



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

BOARD PACKET

For the Regular Board Meeting of

Thursday, August 24, 2023

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AGENDA

For the General Meeting of the Board on:

August 24, 2023

The regular meeting of the Governing Board will begin at **12:00 p.m. on August 24, 2023** in the District's Board Room at 1042 Monte Cristo Lane.

Additionally, Director Phillip Hogan will be attending virtually from his location at Atelier 1085, Sun Valley, ID 83353.

The public may attend the meeting in person or participate remotely via Zoom using the following virtual meeting details:

By visiting: <https://us02web.zoom.us/j/86118975917>

Or by calling: 1-669-900-6833

Meeting ID: 861 1897 5917

1. CALL TO ORDER

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PRESIDENT'S REPORT

D. AGENDA CHANGES/DELETIONS

2. PUBLIC COMMENT

Public comment on items not on the agenda is **limited to 3 minutes** and is at the discretion of the Board President. For further instructions, see please see [Instructions for Public Comment](#) on the District's website.

3. REGULAR BUSINESS

A. RECOGNITION OF SERVICE OF A DISTRICT STAFF MEMBER

It is recommended that the Board:

- i) Consideration of a resolution to recognize the service of a District staff member for service to the District; and
- ii) Take such additional, related action that may be desirable.

B. REPORT FROM LEGAL COUNSEL REGARDING LOANS BETWEEN ENTERPRISE FUNDS IN A CONSOLIDATED DISTRICT

It is recommended that the Board:

- i) Receive a presentation from District Legal Counsel related to ability of enterprise funds to loan funds between one another; and
- ii) Take such additional, related action that may be desirable.

C. DISCUSSION ON RECYCLED WATER

It is recommended that the Board:

- i) Discuss options and direction to staff regarding recycled water; and
- ii) Take such additional, related action that may be desirable.

D. PROTECTIVE MEASURES OF DISTRICT FACILITIES (2023 STORM) - CONTRACT AWARD

It is recommended that the Board consider:

- i) Authorizing the General Manager to execute a contract with Stantec in the amount of \$538,000 for the engineering and environmental support services from design through post-construction for the protective measures of our District's facilities; and
- ii) Authorizing the General Manager to approve expenditures of up to \$53,800 (10%) as a change order allowance for any necessary changes in scope of work.

E. HIGHWAY 101 SEWER CROSSING LINING PROJECT – CONTRACT AWARD

It is recommended that the Board consider:

- i) Authorizing the General Manager to execute a contract with Filippin Engineering in the amount of \$68,820 for construction management and inspection support services for the lining of our District's facilities; and
- ii) Authorizing the General Manager to approve expenditures of up to \$6,882 (10%) as a change order allowance for any necessary changes in scope of work.

F. POSILIPO FORCE MAIN RELOCATION AND RESTORATION PROJECT – PHASE 1

It is recommended that the Board consider:

- i) Accepting the Posilipo Force Main Relocation and Restoration Project – Phase 1 as complete and approving the issuance of a Notice of Completion for a total project cost of \$183,340.94.

4. GENERAL MANAGER'S REPORT

General Manager John Weigold will provide informational, nonactionable updates regarding matters before the District.

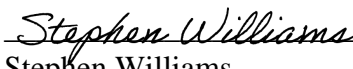
5. ITEMS FOR FUTURE AGENDAS

The next regularly scheduled Board meeting will be held on September 14, 2023 at 8:00 am. This meeting will be a full-day meeting to develop the District's strategic plan.

6. ADJOURNMENT

The Montecito Sanitary District has resumed in-person meetings in accordance with the Brown Act. In accordance with the State of Emergency declaration issued on March 4, 2020 by the Governor of the State of California in response to COVID-19 and Government Code 54953(e), the District also provides alternative methods of remote participation which permit members of the public to observe and address public meetings remotely via telephone or Zoom. These methods of participation can be accessed through the internet link provided at the top of this agenda.

This agenda was posted on the District website, and at the Montecito Sanitary District Bulletin Board in accordance with the requirements of the Brown Act. Attested by:



Stephen Williams
District Administrator/Clerk of the Board

ADA – The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 969-4200. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.



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MONTECITO SANITARY DISTRICT

STAFF REPORT – 3A

DATE: August 24, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Recognition of Service of a District Staff Member

RECOMMENDATION:

Staff recommends that the Board approve a resolution to recognize the service of a longtime District Staff Member.

DISCUSSION:

The District has had the great fortune to have the services of a longtime employee and wishes to have the Board formally recognize the outstanding service provided by one of our most valuable employees.

ATTACHMENT:

1. Resolution recognizing the longtime service of a District Staff Member

RESOLUTION NO. 2023-970

**RESOLUTION OF THE GOVERNING BOARD
OF THE MONTECITO SANITARY DISTRICT
HONORING MRS. CAROLINE MARTIN
FOR 25 YEARS OF SERVICE TO THE DISTRICT**

WHEREAS, on August 24, 2023 **Mrs. Caroline Martin** has achieved twenty-five years of service to the Montecito Sanitary District; and;

WHEREAS, **Mrs. Martin** has, in her twenty-five years with the District, faithfully and competently performed the duties assigned to her as an Accounting & Administrative Assistant; and;

WHEREAS, **Ms. Martin** has provided immeasurable value to District staff as a source of historical knowledge; and;

WHEREAS, **Ms. Martin's** wealth of knowledge has been essential in serving the community and her colleagues; and;

WHEREAS, **Ms. Martin's** tenure has provided an anchor for which the District to continue running smoothly through organizational changes; and;

WHEREAS, **Ms. Martin** has been the face, and voice, of the District when customers and vendors alike come in, or call upon the District, to find answers, resolve issues, and obtain information; and;

WHEREAS, **Ms. Martin** has been instrumental in helping the District achieve its mission statement while simultaneously fostering an informed public, knowledgeable and effective staff, and maintaining a well-run District.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Montecito Sanitary District does hereby congratulate **Ms. Caroline Martin** and does extend its gratitude for her past and continuing contributions to the District.

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District this 24th day of August, 2023.

AYES: Directors Hogan, Martin, Johnson, Ohlmann, and Barrett
NAYS: None
ABSTAIN: None
ABSENT: None

(Seal)



Ellwood T. Barrett II, President of the
Governing Board of the
MONTECITO SANITARY DISTRICT

ATTEST:

Stephen Williams, Clerk to the
Governing Board of the
MONTECITO SANITARY DISTRICT



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MONTECITO SANITARY DISTRICT STAFF REPORT – 3B

DATE: August 24, 2023
TO: Board of Directors
FROM: Aleks R. Giragosian, General Counsel
SUBJECT: Report from Legal Counsel Regarding Loans Between Enterprise Funds in a Consolidated District

RECOMMENDATION:

Receive and file.

DISCUSSION:

President Barrett requested a report from legal counsel regarding whether a district has the authority to make loans between two different enterprise funds. The question assumes a scenario where the Montecito Sanitary District and the Montecito Water District have consolidated and operate a separate water service enterprise fund and sanitary sewer service enterprise fund.

There is no express statutory authority for such a loan, but a number of statutes recognize their existence.¹ Similarly, case law is silent as to the legal authority to make such loans, but their use is long-standing and well established.² The Governmental Accounting Standards Board (“GASB”) also recognizes such loans and specifically provides for their accounting via Section 112 (“Reporting Interfund Activity”) of Statement No. 34

Such loans are common practice among local government agencies. Many public agencies have adopted interfund loan policies. The policies usually require a formal agreement setting a repayment schedule with interest payments. Attached as Exhibit A is an example of the Tahoe City Public Utility District’s interfund loan policy. Attached as Exhibit B is an example of the Cambria Community Services District’s interfund loan policy.

The Howard Jarvis Taxpayers Association recently attempted to challenge such a loan in the unpublished case of *Howard Jarvis Taxpayers Association v. Coachella Valley Water*

¹ See Gov. Code, §§ 66006, 66013.

² See *Fawcett v. Ball* (1926) 80 Cal.App. 131.

District (2023 WL 1878994). In that case, “[t]o reduce the use of groundwater for irrigation purposes, ... [The Coachella Valley Water District] completed the first phase of construction on its Mid-Valley Pipeline (pipeline), a system of conveyance and storage facilities designed to deliver nonpotable water to golf courses and other irrigators. Rather than issuing debt to finance the project, the district used available reserves from its domestic water fund, an accounting device for the revenues from the rates, charges, and property taxes domestic customers pay for drinking water. A decade later, the district approved an interfund loan to repay the domestic water fund from the reserves of a fund for revenues from groundwater replenishment charges in the region the pipeline services.”³ The Howard Jarvis Taxpayers Association challenged the interfund loan on the grounds it violated Propositions 26 and 218 by assigning to domestic customers the costs of a project that benefits gold courses and other irrigators. The court disagreed, concluding that the propositions apply to revenue raising activities, not spending or the budgeting process.

Based on information cited, I conclude that an interfund loan between enterprise funds in a consolidated district could be lawful if the district adopts a policy, enters into a formal agreement, and follows the GASB reporting requirements.

ATTACHMENTS:

- Exhibit A: Tahoe City Public Utility District’s Interfund Loan Policy
- Exhibit B: Cambria Community Services District’s Interfund Loan Policy

³ *Id.* at p. 1.

Tahoe City Public Utility District Financial Policy

Interfund Loan Policy Policy Number: 2080

I. PURPOSE

This Policy sets forth the parameters and guidelines for the Board of Directors to authorize Interfund Loans and establish administrative procedures for the implementation of Interfund Loans. The District's Interfund Loans Policy documents the methods used by the District to demonstrate prudent financial management over interfund borrowings.

II. POLICY OVERVIEW

This Policy is established to ensure that all Interfund Loans are appropriate, properly documented, and not established to the detriment of the lending fund. Interfund Loans may be necessary from one fund to another fund that is experiencing a temporary cash position as a percentage of operating expenses below 50%.

Interfund Loans may be made for the following reasons:

- To offset timing differences in cash flow
- To offset timing differences between expenditures and reimbursements, typically associated with grant funding.
- To provide funds for interim financing in conjunction with obtaining long-term financing.
- For short-term borrowing in place of external financing.

Interfund Loans may not be used to solve ongoing Structural Budget deficit, must have an identified repayment source and date; include an interest component that equals the investment earnings the lending fund would have received had the loan not occurred. The Interfund Loan document must contain a loan amount, term, and repayment source.

The General Manager may initiate Interfund Loans under \$1,000,000 and must provide the Finance Committee and Board of Directors the details of the Interfund Loan at the next available meeting. Interfund Loans greater than \$1,000,000 need the approval of the Board of Directors prior to funding.

Interfund Loans that extend beyond the end of the fiscal year in which the loan is made, shall be evidenced by a Loan Agreement and a Board Resolution. The Loan Agreement shall include the following terms and conditions: date of Loan Agreement; amount of Interfund Loan; purpose of Interfund Loan; interest rate or rates on Interfund Loan; schedule of Interfund Loan principal and interest payments; source of Interfund Loan repayment by borrowing fund. At no time will the term of the loan exceed five years.

Interfund Loans will follow Generally Accepted Accounting Standards and will be included in the proposed and adopted budget and annual report, as applicable. The Annual Comprehensive Financial Report will also consistently include the loan term, rate of interest, and the interest amount due in its calculation of the total liability associated with the loan.

If any provision of this Policy conflicts with applicable law, applicable law shall prevail.

III. DEFINITIONS

As used in this Policy, the following terms shall have the meanings specified below:

- a. Cash Position – The cash that is remaining after reducing cash by the Fleet & Equipment Replacement Reserve, the Water System Acquisition & Infrastructure Improvement Property Tax Reserve, and the Priority Project Capital Reserve
- b. Cash Position %– The cash position divided by operating expenses
- c. District – Tahoe City Public Utility District.
- d. Interfund Loan – Interfund Loan means a loan of cash from one District fund to another District fund, subject to future repayment of principal and interest; but it does not constitute an expenditure or a use of retained earnings, fund balance, or unappropriated surplus of the lending fund.
- e. Loan Agreement – A Loan Agreement is a formal contract between the District’s lending fund and the borrowing fund. Loan Agreements shall specify all the details of the Interfund Loan, such as the principal amount, interest rate, amortization period, term, fees, payment terms and any covenants.
- f. Policy – This “2080 Policy.”
- g. Structural Budget Deficit - The structural budget represents the budgeted revenues and expenditures, and a deficit occurs when expenditures exceed revenues.

IV. PROCESS

This Policy is intended to apply uniformly and consistently to all funds within the District and to meet the District’s financial control, budget authority, and audit requirements as well as applicable law.

1. An analysis of the financial condition of each fund involved in the Interfund Loan process prior to approval is to be completed, including a review of cash positions, revenues, expenditures, assets, liabilities, and potential sources of revenue. The analysis will determine the funds’ ability to pay obligations such as ongoing operations, principal and interest payments for existing long-term debt, and agreements or contracts with third parties. To the extent possible, only funds with an ability to meet all expenditure and debt obligations will be included in an Interfund Loan.
2. The lending fund’s analysis of financial condition must also demonstrate that the lending fund fully covers its reserves per policy by 1.2 times; cash in excess of this amount can be made available for the interfund loan process.
3. If the analysis of the borrowing fund determines a cash position % below 50%, then an Interfund Loan may be initiated.
4. The cash position % will be determined as follows: Cash balance less Fleet & Equipment Replacement Reserve, the Water System Acquisition & Infrastructure Improvement Property Tax Reserve, and the Priority Project Capital Reserve divided by operating expenses.
5. If the determination has been made to establish an Interfund Loan, the Chief Financial Officer (CFO) will report to the General Manager the need for the loan. The General Manager upon accepting the report will request the CFO to prepare the necessary Finance Committee and Board documents and prepare the Loan Agreement, if required. The documents will have the following information:
 - ✓ the purpose for which the loan or advance is being made;
 - ✓ the identification of both the lending and borrowing fund, or funds;
 - ✓ the dollar amount of the loan;
 - ✓ the maturity date on which all principal together with all accrued and unpaid interest will be due and payable;
 - ✓ the applicable interest rate;
 - ✓ the financial plan for repayment

Attached: Loan Document

End Policy

INTERFUND LOAN AGREEMENT

This Loan Agreement (“**Agreement**”) is executed as of (Month Date, Year,) between the Tahoe City Public Utility District _____ Fund (“**Borrower**”) and the Tahoe City Public Utility District _____ Fund (“**Lender**”). Lender agrees to lend to Borrower, and Borrower agrees to repay to Lender an amount not to exceed the Principal Amount and interest accrued on the unpaid loan balance, in accordance with the following:

1. **Purpose of the Loan:** To provide funds for use by Borrower or its designee, to enhance Borrower’s cash position. The loan shall account for borrowing between the _____ Fund, Fund No. _____ and the _____ Fund, Fund No. _____ and shall not be available for appropriation or be considered revenue to the Borrower.
2. **Principal Loan Amount:** \$ _____. The loan will be recorded as receivable to the Lender and payable to the Borrower.
3. **Term of the Loan:** The term of this loan shall begin on _____ outstanding loan and the balance is to be repaid by _____.
4. **Scheduled Payments:** Borrower shall make payments no less than annually. Such payments are due within thirty (30) days following the final closing of the Borrower’s Financial Books for each fiscal year. At a minimum, annual Scheduled Payments shall equal the amount of any accrued interest through December 31st of that fiscal year. The loan may be prepaid, or paid prior to the end of the term, in part or whole without penalty. See Exhibit A – Repayment Schedule.
5. **Repayment Source:** Borrower must maintain a positive cash position % as defined in the Interfund Loan Policy 2080 to repay the loan; excess cash balance may be used to make additional payments. Missed scheduled payments shall be reported by the Finance Department to the General Manager and the Board of Directors.
6. **Rate of Interest:** Interest shall accrue annually on December 31 on the outstanding loan balance at the variable rates based on the District’s interest bearing account from which the money is being drawn, currently at XX% for fiscal year _____. Loan interest will be recorded as revenue to the Lender and expenditure to the Borrower.
7. **General Provisions:** This Agreement constitutes the full Agreement by and between the Borrowing Fund and Lending Fund and no other representations have been made regarding the contents of this Agreement. This Agreement shall not be amended, modified, or altered in any respect unless such amendment, modification or alteration has been reduced to writing and executed by both parties.

LENDER: Tahoe City Public Utility District,

Fund Name: _____ Fund, No. _____

BORROWER: Tahoe City Public Utility District

Fund Name: _____ Fund, No. _____

By: _____
Sean Barclay, General Manager



CAMBRIA COMMUNITY SERVICES DISTRICT

INTERFUND LOAN POLICY

PURPOSE

This policy documents requirements and responsibilities to be followed regarding borrowing between funds of the Cambria Community Services District.

The purpose of this policy is to ensure that all interfund loans are appropriate, properly documented, and not established to the detriment of the fund issuing the loan.

POLICY

Interfund loans may not be used to solve ongoing structural budget problems. Interfund loans should be limited to addressing short-term issues within one fund (e.g., a major emergency repair).

Interfund loan recommendations and agreements must include the loan amount, an identified repayment source and the date or timing of repayment. Repayment of all loans will be made within a maximum of seven (7) years of the loan being made.

The term of the interfund loan may continue over a period of more than one year, but must be “temporary” in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. Additionally, interfund loans should not hinder the accomplishment of any function or project for which the lending fund was established.

The agreements may include an interest component that equals the investment earnings the fund would have received had the loan not occurred. Loans made from the District General Fund to either the Water or the Wastewater Fund may include interest at the discretion of the Board and as recommended by the General Manager or designee.

The Board of Directors must approve all interfund loans by resolution. The interfund loan agreement will be included as an exhibit to the resolution.

Payments made on outstanding loans shall be reflected in the proposed and adopted operating budget and in the annual financial statements. The annual financial statements will also include the loan amount, term, rate of interest, and amount of interest due on the total amount of the loan.

If the borrowing fund continues to maintain a negative cash balance for periods beyond the term of the loan, scheduled payments should be postponed until the fund has a positive cash balance.

Postponement of any loan payment shall not be for more than one year in duration, unless approved by Board resolution. Interest should continue to accrue and be added to the principal of the loan.

Modifications to existing loans may be made only with Board approval.

DEFINITION

Interfund loans are loans from one District fund to another District fund for a designated purpose.

Interfund loans may be made for the following reasons:

- To offset timing differences in cash flow;
- To provide interim financing in conjunction with obtaining long-term financing;
- For short-term borrowing in place of external financing;
- To provide operating capital for utility funds while the customer base increases;
- For other needs as deemed appropriate by the Board of Directors.

Interfund loan monies may only be used for the purpose identified in the authorizing resolution. Records of interfund loan transactions will be maintained in accordance with generally accepted accounting principles and will reflect the balances of loans in every fund affected by such transactions.

SAMPLE LOAN DOCUMENT

INTERFUND LOAN AGREEMENT

The Cambria Community Services District ("District") hereby adopts this Interfund Loan Agreement ("Agreement") authorizing the transfer of funds by and between the Cambria Community Services District General Fund ("General Fund") and the Cambria Community Services District Wastewater Fund ("Wastewater Fund").

RECITALS

- A. The Wastewater Fund requires an interfund loan in order to fund a shortfall from the _____ Fiscal Year of \$_____ that was the result of unanticipated and necessary repairs at the Wastewater Treatment Plant, and to address deficiencies in the District's wastewater infrastructure and system.
- B. The District desires and has the resources necessary to facilitate an interfund loan from the General Fund to the Wastewater Fund.
- C. This Agreement is executed for the purpose of evidencing the obligation of the Wastewater Fund to the General Fund for the repayment of monies loaned to the Wastewater Fund by the General Fund.

AGREEMENT

1. The District agrees to transfer from the General Fund to the Wastewater Fund the amount of _____ as of _____.
2. The term of this interfund loan shall be for a five (5) year period and shall accrue interest at a simple rate of _____ per annum.

3. The Wastewater Fund shall make annual payments based upon the Repayment Schedule contained in Exhibit "A," attached hereto and incorporated herein by reference. The Wastewater Fund shall repay the General Fund in full by _____.
4. District staff is directed to make necessary appropriation adjustments to effectuate this interfund loan.
5. District staff is directed to appropriately record this loan in the District's ledger system and subsequent financial reports, as necessary.

IN WITNESS WHEREOF, this Agreement is executed by duly authorized officers of the Cambria Community Services District this ____ day of _____, 20__.



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MONTECITO SANITARY DISTRICT

STAFF REPORT – 3C

DATE: August 24, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Discussion on Recycled Water

RECOMMENDATION:

Staff recommends that the Board discuss options and direction to staff regarding recycled water, and to take such additional, related action that may be desirable.

DISCUSSION:

The Board recently discussed consolidation with the Montecito Water District at its August 10, 2023 meeting. One of the driving factors for consolidation is the need for recycled water in the Montecito community. This item is on the agenda so that the Board may further discuss the subject of recycling water from wastewater and options by which it may accomplish that goal.



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MONTECITO SANITARY DISTRICT STAFF REPORT – 3D

DATE: August 24, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
Bryce Swetek, Engineering Manager
SUBJECT: Consideration of Awarding the Protective Measures of District Facilities (January 2023 Storm) – Engineering Design & Support

RECOMMENDATION:

Staff recommends that the Board discuss and consider:

1. Awarding a contract with Stantec for the not-to-exceed amount of \$538,000 for professional engineering and support services from design through post-construction for the District's Protective Measures of District Facilities (January 2023 Storm) project; and
2. Authorize the General Manager to execute the contract and approve amendments of up to ten percent (10%) of the fee, amounting to \$53,800, to cover any cost increases that may result from contract amendments for extra work or other scope changes.

DISCUSSION:

Background – In January of 2023, District facilities became vulnerable to potential damage/failure due to a storm event. In a Special Meeting held on January 27, 2023, the Board was informed by Staff of the magnitude of damage and Staff classified these vulnerable facilities into the following projects:

Project 1 - Manhole 616-4D
Project 2 - Manhole 638-4C
Project 3 - Pipe L333-7
Project 4 - Pipe L380-5

Each project is a result of creekbank failures. Projects 1 and 3 were considered high priorities by the District and Staff implemented projects to temporarily stabilize the

facilities. However, Staff views the current state of each facility as vulnerable and there is urgency to address these vulnerabilities as soon as possible. The purpose of procuring professional engineering support services is to provide protective measures to the facilities to limit the possibility of damage and provide better long-term service life.

Request for Qualifications-Proposal Process and Results – In mid-July, District Staff began video conference discussions with three highly qualified consulting firms, including GHD, Cannon, and Stantec. These firms were specifically pursued due to their expertise in creekbank restoration as well as for having a local presence. After confirming interest with the firms, Staff issued an RFQ-P on July 27, 2023 with a revision on August 2, 2023 (Attachment 1). Ultimately, Staff received proposals from Cannon and Stantec, as GHD opted to pass on submitting a proposal.

District Staff reviewed the proposals and filled out an Evaluation Form per consulting firm. The purpose of the evaluation is to review the firms’ qualifications, approach to the project, references, and cost. Staff scored each criterion from 1-10 with 1 showing poorly and 10 showing excellence. The table below represents a summary of the evaluation as well as the proposed fee and responsiveness from each firm:

Consulting Firm	Qualifications	Approach	References	Cost	Proposal Amount	Proposal Status
Cannon	7	6.5	7.5	6.5	\$280,000	Responsive
Stantec	8.5	8.25	8.5	7.75	\$538,000	Responsive (Recommended Firm)

Analysis – Justifications – While District Staff believes Cannon and Stantec were both responsive, demonstrated clear creek restoration experience, and are each capable of executing the project. Staff noted the primary cost differential was in the subconsultant design and construction categories. The subconsultant costs for each firm were primarily regarding the environmental and permitting services. A summary of the approximate cost differences between each firm is provided below:

Consulting Firm	Design Phase	Subconsultants (Design Phase)	Construction Phase
Cannon	\$124,000	\$73,000	\$84,000
Stantec	\$143,000	\$187,000 (\$26,000) =\$213,000	\$124,000 (\$58,000) =\$182,000

Staff views the environmental and permitting side of this project to be the most variable and that is demonstrated by the subconsultant bids, which also pertains to the construction phase. Staff views Stantec’s environmental approach as conservative likely will not cost

more than estimated, whereas Cannon's approach is minimal and may cost more than estimated.

Staff views the design phase cost of the firms as a critical differentiator as the design cost shows Stantec being approximately 15% more, but the design value is better based on the qualifications and approach from Stantec. While the cost differential is substantial between the two firms, Staff views level of effort and approach from Cannon's proposal as not meeting the needs or intent of the project and would more likely be subject to future amendments.

Staff recommends that the Board award the contract to Stantec, as Stantec's proposal better supports the best interest of the District. Stantec's proposal demonstrated a clearer understanding of the District's goals, a more comprehensive understanding of the level of effort required, as well as having unique qualifications suited for the project.

Fiscal Impact – The District's Protective Measures project was included in the Fiscal Year 2023-24 Capital Improvement Project budget for \$125,000 for design phase and \$950,000 for construction phase. At the time, each portion was budgeted as the FEMA Rehabilitation. The proposal design fee of ~\$355,000 is much higher than the CIP estimate by Staff, particularly due to the environmental and permitting effort. The construction phase fee of ~\$182,000 is well within the \$950,000, however, the budget also included a general contractor.

While the total cost of \$538,000 is significant, the District anticipates reimbursement by FEMA/CalOES for up to 93.75% of the project cost, which includes design and construction. A budget adjustment is not required as there is sufficient budget in other projects to draw from while the District awaits FEMA reimbursement.

DEPARTMENTS INVOLVED: Engineering and Collections

ATTACHMENTS:

1. Montecito Sanitary District RFQ-P



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108
General Manager: John Weigold

A Public Service Agency

PHONE: (805) 969-4200
FAX: (805) 969-9049
E-MAIL: jweigold@montsan.org

Request for Qualifications and Proposal (RFQ-P)

Engineering Consultant Services

For

Protective Measures of District Facilities (January 2023 Storm)

Revision: 1

August 2, 2023

Submittals due August 11, 2023, by 4:00 PM

I. INTRODUCTION

The Montecito Sanitary District (MSD/District) is seeking Statements of Qualifications/Proposals from professional engineering consultants to provide design and support services for Protective Measures of District Facilities (January 2023 Storm). District facilities became vulnerable to potential damage/failure due to the January 2023 Storm and the District has classified these vulnerable facilities into the following projects:

Project 1 - Manhole 616-4D

Project 2 - Manhole 638-4C

Project 3 - Pipe L333-7

Project 4 - Pipe L380-5

II. PROJECT PURPOSE AND PERTINENT INFORMATION

The purpose of these projects are to provide protective measures to the facilities to limit the possibility of damage and provide better long-term service life. The protective measures design must take into consideration FEMA reimbursement criteria, including the option to restore to prior condition or Section 406 Mitigation (to improve the existing condition), environmental regulations, permitting, site access, schedule, and other pertinent considerations as necessary.

The following is a noncomprehensive list of considerations:

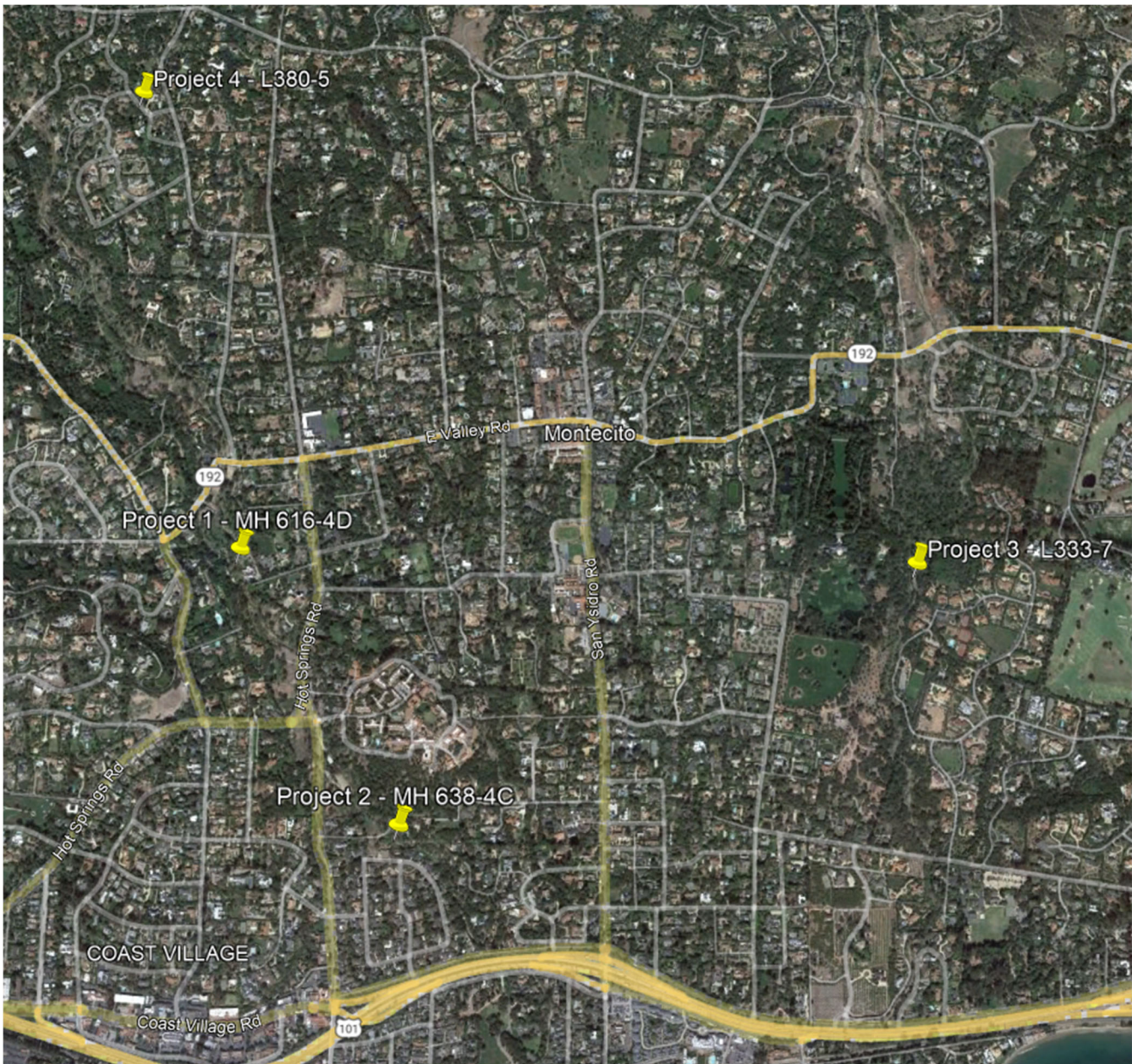
1. Each project is currently under consideration for grant support from FEMA/CalOES under Category F, Public Utilities, per FEMA DR-4683-CA.
 - a. FEMA time frame to complete all work is July 14, 2024, which is 18 months from declaration date of January 14, 2023. There is potential for an extension of this date if warranted.
2. The District views the current state of the facilities as vulnerable and there is urgency to address these vulnerabilities as soon as possible. However, the District understands the design level of effort, the quality of the project, permitting, and project implementation (construction) schedule are linked. Due to the complexity of these criteria, the District has no set schedule for these projects as the schedule is linked to the project approach.
3. The District wants to highlight Project 3 as a priority project and has a goal to implement protective measures prior to or early on into the wet season with the latest reports we are in an El Niño, which may increase the chances and intensity of storms Southern California.
4. Each project is a result of creekbank failure (erosion).
5. Each project has its unique challenge of access as these projects are located on private property (via easements), by creeks, and not within the immediate vicinity of the Public Right of Way.

6. Each project will have its own environmental challenges as the work may require entry into creekbanks to various degrees.
7. Each project will have its own coordination challenges with required feedback/agreements from property owners, FEMA, County of Santa Barbara, and other jurisdictional agencies.

III. EXISTING DAMAGE & BACKGROUND INFORMATION

The following section provides information regarding the location of the project sites as well as previous and current conditions of the facilities, including descriptions of the damage.

Projects Vicinity Map:



Project 1: Manhole 616-4D



Photo 1: Before Storm



Photo 2: After Storm

Manhole 616-4D is located on 2845 Sycamore Canyon Rd along Montecito Creek and just northwest of 1250 Pepper Lane. The 4' diameter manhole experienced the loss of surrounding soils due to erosion of the creekbank. The erosion is located upstream, downstream, and surrounding the manhole, leaving approximately 2/3 of the manhole's outer diameter wall exposed along a vertical height of 10'. Additionally, the concrete casing of the pipe inlet from the upstream side is partially exposed. The total creekbank erosion within the zone of influence of protecting the manhole is 90' long, 10' high, and varies 0-10' deep/wide (8' average) from the edge of creekbank.

Due to the projected storm event spanning from February 24, 2023, to February 27, 2023 with potential rain amounts accumulating over 3", Montecito Sanitary District took measures on February 23 to protect the manhole in place with large boulders and smaller rocks as shown in Photo 3 and Photo 4 on the following page. The total amount of rock work spans 35' long, 3-6' high (5' average), and varies 3-10' deep/wide (6' average) from edge of creekbank. All dimensions are approximate.



Photo 3: After Repair (Looking Upstream)



Photo 4: After Repair (Looking Downstream)

Project 2: Manhole 638-4C



Photo 5: After Storm



Photo 6: After Storm

Manhole 638-4C is located on 206 Olive Mill Rd along Montecito Creek and just north of 188 Santa Elena Lane. The 4' diameter manhole experienced loss of surrounding soils due to erosion of the creekbank. The erosion is located upstream and downstream of the manhole. There is minimal creekbank left surrounding the outer diameter wall face of the manhole (6-18" from the creek side) and there is a noticeable overhang of the concrete (6") surrounding the frame of the manhole. The total creekbank erosion within the zone of influence of protecting the manhole is 31' long, varies 7-8' high (7.5' average), and varies 0-12' deep/wide (8' average) from edge of creekbank. All dimensions are approximate. An existing tree is severely damaged and may pose a risk to the existing creekbank.

Project 3: Pipe L333-7



Photo 7: After Storm Pipe Break



Photo 8: After Storm Pipe Repair

Sewer main line L333-7 is located along San Ysidro Creek and along a walking trail owned by the Land Trust for Santa Barbara County and located within the Ennisbrook Owners Association, north of Ennisbrook Drive. The existing 8-inch PVC gravity sewer main experienced loss of surrounding soil due to creekbank erosion and it was reported on 1/13/2023 the pipe suffered a break at a joint. A portion of the pipe was removed and repaired with an 8" coupling and the affected area was cleaned up and disinfected by District Staff. Approximately 25' of pipe is exposed and was temporarily supported by rocks and metal stakes; and erosion continues upstream and downstream of the exposed pipe. The total creekbank erosion within the zone of influence protecting the pipeline is 160 feet long, 10' high, and varies from 0-24' in deep/wide (16' average) from edge of creekbank.

Due to the projected storm event spanning from February 24, 2023, to February 27, 2023, with potential rain amounts accumulating over 3", Montecito Sanitary District took measures on February 24 to support the pipe with 4 aerial anchors (Photo 9), consisting of straps and metal anchors on top of the creek bank.

Staff went to check on the pipe on February 29, 2023, and saw the pipe experienced additional erosion causing the recently installed coupling to bend. Staff removed the debris and reinstalled 3 aerial anchors.



Photo 9: Aerial Anchors

On June 20, 2023, the District retained services of MGS General Engineering to restore soil around the pipe (Photo 10, 11).



Photo 10: Sand/Fabric (Looking Downstream)



Photo 11: Final Cover (Looking Upstream)

Project 4: Pipe L380-5



Photo 12: Before Storm



Photo 13: Before Storm (Prior to Backfill)



Photo 14: After Storm



Photo 15: After Storm

Sewer main line L380-5 is located along Meadow Lane and crosses a private bridge located within the community of Riven Rock. The existing two-inch HDPE sewer force main installed within a 4" PVC conduit along the downstream side of the bridge (crossing Montecito Creek) experienced loss of surrounding soil due to creekbank erosion. The erosion is located beneath the pipe and further west along the northern bridge wingwall and downstream of the creekbank. The total creekbank erosion within the zone of influence protecting and supporting the pipe is 24' long, varies 9-11' high (average 10'), and varies 4-7' in deep/wide (average 5.5') from edge of creekbank.

IV. SCOPE OF SERVICES - REQUIRED

Consultant is expected to perform the following services/tasks described below.

TASK 1: PROJECT MANAGEMENT, QUALITY ASSURANCE/QUALITY CONTROL, MEETINGS, AND SITE VISITS.

This task includes project management and coordination activities as well as quality control/assurance, and meetings with the project team.

Task 1.1 Project Management. Monitoring and coordination of budget, schedule, subconsultants, jurisdictional/public agencies, and internal project team. Prepare monthly invoices and updated schedule.

The District's Project Manager will lead the coordinating efforts with FEMA and private stakeholders (such as property owners, HOAs, Santa Barbara Land Trust); however, the Consultant shall anticipate assisting in these coordination efforts as directed by the District's Project Manager.

The District's Project Manager will coordinate access to the project sites as needed by the Consultant.

Task 1.2 Quality Control/Quality Assurance. Review and quality control all deliverables prior to submittal to the District.

Task 1.3 Meetings. Anticipated Meetings include:

- Project kick-off meeting and site visit with District staff.
- Monthly remote progress meetings with District staff.
- Monthly remote progress meetings with FEMA.
- Draft design technical memorandum review meeting
- 60% contract documents remote review meeting.
- 90% contract documents remote review meeting.
- As needed remote or in-person meetings with project stakeholders (property owners, HOAs) and jurisdictional/public agencies.
- Pre-bid meeting (Construction Bidding Phase)
- Pre-construction meeting

Prepare agenda and conduct design kick-off meeting with District staff to review project scope and District's and Consultant's expectations. Prepare a schedule for completion of design to be discussed at kick-off meeting. Include milestone dates for design submittals and review meetings. Consultant should

anticipate two weeks for District, FEMA, and other project stakeholders review of each submittal. Consultant shall prepare and distribute minutes following meetings.

TASK 2: REVIEW EXISTING INFORMATION

Consultant shall review background documents to the extent needed to understand the existing constraints and challenges. Example documents include easements, existing facility plans, site photos, and FEMA information.

TASK 3: BOUNDARY AND TOPOGRAPHIC SURVEY SERVICES

Consultant will provide a boundary and topographic survey service to facilitate the design work for each project. Suggested ground (detailed) survey limits as well as suggested site access paths are provided as a KMZ file. The file will be distributed as part of this RFQ-P and considered as Attachment A. The survey limits should be considered a minimum survey area and meant only to assist in the scope of these services and subject to change. The suggested access paths to project sites should be considered as such and other ways to enter the site may be possible; this information is meant to convey the need to access private property. The District anticipates the Consultant to trace District and other jurisdictional easements as well as property lines. There is potential for drafting temporary construction easements as needed to facilitate the design and as required by FEMA. It is anticipated this work will utilize NAD 83 and NAVD 88 datums based on local benchmarks, but Consultant may suggest datums/epoch to be confirmed by the District prior to beginning the work. This work shall be provided and signed by a Professional Land Surveyor (PLS) licensed in the state of California.

TASK 4: ENVIRONMENTAL AND PERMITTING SERVICES

Consultant will provide environmental and permitting services, as needed, to facilitate design and approval of each project. These services will be provided from the design phase through post-construction. This task shall include, but is not limited to:

- Developing a permitting strategy in coordination with the project design team and jurisdictional/public agencies. The anticipated public agencies having jurisdiction are Santa Barbara County Public Works (Flood Control), Regional Water Control Board, United States Army Corp of Engineers, and California Department of Fish & Wildlife.
 - Emergency vs standard permitting applications
 - Natural protective measures (rocks/stones/sand) vs engineered protective measures (concrete/metal)
- Providing all applicable documents for CEQA compliance.
- Providing biological/cultural investigations and monitoring services, as needed.
- Providing all applicable permit applications and documents and as required by jurisdictional/public agencies.
- Consideration of permitting fees.
- Assisting with responses to environmental or permitting inquiries from contractors during bidding and construction phases.

The Consultant should anticipate submitting drafts of applications and/or documents to the District for review prior to finalizing and submitting applications and/or documents to jurisdictional/public agencies on the District's behalf.

TASK 5: DESIGN TECHNICAL MEMORANDUM

Consultant shall prepare a design technical memorandum (TM) for each project for approval prior to preparation of engineering design contract documents. This TM shall develop potential protective measures alternatives including creekbank restoration to prior existing condition, enhanced creekbank restoration (mitigation), such as imported rock channels, imported gabion baskets, or other measures. The District anticipates the Consultant to consider two mitigation alternatives for each project for a total of three alternatives per project (including restoring site to prior condition). A suggested outline for the TM is as follows:

1. Executive Summary
2. Background Information
 - Existing damages/conditions (with photos)
 - Site maps
3. Alternative Protective Measures
 - Projects 1-4
 - Restore project site to prior condition.
 - Evaluation of measure
 - Scope and limits of work
 - Permit considerations
 - Environmental/CEQA
 - Jurisdictional agencies
 - Access considerations
 - Constructability
 - Easements
 - Preliminary construction cost estimate
 - Implementation timeline
 - Suggested Mitigation (1)
 - Evaluation of measure
 - Scope and limits of work
 - Permit considerations
 - Environmental/CEQA
 - Jurisdictional agencies
 - Access considerations
 - Constructability
 - Easements
 - Suggested studies (if any)
 - Preliminary construction cost estimate
 - Implementation timeline
 - Suggested Mitigation (2)
 - Evaluation of measure

- Scope and limits of work
 - Permits considerations.
 - Environmental/CEQA
 - Jurisdictional agencies
 - Access considerations
 - Constructability
 - Easements
 - Suggested studies (if any)
 - Preliminary construction cost estimate
 - Implementation timeline
4. Recommended Protective Measure and Next Steps
- Projects 1-4
 - Recommended Measure
 - Next Steps

Task 5.1 Develop Draft Technical Memorandum. Consultant will develop a draft design TM in coordination with the District. The draft shall be provided in Word (.doc) format so District staff may provide comments and suggested edits via “track changes” as well as PDF. The draft (or limited sections of the draft) will be distributed to FEMA and other project stakeholders for their comments at the District’s discretion. Consultant should anticipate a remote review meeting with the District to clarify comments per Task 1.3.

Task 5.2 Develop Final Technical Memorandum. Consultant will develop a final design TM incorporating comments from the District, FEMA, and other project stakeholders. The final design TM shall be provided in PDF format and signed by a Professional Engineer registered in the State of California.

TASK 6: DESIGN CONTRACT DOCUMENTS

The Consultant shall prepare design contract documents based on the selected protective measure per the design TM.

Task 6.1 Develop 60% Contract Documents. Consultant shall prepare a 60% complete set of plans, specifications, and Engineer’s Opinion of Probable Construction Cost (PS&E) for each project. The 60% documents shall be provided in Word (.doc) and PDF formats, as applicable. The documents will be reviewed and commented on by the District as well as FEMA and other project stakeholders at the District’s discretion. Consultant should anticipate a remote review meeting with the District to clarify comments per Task 1.3.

Task 6.2 Develop 90% Contract Documents. Consultant shall prepare a 90% complete set of plans, specifications, and Engineer’s Opinion of Probable Construction Cost (PS&E) for each project. The 90% documents shall be provided in Word (.doc) and PDF formats, as applicable. The documents will be reviewed and commented on by the District as well as FEMA and other project stakeholders at the District’s discretion. Consultant should anticipate a remote review meeting with the District to clarify comments per Task 1.3.

Task 6.3 Develop Final Contract Documents. Consultant shall prepare a Final complete set of plans, specifications, and Engineer’s Opinion of Probable Construction Cost (PS&E) for each project. The Final

documents shall be provided in PDF and AutoCAD Civil 3D (.dwg) formats, as applicable. Final Documents shall be signed by a Professional Civil Engineer licensed in the state of California.

For purposes of this RFQ-P, the District intends the Consultant to provide separate PS&E for each project to provide construction bidding flexibility; however, depending on the design and potential implementation each project, the District will consider a multiple (or all) projects as a single set of PS&E to go out to bid for construction.

TASK 7: ENGINEERING SUPPORT SERVICES – BIDDING PHASE

Once the Contract Documents are finalized, the District will advertise for the project for public bidding by posting the Notice of Inviting Bids by public paper and the District's PlanetBids Portal. The District will host and administer a mandatory pre-bid meeting and tour of each project site. The District will respond to bidder' questions and issue addenda to the bidding documents as appropriate, via the PlanetBids Portal. The Consultant shall provide engineering support services during bidding for each project. This task shall include, but is not limited to:

- Assisting with developing responses to contractor questions.
- Assisting with developing addenda.

TASK 8: ENGINEERING SUPPORT SERVICES – CONSTRUCTION PHASE

Once each project is awarded (or awarded as a single project) to a contractor, the Consultant shall provide engineering support during construction. This task shall include, but is not limited to:

- Assisting with submittal review for materials and equipment for conformance with the plans and specifications.
- Assisting with developing reviews and responses for Requests for Information (RFIs) received from the contractor during construction.
- Providing record drawings based on red-line drawings provided by the inspector. The record drawings shall be provided in PDF and AutoCAD Civil 3D (.dwg) formats.

The District Project Manager will provide construction management, including regular interaction with the contractor to monitor project progress, serve as the main point of contact for all project communication, process progress payments, resolve issues, coordinate work with District staff, maintain project documentation, and monitor the project budget.

The District will procure the services of a construction inspector in a separate contract to ensure materials and equipment are installed according to the plans and specification.

V. SCOPE OF SERVICES - ADDITIONAL

The Consultant may suggest additional services to be included in their proposal as part of their approach to the project and will be considered by the District. Examples of services that may be beneficial to the project include, but are not limited to:

TASK 9: GEOTECHNICAL SERVICES

Consultant may provide geotechnical services, as needed, to facilitate design of each project. This task may include, but are not limited to:

- Site visits/investigations
- Draft geotechnical report
 - Submitted in Word (.doc) and PDF formats to be reviewed and commented on by the District.
- Final geotechnical report
 - Submitted in PDF format. Final report shall be signed by a Geotechnical Engineer licensed in the state of California.

TASK 10: HYDRAULIC STUDY

Consultant may provide hydraulic study of Montecito and/or San Ysidro Creeks to facilitate design of each or a specific project. This task may include, but is not limited to:

- Site visits/investigations
- Draft hydraulic study
 - Submitted in Word (.doc) and PDF formats to be reviewed and commented on by the District.
- Final hydraulic study
 - Submitted in PDF format. Final report shall be signed by a Civil Engineer licensed in the state of California.

VI. RESPONSES

The response shall include at a minimum the information listed herein; incomplete or unclear information may be grounds for rejection. The response shall be organized as follows:

1. Letter Proposal

The Statement of Qualifications/Proposal may be submitted as a letter proposal addressed to:

Bryce Swetek, P.E.
Engineering Manager
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

The letter proposal shall be submitted electronically to Bryce Swetek, P.E. at bswetek@montsan.org. The email subject line shall say, "RFQ-P: Protective Measures of District Facilities (January 2023 Storm)". The RFQ-P must be received by 4:00 PM, August 11, 2023

Late proposals will not be accepted. Any RFQ-P received prior to the time and date specified above may be withdrawn or modified by written request of the proposer provided the modified proposal is received prior to the time and date specified above.

2. Experience and Qualifications

- a. Provide a brief history of the firm, include: name of the firm, the year the firm was established under the current name, and the closest office location to the project. Indicate any other previous names for the firm during the last five years and the year any name change was effective.
- b. Identify firm personnel that will be assigned to the key positions and show the relationships on an Organizational Chart (include subconsultants) and provide which office they are located; provide a brief résumé (1 or 2 pages) and highlight special qualifications. The résumé must include:
 - i. Total years of experience, including number of years with the current firm
 - ii. Education (for individuals who hold current professional registration identify the registration number, state, and discipline)
 - iii. Work experience of up to five recent relevant projects. Include a brief description of the project (scope, size, cost, etc.), the individual's specific role on the assignment, the year the individual's work on the assignment was completed, and the individual's employer for the assignment.
- c. Provide a list of all subconsultants you plan to work with to complete these services, including their background and qualifications, and degree of involvement in the Projects.
- d. Provide a list of at least three prior assignments within the last five years that best illustrates the personnel's relevant qualifications for this assignment. Show which projects the key personnel have worked together on previously. The performed services should be similar to those outlined in this solicitation. The list shall include the following information for each assignment:
 - i. Name of client
 - ii. Location (city and state)
 - iii. Name and brief description of construction project
 - iv. Duration of assignment
 - v. Respondent's scope and role in the project (include explanation of methodologies and approaches used)
- e. Provide three clients as a reference, including at least two for whom services were rendered during the past two years, preferably for services similar to those outlined in this solicitation; include contact information for each reference.

3. Project Understanding and Approach

Provide a statement demonstrating the Consultant's understanding of the Project and proposed approach to the Project scope of work, broken down by tasks and subtasks. Proposals shall identify specific milestones and deliverables for each task. Consultant may revise the scope of services in this RFQ-P and should call out the proposed revisions in their proposal.

4. Estimated Schedule

The proposal must include an estimated schedule to complete the Project scope of work as well as anticipated start dates of construction for each project, assuming the following:

- An anticipated start/kick-off date of August 28, 2023.

- A 1 month bidding period for construction.

5. Cost Estimate

The proposal shall include a table summarizing the estimated cost to perform the services based on the Consultant's understanding of the Project's scope of work.

6. Conflicts

Identify any conflicts which could affect the ability to perform the work in a timely fashion over the duration of the contract.

7. Quality Assurance/Quality Control

Provide a brief description of in-place and proposed Quality Assurance & Quality Control practices applicable for this project.

8. Assumptions and Additional Comments

The proposal shall include any assumptions made, comments, suggestions, or additions for the District to consider in selecting the firm. Identify the potential benefit, value, or impact these may have to the District.

9. Contract Requirements

The District will be utilizing a Professional Services Agreement (PSA) included as Attachment B for your review. The terms of Agreement are not subject to change. The consultant must comply with applicable local, State, and Federal laws including prevailing wage rates and their payment in accordance with California Labor Code, Section 1775. Provide and affirmative statement indicating acceptance of the terms of the Agreement.

VII. SELECTION CRITERIA

From the proposals received, the District will select the most qualified firm for the project. Selection will be based on information provided in the proposal and will be based on the following criteria:

1. **Qualifications:** The Consultant's (including subconsultants, if any) relevant experience and ability to perform the scope of work as outlined above, based on information provided by the Consultant and client references.
2. **Approach:** The Consultant's understanding of the Project as demonstrated by their approach to completing the Services requested above.
3. **References:** The consultant's client references, the Consultant's performance on similar studies, and their knowledge of, and familiarity with, the District's geographic region.
4. **Cost:** The District is seeking the best value in terms of delivering the services listed in the RFQ-P for a reasonable cost.

VIII. RESERVATION OF RIGHTS

The following is a list of rights of the District:

1. The Montecito Sanitary District reserves the right to:
 - a. Reject any and all responses received.
 - b. Issue a subsequent RFQ-P.
 - c. Cancel the entire RFQ-P.
 - d. Remedy technical errors in the RFQ-P process.
 - e. Negotiate with any, all, or none of the Respondents to the RFQ-P.
 - f. Waive informalities and irregularities.
 - g. Make multiple recommendation(s) to the MSD Board.
 - h. Request additional information or clarification.
 - i. All responses and their contents will become the property of MSD.
2. The District will not reimburse Consultants or sub-consultants for any costs associated with any travel and/or per diem incurred in any presentations or for any costs in preparing and submitting the responses.
3. The District reserves the right to end, in its sole discretion, negotiations at any time with any or all Consultants. This RFQ does not commit the District to enter into a contract, nor does it obligate it to pay any costs incurred in the preparation and submission of responses or in anticipation of a contract.
4. Failure to respond to the requirements outlined in this RFQ-P may result in the Consultant's disqualification as non-responsive to the RFQ-P.

IX. INQUIRES

All inquires related to this RFQ-P shall be sent to Bryce Swetek, P.E. at bswetek@montsan.org

X. ATTACHMENTS

- A. KMZ of Suggested Topographic Survey Limits and Site Access Paths
- B. Sample Professional Services Agreement



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT

STAFF REPORT – 3E

DATE: August 24, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
Bryce Swetek, Engineering Manager
SUBJECT: Consideration of Awarding the Highway 101 Sewer Crossing Lining Project – Construction Management & Observation Services

RECOMMENDATION:

Staff recommends that the Board discuss and consider:

1. Awarding a contract with Fillipin Engineering (FE) for a not-to-exceed fee of \$68,820 for construction management and observation services in support of District Staff for the District’s Highway 101 Sewer Crossing Lining Project; and
2. Authorize the General Manager to execute the contract and approve amendments of up to ten percent (10%) of the fee, amounting to \$6,882, to cover any cost increases that may result from contract extra work or other scope changes.

DISCUSSION:

Background – With the District’s Highway 101 Sewer Crossing Lining project to start construction this coming October, Staff reached out to FE to provide a proposal for construction management and observation services for the project in support of District Staff. The proposal is provided as Attachment 1.

Analysis – Justifications – The proposal amount of \$68,820 submitted by FE is an acceptable proposal that is responsive to and meets the needs of the District. Since 2020, District Staff has retained the services of FE as part of an on-call services Agreement with a not-to-exceed amount of \$50,000. Due to the importance, scale, and type of project, a thorough scope-of-work for construction management and full-time inspection were required for the project. Additionally, Staff did not reach out to other firms as FE has been a reliable partner with these services for years and Staff valued having an established

working relationship, especially under the circumstances for this project. The amendment funding recommendation of \$6,882, or 10%, is typical for this type of work and size of project.

Fiscal Impact – The Lining project was included in the Fiscal Year 2023-24 Capital Improvement Project budget for \$1,700,000. The project was awarded to Tierra at a cost of \$973,780. At the time of the CIP, budget was also included for Utility Agreement with Santa Barbara County Association of Governments (SBCAG) for the District to pay Granite ~\$500,000 for their work on behalf of the District’s project. As of 8/17, the District anticipates the Lining project to be substantially funded by SBCAG per California Code of Streets and Highways – 703. Thus, FE’s proposed fee will not significantly impact the District and no budget adjustments will be required.

DEPARTMENTS INVOLVED: Engineering and Collections

ATTACHMENTS:

1. FE Proposal



August 4, 2023

W.O. 223701

Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108
Attn: Bryce Swetek, P.E.

SUBJECT: PROPOSAL TO PROVIDE ON-CALL CONSTRUCTION MANAGEMENT AND OBSERVATION SERVICES FOR THE HIGHWAY 101 SEWER CROSSING LINING PROJECT

Dear Mr. Swetek,

Filippin Engineering, Inc. (FE) is pleased to submit a proposal to provide Construction Management and Observation services to Montecito Sanitary District (District) for the Highway 101 Sewer Crossing Lining Project, which consists of lining a 12-inch vitrified clay pipe gravity sewer and two 6-inch cast iron force mains in a 60-inch casing under the Highway 101 and rehabilitation of three manholes. Filippin Engineering and its staff have completed numerous projects of similar scope and are well qualified to assist with all aspects of the project through the construction phase.

PROJECT UNDERSTANDING / ASSUMPTIONS

We understand that the District plans to use FE construction management and observation services on the referenced project set to begin mid-October. FE's understanding is based upon plans and specifications provided by District staff, along with conversations via email indicating the anticipated duration of the project at **40 working days**. We believe that the District would like the construction observation tasks for this project to be full-time, and that the district would also like FE to provide construction management services as well. We are flexible in working with the District to meet the specific needs of this project and welcome any suggestions regarding our approach to this proposal or throughout the performance of the work.

PROJECT TEAM AND OVERVIEW

Kevin Connors, P.E., QSD, Principal Construction Manager: Mr. Connors is a registered engineer with over 34 years of experience in all aspects of project construction, including roles as Project Manager, Construction Manager, Resident Engineer, Structures Representative, Engineer of Record, and Project Environmental Coordinator on public works projects. Mr. Connors' extensive public works experience includes the design and construction of bridges, roadways, utilities, parks, airports, and environmental mitigation. Kevin's experience includes successful coordination with many different public and private entities including the Federal Aviation Administration, Army Corp of Engineers, California Department of Fish and Wildlife, Utility Companies, Native American Monitors, Archeologist, Biologist, UPRR, and Caltrans.

Tyler Beets, Senior Construction Inspector: Mr. Beets has an extensive background in public works construction and over 10 years of direct experience including water and sewer pipelines, underground utilities, drainage, structures, roads, and pavement maintenance. Tyler excels at understanding the construction work as well as the engineering details and design intent. He is as adept at resolving potential field conflicts as he is at communicating with designers or Agency staff. Tyler most recently provided inspection services for the District on the Posilipo Force Main Relocation and Restoration Project, so he is well versed in what is required for this project.

We have not included resumes by attachment, but they are available upon request.



WORK PLAN

The following are services that are likely to be required during the observation work. Our inspector will coordinate with District staff to determine the actual services desired on each day. Possible tasks to be performed include:

Construction Observation Services

- **Construction Observation/Inspection** – The inspector will document, daily, the progress being made on the project, including the materials incorporated and the quantity of work completed, and recorded by pay item.
- **As Needed Construction Observation based on Actual Construction Activity**—observations of general/civil work and/or actions of the inspection team at the jobsite includes:
 - Observe contractor's compliance with the contract documents
 - Observe and record bid item quantities of Contractor's work and materials and equipment incorporated into the work
 - Observe and record weather and site conditions
 - Notify contractor and owner of deficient or non-compliant work
 - Observe and record correction of deficient or non-compliant work
 - Observe and record materials and equipment received
 - Observe stored materials for proper protection
 - Observe and record construction activities and progress
 - Observe and record contractor/subcontractor staffing and equipment usage
 - Take photographs daily for pertinent project activities and conditions
 - Coordinate with materials testing consultant(s) to in accordance with the Project's Quality Assurance Program
 - Complete Assistant Resident Engineer Daily Reports
 - Stay abreast of Contractor's schedule
- **Communication** – Communicate with the District's Project Manager and staff as appropriate, keeping all well informed of work progress and problems. Notify the Project Manager at any point when a dispute arises, an unknown condition is discovered, or when the Contractor indicates extra work/change order work is warranted.
- **Contractor Communication** – Communicate with the Contractor, notifying him of any unacceptable condition or workmanship. No deviations from contract documents without District approval will be made. Conversations with the Contractor regarding disputed work, quality of workmanship, extra work, progress or schedule of activities, or other topics related to the project will be recorded in the daily reports for use in claims and disputes. Other items of communication include:
 - Verify layout, operations, and intent of work with the Contractor.
 - Maintain open communication, coordinating each day before, after, and throughout the course of the work on outstanding items, schedule, and quantities.
- **Traffic Control and Public Safety** – Monitor throughout construction compliance with the approved TC plans. Review all detour, lane closures, temporary access, signing, delineation and traffic control. Prior to start of daily operations, report deficiencies to Contractor and record in daily reports.
- **Stormwater Controls** – Monitor throughout construction, compliance with the approved WPC plans.
- **Materials** – Examine material to be used for contract compliance and if rejected, direct the Contractor to remove.
- **Changes in Work** – Be alert to changes in the character of the work and site conditions. Notify the Project Manager of anticipated changes in the character of the work, or Contractor concerns regarding changes in work.



- **Extra Work** – Document extra work on the daily reports and report to the Project Manager what is observed to be extra work.
- **Workmanship** – Notify the Contractor and the Project Manager if materials or workmanship are not in compliance with the Contract Documents.
- **Contract Documents** – Continually review contract documents on upcoming work to stay ahead of the Contractor and notify the Project Manager of anticipated areas of concern.
- **Maintain Construction Record Drawings** – Maintain one set of contract documents with up-to-date information regarding all addendum, substitutions, clarifications and change orders.
- **Final Inspection and Punch list** – Participate in final inspection with the Contractor, Project Manager, and District to review the project for acceptance of workmanship and materials and prepare a punch list of project construction deficiencies for resolution by Contractor.
- **Project Closeout** – Prepare inspection documentation needed for project closeout (Daily reports, photos, materials tickets, record drawings). Deliver all project documentation to Project Manager within 2 weeks of acceptance of the work.

Construction Management Services

We understand for purposes of this proposal and budgetary constraints that the District would like FE to provide part-time construction management services for this project. We anticipate that the following services are necessary for the CM and will be performed by FE.

Pre-Construction Services:

- **Submittal Review** – Receive, review and/or distribute Contractor submittals prior to the project for materials submittals, shop drawings, schedules, environmental permit compliance, Caltrans double permit compliance, and any other required documentation necessary prior to project kick-off.
- **Pre-Construction Conference** – Coordinate and chair the Pre-construction Conference. Schedule meeting and provide notices to project participants prior to the start of any field activities. Prepare and distribute minutes of the conference.
- **Document Control** – Establish document control procedures and Construction Management procedures to ensure organized, complete, and effective construction management and documentation at the onset and throughout the project duration.

Construction Phase Services:

- **On-Site Management & Construction Phase Communication** - Establish and implement coordination and communication procedures among MSD, County, Caltrans, other permitting agencies, property owners, Filippin Engineering, Design Professional, and Contractors.
- **Construction Administration Procedures** –utilize the established document control procedures for reviewing and processing request for clarifications and interpretations of the Contract Documents; shop drawings, samples and other submittals; contract schedule adjustments; change order proposals; written proposals for substitutions; payment applications; and the maintenance of logs.
- **Review of Requests for Information, Shop Drawings, & Other Submittals** - Review the Contractors' requests for information, shop drawings, and other submittals to determine the anticipated effect on compliance with the Project requirements, the Project and Construction Budget, and the Baseline Schedule



- **Change Order Preparation, Negotiation and Processing** - Establish, implement and coordinate systems for processing all contract change orders. Negotiate all contract change orders with the Contractor. Prepare contract change order document for execution by Contractor and District.
- **Jobsite Progress Meetings** – Conduct weekly progress meetings to review progress and quality, notify the attendees of any contractor deficiencies, determine availability of labor, material, and equipment for upcoming work, coordinate utility outages and site disruptions, and address coordination matters. Additional special meetings may be required to address special issues and conditions and to address special coordination conditions. The CM will chair these meetings, conduct each meeting according to the published agenda, and have minutes prepared and promptly distributed. Minutes will detail action items, the discussions that ensued, and announce the time and date of the next meeting.
- **Contractor’s Construction Schedule** - review each Contractor’s Construction Schedule and verify that the schedule is prepared in accordance with the requirements of the Contract Documents and that it establishes completion dates that comply with the requirements of the approved Baseline Schedule. Track conformance with the project schedule, requiring submission of a make-up schedule if necessary to keep the project on track for completion within the time deadlines.
- **Progress Payments** - Review the payment applications submitted by each Contractor and determine whether the amount requested reflects the progress of the Contractor's work. Filippin Engineering shall make appropriate adjustments to each payment application and shall prepare and forward to Flood Control a Progress Payment Report. The Report shall state the total contract price, payments to date, current payment requested, retainage and actual amounts owed for the current period.
- **WSOWD Reports** - Prepare weekly statements of working days.
- **Labor Compliance** – Perform labor compliance checks as recommended by the Caltrans Construction Manual and the Caltrans Local Assistance Procedures Manual, including labor compliance interviews for the prime contractor and subcontractors, review of certified payrolls, checking contractor postings for all specified posters, notices and wage determinations at the project site (Equal Employment Opportunity posters), and notifications of any observed labor non-compliances so that sanctions can be imposed per Caltrans policy (Construction Manual Chapter 8 “Labor Compliance”).

CONSTRUCTION SUPPORT COSTS

It is our understanding that the contract allows for 40 working days for completion.

Based on the time frame, anticipated full-time observation with part-time construction management, and labor compliance support, we offer the following cost proposal based on the assumptions listed below:

- Estimated approximately 320 hours of inspection used as needed during construction – this is estimated for this scenario at 40 working days at 8 hours per day.
- 26 hours of preconstruction and postconstruction services, for preparation and closeout.
- Estimated approximately 40 hours of Construction Management as needed during construction – this estimate for this scenario is an average of 5 hours per week.
- Estimated approximately 16 hours of labor compliance used during construction – this is estimated for the scenario of 2 hours per week.

Task	Principle Construction Manager	Senior Construction Inspector	Labor Compliance	Estimated Fee
	\$ 210.00	\$ 165.00	\$ 120.00	
Pre-Construction Phase	4	8	2	\$2,400
Construction Phase	40	320	16	\$63,120
Post-Construction Phase	2	16	2	\$3,300
TOTAL	46	344	20	\$68,820



The time required is directly correlated to the scope of services desired and the contractor's performance and schedule. If the Contractor's schedule is more or less, we can revise our estimate at that time. In addition, it is expected that the Contractor could encounter rock in the excavation, as has been the case on other projects. If you need our inspector to be onsite to quantify force account work, we can work with you during that time on what is necessary and appropriate.

For cost estimating purposes, we've assumed overtime will not be required. Should extended hours be required, overtime rates (1.3 times the normal billing rate) will apply, and we will notify the District of the projected costs based when overtime is expected.

Our proposed services will be performed on a time and materials basis and shall be billed monthly at the rates then in effect. Charges for "time" include professional, technical, and clerical support services provided by FE. "Materials" include reimbursable expenses, such as outside consultant fees.

We have estimated the cost of our services based on our understanding at this time of the scope in the three scenarios above. However, because our services will be performed on a time and materials basis it is possible that our actual charges could exceed or be less than the amount we have estimated. During the performance of our services, the need for additional or expanded services will be monitored and communicated by the Project Manager.

We look forward to working with you on this project. If you have any questions or would like to discuss our proposal further, please don't hesitate to call me at (805) 448-5619.

Sincerely,
FILIPPIN ENGINEERING

Kelly R. Wheeler, P.E.
Principal Engineer



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT- 3F

DATE: August 24, 2023

TO: Board of Directors

FROM: John Weigold, General Manager
Bryce Swetek, Engineering Manager

SUBJECT: Posilipo Force Main Relocation and Restoration – Notice of Completion

SUMMARY:

The project includes installing approximately 3,572 linear feet of 8-inch diameter PVC gravity sewer main to serve twenty-three (23) properties along segments Hwy 192, Lilac Drive, Oak Grove Drive, and Tollis Ave. Construction was complete in March 2023.

RECOMMENDATION

Staff recommends that the Board of Directors accept the Posilipo Force Main Relocation and Restoration Project – Phase 1, as complete and approve the issuance of a Notice of Completion for a total final project cost of \$183,340.94.

Fiscal Impact –

Construction Costs (Toro Enterprises)	
Original Construction Contract Amount	\$186,000.00
Construction Contract Change Orders	-\$2,659.06
Total Construction Cost	\$183,340.94

Public Notice – A Notice of Completion letter will be sent to Toro Enterprises for the construction of the project.

Goals and Objectives – To file a Notice of Completion to close the project.

OTHER DEPARTMENTS INVOLVED: Engineering & Collections

ATTACHMENTS: 1. Toro NOC



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108
General Manager: John Weigold

A Public Service Agency

PHONE: (805) 969-4200
www.montsan.org
jweigold@montsan.org

August 24, 2023

Mr. Sean Castillo
Toro Enterprises
2101 E Ventura Blvd.
Oxnard, CA 93036

SUBJECT: NOTICE OF COMPLETION- POSILIPO FORCE MAIN RELOCATION AND RESTORATION PROJECT – PHASE 1 BID NO. 2023-01

Dear Mr. Castillo:

On August 24, 2023, during a regularly scheduled board meeting, the Montecito Sanitary District Board of Directors took action to accept the Posilipo Force Main Relocation and Restoration Project – Phase 1 as complete. The one-year warranty period commenced on this date as determined by the contract and will end on August 24, 2024.

The final price of \$183,340.94 has been determined to be the final cost for this contract. If you have any questions, please contact the District office at (805) 969-4200.

Sincerely,

Bryce Swetek, P.E.
Engineering Manager



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

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MONTECITO SANITARY DISTRICT

STAFF REPORT – 4

DATE: August 24, 2023
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: General Manager Report

The District continues its mission of providing wastewater collection and treatment services. In addition to the daily operations of the District, the following is an update on some of our current ongoing projects and activities:

GM Meetings

Since my last report, I attended a meeting with Congressman Carbajal on August 7, arranged by the National Special District Coalition staff, to discuss 1. Federally defining “Special Districts” via federal legislation, and 2. Addressing adequate water infrastructure for fire in the wildland/urban interface. On August 8, I met with AVEVA, a SCADA software firm with operations staff. Also on August 8, I attended the Montecito Association board meeting to provide a brief update on District operations and issues. On August 9, I, along with collections and engineering managers, reviewed the Miramar Hotel’s forthcoming plan for additional employee housing with the organization’s VP of Planning, Land Use and Government Affairs. That same day I also attended the monthly Sanitation Agencies Managers Association (SAMA) meeting at the City of Lompoc Regional Wastewater Reclamation Plant. Lastly, staff gathered for a summer lunch cookout on August 23 which included staff recognition and awards.

Over the next month, I will be attending the California Special District Association (CSDA) Annual Conference and Exhibitor Showcase with Director Johnson from August 28-31.

Human Resources Update

In August one employee was promoted from Treatment Operator I to Treatment Operator II after passing their Grade II Operator exam (10.2%).

On Monday, August 21st, the deadline was reached for prospective consultants to submit their proposals to conduct a Salary Study for the District. We received three proposals and are in the process of evaluating them.

January Storms Damage Projects Update

Staff has continued its meetings with FEMA and CalOES representatives to convey status of the projects. Staff anticipates to kick-off design with the awarded firm within the next week.

Hwy 101 Sewer Crossing Lining Project

On August 17, 2023, Staff was notified by Caltrans' Utility Coordinator that the anticipated Utility Agreement (UA) to cost share the proposed mitigation efforts with Santa Barbara County Association of Governments (SBCAG) would instead reimburse the District for those efforts as well as a significant portion of the project itself based on California Streets and Highways Code 703. This revised UA is being prepared and is anticipated to be brought to the Board on September 14, 2023. This UA is required for the Caltrans Policy Exception to be approved by headquarters. Construction of the project is projected to begin in early October 2023.

Electrical System, SCADA System, and Blowers Improvements Project

Representatives from ENGIE North America performed a site visit of our plant on Thursday, August 17 to assess our wastewater plant for energy efficiencies. Staff expects a feasibility from ENGIE within 1-2 months. Staff is considering different project delivery methods.

12-Month Effluent Flow / Rainfall

MSD Rainfall & Effluent Flow - Last 12 Months

