



Montecito Sanitary District

1042 Monte Cristo Lane *A Public Service Agency*
Santa Barbara, CA 93108

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

BOARD PACKET

For the A&O Committee Meeting of

Thursday, April 22, 2021

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MONTECITO SANITARY DISTRICT STAFF REPORT

Date: April 22, 2021

TO: A&O Committee

FROM: Engineering Manager

PREPARED BY: Carrie Poytress, P.E.

SUBJECT: Lilac and Oak Grove Sewer Main Extension Project

SUMMARY: The project includes 3,822 linear feet of 8-inch diameter PVC sewer main to serve 22 properties along Lilac Drive, Oak Grove Drive, and East Valley Road.

Recommendation – STAFF RECOMMENDS THAT

1. The Committee direct staff to send a letter to the property owners with the project agreement using the 2nd lowest bidder since the lowest bidder requested relief from their bid.
2. The Committee review a proposed Ordinance to collect the connection fee, inspection fee, and construction costs per property on the County tax roll and recommend to the Board for adoption.

Fiscal Impact –

Ranking	Contractor	Bid Amount
1	Cedro Construction*	\$1,682,361.48
2	Tierra Contracting	\$1,989,320.00
3	Lash Construction	\$2,832,625.00

Project Costs	Amount
Design Survey	\$13,817.25
Construction Inspection	\$60,000.00
County Cape Seal Requirement	\$70,000.00

Construction Change Order Allowance	\$190,000.00
Construction Costs using Tierra Contracting	\$1,989,320.00
Total Project Costs	\$2,323,137.25
Cost per Property (22 properties)	\$105,597.15

Previous Related Action – On February 11, 2021 the Board directed staff to advertise for bids. On March 4, 2021 staff submitted the project to Caltrans for review to start the Caltrans Encroachment Permit process. Staff advertised the project on March 23, 2021 and March 28, 2021. On April 13, 2021 staff received bids from Cedro Construction, Tierra Contracting, and Lash Construction and Cedro Construction was the lowest bidder.

Public Notice – As part of the sewer main extension project process, letters are sent to the property owners served by the project with the total project costs asking for the owners to sign either the Agreement or Deferral form. The number of Agreements received determines how much the District will be reimbursed once the construction is completed.

Goals and Objectives – To extend the sewer to serve properties currently utilizing septic systems.

Environmental Determination –Categorically exempt by CEQA.

Analysis – Justifications: *On April 20, 2021, staff received a letter form Cedro Construction requesting relief from the bid based upon a material mistake pursuant to criteria set forth in Public Contract Code 5103. If the Board wants to move forward with the project, staff recommends awarding the contract to the 2nd lowest bidder, Tierra Contracting.

The proportionate share of the project costs per property is much higher than any other sewer main extension project the District has constructed. This is due to the rocky nature of the area and the few properties that this length of pipe can serve due to the large property sizes. There are very few construction companies that typically bid our sewer main extension projects. The Caltrans and County of Santa Barbara requirements cannot be revised or adjusted further. The County has already granted this project an exemption from their grind and repave requirement to instead pay into a County fund to construct a lower cost cape seal. Staff does not think that re-bidding the project will garner lower bids. In fact, staff predicts that if this project is re-bid that the bids will come in higher than before. Note that in July 2021 the prevailing wage rates will increase, which means labor costs will increase.

The District currently has a program to allow property that are connecting to sewer for the first time to pay their connection fees, currently \$8,400, over a 10-year period and collect it via the property tax roll. The previous District Counsel had prepared the agreements for a property owner to sign in order to participate in the program. Attached is the information on the existing program and an example of the documents that were required to record against the property. However, this

existing program does not include payments of the proportionate share of the project construction costs of a sewer main extension.

Staff would like to revise the program so that it includes the connection fees, inspection fees, and the share of project costs of the sewer main extension and extend the period to 10, 20, or 30-year equal annual installments with interest. An Ordinance would formalize the program and reduce the documents that the property owner has to sign. The MSD annual sewer service charges are already collected on the property tax roll.

Staff anticipate that this proposed Ordinance would help the property owners' ability to pay for and move forward with sewer main extension projects. The Lilac and Oak Grove sewer main extension project is the longest and most expensive extension project the District has proposed. Staff anticipates that future sewer main extensions will also be more costly than past projects due to the nature of the areas that do not have sewer yet.

OTHER DEPARTMENTS INVOLVED: Collections

ATTACHMENTS: April 19, 2021 Letter from Cedro Construction

ORDINANCE NO. 19

ORDINANCE OF THE GOVERNING BOARD OF THE MONTECITO SANITARY DISTRICT ELECTING TO HAVE CONNECTION FEES AND PROPORTIONATE SHARE OF SEWER MAIN EXTENSION COSTS COLLECTED ON THE COUNTY TAX ROLL

WHEREAS, Section 6520.5 of the Health and Safety Code Section 6520.5 authorizes the District to prescribe, revise and collect fees, tolls, rates, rental or other charges for services and facilities furnished by the District in connection with the District's sanitation or sewerage systems; and

WHEREAS, Section 5474 of the Health and Safety Code provides that a District may, by ordinance approved by two-thirds (2/3) vote of its Governing Board, fix fees or charges for the privilege of connecting to District sanitation or sewerage facilities and improvements constructed by the District pursuant to Section 5463 and 5464, and to fix the time or times at which the fees or charges shall become due, to provide for the payment of the fees or charges prior to connection or in installments over a period of not to exceed 30 years, to provide the rate of interest, not to exceed 12 percent per annum, to be charged on the unpaid balance of the fees or charges, and to provide that the amount of the fees or charges and the interest thereon shall constitute a lien against the respective lots or parcels of land to which the facilities are connected at the time and in the manner specified in Sections 5473.5 and 5473.8.; and

WHEREAS, Section 5473 of the Health and Safety Code provides that a District may, by ordinance approved by two-thirds (2/3) vote of its Governing Board elect to have such charges collected on the tax roll in the same manner, by the same persons and at the same time as together with and not separately from, its general taxes.

NOW, THEREFORE, BE IT ORDAINED that:

1. The property owner can elect to have their proportionate share of the costs associated with the construction of a sewer main extension project to serve the property, collected on the County property tax roll.
 - a. The proportionate share of the extension costs collected on the County property tax roll shall be collected in either 10, 20, or 30 equal annual installments with interest.
2. For a septic-to-sewer conversion, the property owner can elect to have the connection fees as listed in the District's most current Establishing Fee Schedule Resolution for residential sewer connections, including the inspection fees, collected on the County property tax roll.
 - a. The connection fees and inspection fees collected on the County property tax roll shall be collected in 10 equal annual installments with interest.
3. Interest shall be calculated by annually by applying an annual average of the prior four quarters interest received on District funds held within the County Treasury to the remaining balance for each equal annual installment.
4. The lien must be paid in full when the property is sold.
5. Anything herein to the contrary notwithstanding, any remaining balance may be paid in full in cash at any time, at the option of the property owner in those cases where collection on the tax

roll is hereby prescribed.

6. Immediately following adoption, the Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the District.

7. If any section of this ordinance is held to be invalid or unconstitutional, the remaining sections shall remain valid. The Board hereby declares that it would have adopted this ordinance regardless that particular sections may be declared invalid or unconstitutional.

PASSED AND ADOPTED by the Governing Board of Montecito Sanitary District on this 13th day of May, 2021, to become effective thirty days thereafter by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Dorinne Lee Johnson
President of the Governing Board of the
MONTECITO SANITARY DISTRICT

(Seal)



ATTEST:

Dana Newquist
Secretary of the Governing Board of the
MONTECITO SANITARY DISTRICT

**CAPITAL IMPROVEMENT PROJECTS
UNAUDITED YEAR TO DATE STATUS**

<u>Board Approved On</u>	<u>CIP Project #</u>	<u>Project Title</u>	<u>Detail by Project</u>	<u>Project Budget</u>	<u>Expended FY20-21</u>	<u>Expected Future Exp.</u>
6/11/2020	1	Scheduled and Emergency Replacements		\$ 100,000.00	\$ 26,521.33	\$ 25,000.00
6/11/2020	2	Manhole Raising / Repair / Replacement		\$ 400,000.00	\$ 146,966.94	\$ 60,000.00
6/11/2020	3	Sewer Main Repair / Replacement		\$ 150,000.00	\$ 13,250.00	\$ 20,000.00
10/8/2020	9	Sewer Main Extension: Riven Rock		\$ 500,898.50	\$ 352,617.24	\$ 47,642.63
2/11/2021	9	Sewer Main Extension: Romero Canyon		\$ 369,500.00	\$ 134,239.10	\$ 224,563.90
2/11/2021	9	Sewer Main Extension: Lilac Drive and Oak Grove Drive Surveying		\$ -	\$ 13,817.25	\$ -
	9	Sewer Lift Station: Ashley Road Easement		\$ 50,000.00	\$ 6,458.75	?
	9	Sewer Main Extension(s): Homeowner Prp. Share of Costs		\$ (320,398.50)	\$ (93,426.38)	?
2/11/2021	9	Sewer Main Extension: ALL total FY20-21 Budget increased		\$ 600,000.00	\$ 413,705.96	\$ 272,206.53
7/15/2020	10	Recycled Water Pilot Project		\$ 38,000.00	\$ 16,270.72	\$ 21,729.28
11/5/2019	11	Recycled Water		\$ 1,191,000.00	\$ 11,110.00	?
9/1/2020	12	Collections Truck - Chevy Colorado		\$ 34,235.00	\$ 31,401.72	\$ -
11/12/2020	n/a	Electrical Rehabilitation		\$ 14,100.00	\$ -	\$ 14,100.00
11/12/2020	n/a	Industrial Hygeine Investigation		\$ 14,300.00	\$ 6,449.68	\$ -
				\$ 2,541,635.00	\$ 665,676.35	\$ 413,035.81

Recycled Water Pilot Project (Expenses from start of project to April 22, 2021)

Capitalized Expenses (CIP No. 10)

No.	Vendor	Amount	Date	Description of Expense	Fiscal Year	FY Budget	Total for FY
1	IDE Technologies	\$40,000.00	12/7/2018	50% of UF and RO skids	2018-2019	\$80,000.00	\$40,000.00
2	IDE Technologies	\$40,000.00	11/29/2019	50% of UF and RO skids	2019-2020		
3	IDE Technologies	\$9,500.00	12/13/2019	shipping and delivery of UF and RO skids	2019-2020		
4	McMaster-Carr Supply	\$407.12	9/13/2019	strut channel floor mount	2019-2020		
5	Smardan Hatcher Co	\$176.69	9/13/2019	plumbing parts	2019-2020		
6	IDE Americas	\$10,000.00	12/20/2019	commissioning of UF	2019-2020		
7	McMaster-Carr Supply	\$237.52	9/20/2019	white mesh tarp for shading	2019-2020		
8	IDE Americas	\$9,900.00	1/3/2020	commissioning of RO	2019-2020		
9	IDE Americas	\$9,900.00	1/24/2020	training services	2019-2020		
10	Grainger	\$1,498.52	11/29/2019	spill containment for chemicals and pump	2019-2020		
11	MCR Technoligoes	\$743.33	2/14/2020	conductivity probe	2019-2020		
12	FGL Environmental	\$1,163.00	2/14/2020	outside laboratory testing	2019-2020		
13	FGL Environmental	\$873.32	2/28/2020	outside laboratory testing	2019-2020		
14	FGL Environmental	\$453.00	3/13/2020	outside laboratory testing	2019-2020		
15	Pacific RO	\$122.00	3/13/2020	parts	2019-2020	\$125,000.00	\$84,974.50
16	Filtera Systems	\$1,126.06	7/24/2020	filter bag housing and 1 box of filters	2020-2021		
17	Accurate Measurement	\$3,893.56	12/4/2020	magnetic fow meter	2020-2021		
18	Taft Electric	\$7,950.55	12/30/2020	install conduits and wiring for bag filter	2020-2021		
19	Taft Electric	\$3,300.55	12/30/2020	motor controls and wiring for pumps	2020-2021	\$38,000.00	\$16,270.72

\$141,285.22

Recycled Water Pilot Project (Expenses from start of project to April 22, 2021)

Shared Capitalized Expenses with CIP No. 11

No.	Vendor	Amount	Date	Description of Expense	Fiscal Year	FY Budget	Total for FY
1	John Robinson Consulting	\$1,200.00	12/20/2019	engineering services for prelim analysis	2019-2020		
2	John Robinson Consulting	\$2,400.00	3/13/2020	engineering services for prelim analysis	2019-2020		
3	Phoenix Civil Engineering	\$1,732.50	1/3/2020	pilot and title 22 report	2019-2020		
4	Phoenix Civil Engineering	\$4,787.50	2/14/2020	pilot and title 22 report	2019-2020		
5	Phoenix Civil Engineering	\$990.00	3/19/2020	pilot and title 22 report	2019-2020		
6	Trussell Technologies	\$7,985.00	5/29/2020	pilot analysis and oil and grease review	2019-2020		
7	Cushman Contracting	\$9,488.40	12/20/2019	trenching	2019-2020		
8	Taft Electric Company	\$8,757.53	1/3/2020	conduit and wiring across pavement	2019-2020		
9	Taft Electric Company	\$210.00	1/10/2020	conduit and wiring across pavement	2019-2020		
10	Taft Electric Company	\$532.47	3/13/2020	conduit and wiring across pavement	2019-2020		
11	BC Rincon Cosntruction	\$2,500.00	1/24/2020	asphalt concrete trench patch	2019-2020		
12	Taft Electric Company	\$320.39	2/14/2020	provide and install electrical meter	2019-2020		
13	Taft Electric Company	\$2,059.59	3/13/2020	provide and install electrical meter	2019-2020		
14	Trussell Technologies	\$6,596.25	6/19/2020	on-call services	2019-2020		
15	Trussell Technologies	\$2,903.75	6/26/2020	on-call services	2019-2020		\$52,463.38

Plant Operational and Mainteance Expenses

No.	Vendor	Amount	Date	Description of Expense	Fiscal Year	FY Budget	Total for FY
1	Safe Chem	\$2,958.00	10/3/2019	chemicals for UF and RO	2019-2020		
2	Grainger	\$2,409.00	10/3/2019	UF/RO supplies	2019-2020		\$5,367.00
3	Safe Chem	\$3,578.68	10/23/2020	chemicals for UF and RO	2020-2021		
4	Grainger	\$1,803.32	10/2/2020	pump for RW to fill vac-con	2020-2021		
5	Grainger	\$886.45	10/23/2020	containment unit for chemicals	2020-2021		\$6,268.45

April 19, 2021

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

Subject: Proposal for Pilot Testing Support

Hi Carrie,

Based on discussions with you, Carollo is submitting this proposal to provide membrane pilot testing support to the Montecito Sanitary District (MSD). The main efforts associated with this proposal are:

- Weekly meetings and data analysis of membrane performance spanning 6 months of time
- Review of options for cleaning and operational modifications to improve membrane performance and efficiency.
- Limited as-needed support
- Review of O&G concentrations and removal through treatment

Our scope and cost estimates are summarized on the following pages. We look forward to further discussions regarding this project scope and budget. Please let us know if you would like to schedule a call to discuss this letter and its attachments.

Sincerely,
CAROLLO ENGINEERS, INC.



Andrew Salvesson, P.E.
Vice President
Water Reuse Chief Technologist

Attachment A: Scope of Work and List of Assumptions

General Assumptions

General assumptions includes the following:

- MSD will provide Carollo weekly updates of membrane performance in excel, including some proposed modifications to data presentation.
- MSD will provide Carollo periodic updates of O&G concentration data.
- MSD will log all process modifications over the test period
- MSD will log all chemical cleaning events and methods over the test period
- MSD will log all equipment maintenance over the test period
- This scope of work is focused upon weekly meetings and verbal support and discussion. There are no written deliverables for this work effort.

Task 1 Weekly Support

Spanning 6 months, Carollo will review membrane performance data (UF and RO) and meet (virtually) weekly with MSD staff to review the prior week and look ahead to the following week. Recommendations will be made regarding UF and RO operational setpoints and methods as well as cleaning and maintenance procedures.

Task 2 As Needed Support

Over the 6 month period, Carollo 16 hours of as-needed support are allocated, to be used based upon MSD written needs.

Task 3 Oil and Grease Evaluation

Over the 6-month period, Carollo will provide review and recommendations on O&G sampling and data analysis of the results.

Attachment B: Budget Proposal

Montecito Sanitary District Membrane Testing Support									
Task	Task Description	Andy Salveson	Amos Branch	Total Hours	Labor Cost	PECE	Travel Expenses	ODC Cost	Total Cost
		\$285	\$158			\$13.00			
1.0	Weekly Support	26	26	52	\$11,518	\$1,092		\$676	\$12,194
2.0	As Needed Support	4	12	16	\$3,038	\$416	\$2,000	\$2,208	\$5,246
3.0	Oil and Grease Evaluation	12	4	16	\$4,050	\$208		\$208	\$4,258
Total		42	42	84	\$18,606	\$1,716	\$2,000	\$3,092	\$21,698

Change Orders from April 2017 to April 2021

Project	Original Contract Amount	CO No.	CO Amount	Date	Reason
Sierra Vista Road and Romero Canyon Road-1 Sewer Main Extension	\$208,940.00	1	\$ (3,350.00)	8/12/2017	County changed Barker Pass Road sealing requirements; District reduced boulder removal hours.
		2	\$ 182,800.50	11/27/2017	Add Romero Canyon Rd Extension.
		3	\$ 13,756.50	4/6/2018	Remove County Type II slurry and striping.
Miramar Lift Station	\$4,219,000.00	1	\$ 132,631.80	11/30/2017	Dewatering system, link seal, rebar couplers.
		2	\$ 16,059.34	12/29/2017	Inlet piping connection.
		3	\$ 13,693.82	2/22/2018	Piping appurtenances, sotrm event, delay impact.
		4	\$ 12,962.61	5/14/2018	Dewatering, control joints, drain, copper pipe.
		5	\$ 10,169.28	9/18/2018	Utility conflist, roof furring, plaster accelerator.
		6	\$ 3,147.14	1/29/2019	Door pulls, release valves, antenna.
Olive Road Sewer Main Extension	\$509,078.00	1	\$ 35,810.40	11/28/2018	Rock trencher.
		2	\$ 12,950.00	2/1/2019	Additional rock hours before trencher, remove lateral, rain.
Riven Rock Force Main	\$263,636.50	1	\$ (1,334.54)	12/15/2020	Remove lateral from project.
		2	\$ 13,772.50	1/6/2021	Add County required grind and repave for Riven Rock Rd and remove Type II slurry.
		3	\$ 106,862.00	2/12/2021	Add Alternate Extension B up Rockbridge Road.
		4	\$ 2,029.77	3/5/2021	Waterline repairs on Ext B.
Romero Canyon Road- 2 Sewer Main Extension	\$287,100.00	1	\$ 50,253.00	4/8/2021	Add County required grind and repave and remove Type II slurry.

PURCHASES AND ACCOUNTS PAYABLE 0370.10

Purchases

Objectives

- A. All, and only, valid purchase orders or service agreements are processed and distributed.
- B. Terms of requested purchases are accurate.
- C. All approved purchase orders are processed in the proper period.
- D. All approved purchase invoices are completed accurately.
- E. Transactions are accurately summarized and posted to the appropriate general ledger accounts (i.e. expense, accounts payable, and inventory).

Narrative

All purchase requests are reviewed by the appropriate supervisor to determine if transaction is allowed. Any purchase over \$500 requires a purchase order. Items over \$15,000 require BOD approval. The supervisor initiates the purchase order, which is pre-numbered. Transaction may go out to be bid or be viewed as consistent with the budget or available funds. The General Manager reviews the PO for coding, compliance with budget, and signs the purchase order.

Purchase orders are entered into a tracking spreadsheet by the Administrative Assistant. For all invoices received, the information is checked against the PO tracking excel and invoice and payment information is recorded. Recap sheets are prepared (which include coding) and must be approved by appropriate supervisor and General Manager prior to issuing checks.

Checks are prepared by Administrative Staff and reviewed by District Administrator. Checks require two authorized signatures – General Manager & a Board Member. Before signing, the General Manager and BOD member review the invoice, the recap sheet, and the check. The signed check is then sent to vendor.

Key Controls

1. POs must be approved by the General Manager for compliance with the budget and proper GL coding.
2. POs are tracked and matched against invoices.
3. PO request forms are pre-numbered.

Accounts Payable

Objectives

- A. Invoices received are properly authorized and/or approved.
- B. Invoices and expenses are recorded at proper amounts and in the proper accounts.
- C. Transactions are recorded in the proper period.
- D. Accounts payable subsidiary records accurately reflect all transactions.
- E. Accounts payable records and expenditure accounts are updated accurately in the general ledger.

When invoices are received, they are compared to purchase orders and/or packing slips and given to the appropriate supervisor for payment approval. Managers approve invoices with an "OK to pay" sticker which they sign. A recap sheet is included, which indicates GL coding and requires supervisor and

General Manager signatures. Invoices are entered into AP system (MAS 90) by the Administrative Assistant after being reviewed by Supervisors for accurate coding. MAS 90 is integrated with the general ledger.

Only approved items for purchase are paid for through the AP process. Invoices are entered into AP system (MAS 90) with service date. Any invalid GL account number, vendor number, or department number will be rejected with an error message. A tape is run on each batch of invoices entered into MAS 90 and compared to the control total per MAS 90 to ensure accuracy and completeness.

The Administrative Assistant maintains the vendor database and makes any changes and/or updates when necessary.

Payables are reviewed and approved by the BOD at each BOD meeting.

Key Controls

1. Invoices are matched to POs for accuracy. MAS 90 will reject invalid GL account numbers, vendor numbers, or department numbers.
2. Invoices must be marked "OK to pay" and accompanied by a signed recap sheet, which includes GL coding.
3. Unmatched invoices are investigated.
4. Expenses are compared to budgets and variances are investigated.
5. Payables are reviewed and approved by the BOD at each BOD meeting.

SEWER MAINLINE DATA

TOTAL MILES OF SEWER MAIN PIPE

Miles	Description
76.80	Miles total VCP, CIPP (lined), PVC, Cast Iron, and Force Mains
3.10	Miles force mains
73.70	Miles gravity sewers
	0.72 Cast Iron
	12.20 PVC
	34.10 Miles VCP
	26.70 Miles CIPP (lined)
	73.72 Total Miles of Gravity Sewer

VCP: vitrified clay pipe
 CIPP: cured-in-place pipe
 PVC: polyvinyl chloride pipe

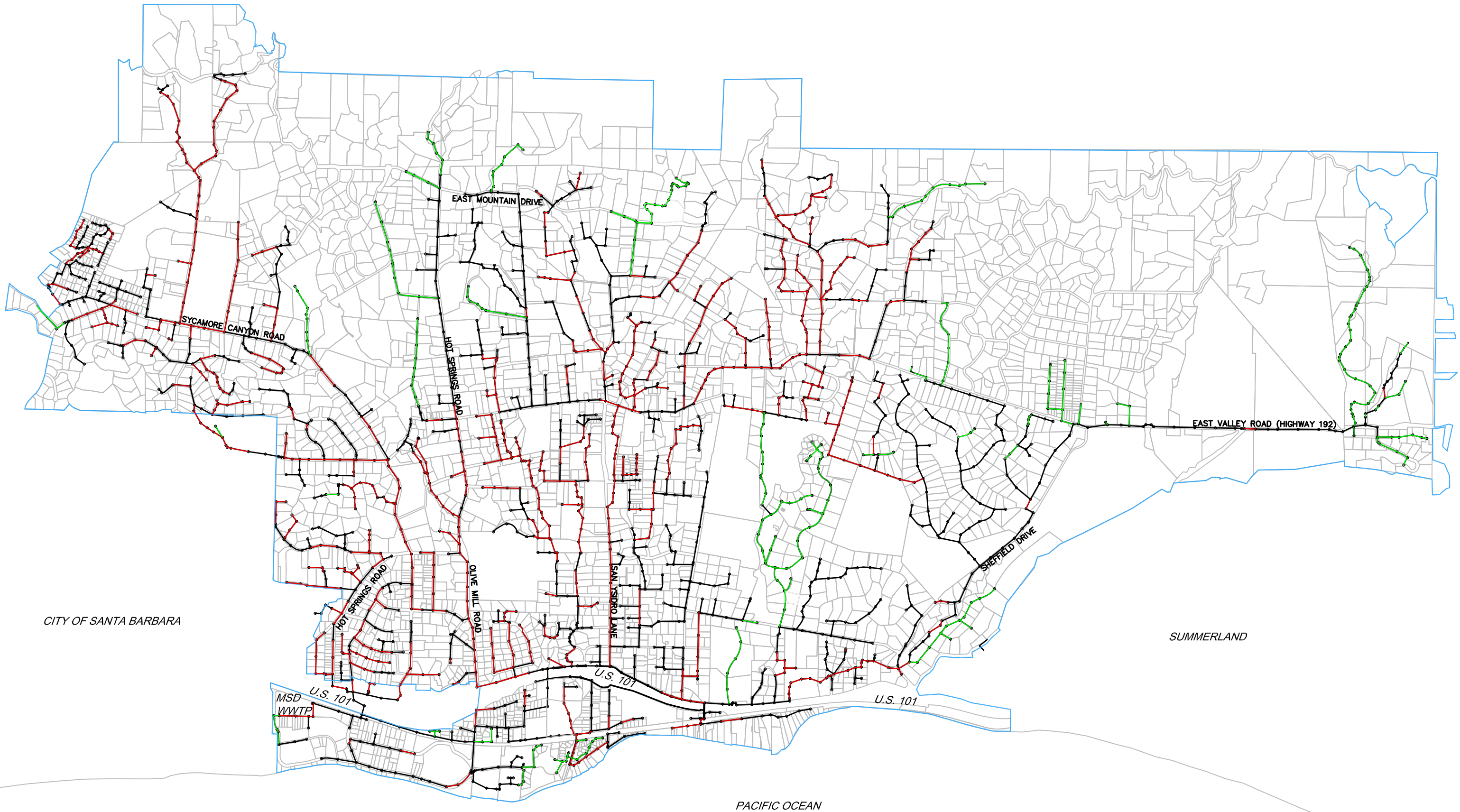
SEWER MAIN REHABILITATION PROJECT TOTALS

YEAR	CONTRACTOR	TOTAL \$	LINEAR FEET
2004/05	LASH/GELCO	\$814,495.00	13,674
2006/07	INSITUFORM	\$676,180.00	20,386
2009/10	REPIPE	\$735,461.76	29,123
2012/13	INSITUFORM	\$572,301.35	17,952
2014/16	INSITUFORM	\$2,704,368.00	59,870
TOTALS		\$5,502,806.11	141,005

26.70 Miles

AGE OF PIPELINES

1962 through 1967 VCP was predominantly installed
 1987 through 2021 PVC was installed



Map Legend

- VCP Sewer Main- to be rehabilitated in the future as needed
- PVC Sewer Main (12 miles)- new pipe, no need for rehabilitation
- 2004- 2015 Rehabilitated VCP Sewer Main (26 miles) - giving 80 year life
- Sewer Manhole
- District Boundary

REHABILITATED MAINS
Map of Sewer Collection System
Montecito Sanitary District

