are still valid; and

WHEREAS, the RDA and the RRROC approved the aforementioned grant request with the RDA action taking place in December 2009; and

WHEREAS, the FY 2011 CIP project funded by the RDA/RRROC grant and which is main replacement on River Boulevard, Alder Road, Willow Road, and Railroad Avenue, was put out to bid in May 2010 and the low bid and subsequently

awarded contract is approximately $400,000 below the engineer's estimate of probable cost and provides funding of a similar amount for additional work under the RDA/RRROC funding grant; and

WHEREAS, in the course of investigating, designing and constructing the capital projects in the approved CIP funded in part by the RDA/RRROC grant, SSWD has identified an additional project on Rio Vista Terrace in Monte Rio which is not included in the approved CIP; and

WHEREAS, the proposed Rio Vista Terrace project will replace approximately 1,300 lf of 2 inch water line with 6 inch line with 24 service connections, add 3 fire hydrants, and pave roads on Rio Vista Terrace and Huckleberry Way in Monte Rio at an estimated cost of $350,000; and

WHEREAS, the Rio Vista Project will reduce blight in the Russian River Redevelopment Area by upgrading infrastructure and paving the streets and roads in a needed area and improving fire protection, allowing for and encouraging redevelopment of the project area, and thus will benefit the Russian River Redevelopment Area; and

WHEREAS, the Sweetwater Springs Water District does not have other sources of funds to construct the Rio Vista project, and will not have funds to construct the project for many years, if ever; and

WHEREAS, the relatively low bid on the 2011 CIP construction contract makes available funding to construct the Rio Vista Project within the existing funding amount of the RDA/RRROC grant, and would not change the total funding request from the RDA/RRROC.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District has reviewed the list of projects attached hereto as Exhibit A, also known as CIP IV-B, Projects 1 and 2, as prepared by the General Manager for submission to the Sonoma County Redevelopment Agency and the Russian River Redevelopment Oversight Committee, and accepts the information contained therein, and adopts the following:

1. Approves the addition of the Rio Vista Project, estimated to cost $350,000, to year 2011 of the 2010-2015 CIP as shown in Exhibit A hereto.

2. Directs the General Manager to request the RDA and RRROC to approve an amendment to the RDA funding agreement to add the Rio Vista project to the FY 2011 scope of work for the grant which funding would remain the same at $1,095,250 and would be supplemented by SSWD funds in the appropriate amount to complete the project.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on June 24, 2010, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Jim Quigley	_____	_____
Wanda Smith	_____	_____
Gaylord Schaap	_____	_____
Victoria Wikle	_____	_____

_____
Jim Quigley
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors

Exhibit A. Sweetwater Springs Water District CIP IV-B

Year	Projects	Estimated Cost
2010	**CIP IV-B, Project 1**	
	Schoolhouse Tank and Upper Schoolhouse Tank (MR) – Construct a storage tank with a capacity of approximately 65,000 gallons at the top of Bonita Terrace, install a booster station, and connect with replacement reservoir at Upper Schoolhouse site. This project fits well with CIP-PHASE IV-A, PROJECT 2 distribution system improvements in the Monte Rio Terraces.	$638,000
	Bonita Terrace (MR) - Replace 1,500 ft of existing main and appurtences on Bonita Terrace, including ties to Schoolhouse Tank and Delta Way (CIP IV-A), to create a loop.	$238,000
	Riverlands Road (GV) - Replace 1,600 lf of existing main and appurtenances in Riverlands Road, including two ties at Drake Road to create a loop.	$393,000
	Handy Andy Booster Feed Line (GV) – Replace 300 lf of existing main between Hwy 116 and the booster pump at Old Monte Rio Road.	$59,000
	2010 Total	**$1,328,000**

2011	**CIP IV-B, Project 2**	
	Alder Road, Pebble Way, & Heller Streets (MR) – On River Blvd, Alder Rd., Willow Rd., and Railroad Ave. replace existing mains and appurtenances with approximately 6,000 lf of 6-inch water main to complete loop. Abandon 4,500 lf of parallel undersized water mains and transfer water services to larger main.	$1,165,000
	Rio Vista Terrace (MR) - On Rio Vista Terrace and Huckleberry Way replace 1,300 lf of 2 inch water line with 6 inch line with 24 service connections, add 3 fire hydrants, and pave roads	$350,000
	2011 Total	**$1,515,000**
	Total CIP IV-B	**$2,843,000**

FY 2011 -- CIP IV-B, Project 2 Revised Grant Funds Sharing

Project Description	# Customers Served	Total Project Cost	Total Redevelopment Contribution
Alder Road, Pebble Way, & Heller Streets (MR) – On River Blvd, Alder Rd., Willow Rd., and Railroad Ave. replace existing mains and appurtenances with approximately 6,000 lf of 6-inch water main to complete loop. Abandon 4,500 lf of parallel undersized water mains and transfer water services to larger main.	120	$1,165,000	$832,500
Rio Vista Terrace (MR) - On Rio Vista Terrace and Huckleberry Way replace 1,300 lf of 2 inch water line with 6 inch line with 24 service connections, add 3 fire hydrants, and pave roads	24	$350,000	$262,500
2011 Total		**$1,515,000**	**$1,095,000**