



NEVADA COUNTY SANITATION DISTRICT NO. 1
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NEVADA COUNTY SANITATION DISTRICT NO. 1 BOARD OF DIRECTORS
Board Agenda Memo

MEETING DATE: September 12, 2017

TO: Board of Directors

FROM: Brad Torres, Wastewater Operations Manager

SUBJECT: Resolution Approving a Budget Amendment for Nevada County
Sanitation District No. 1 – 4/5 Affirmative Vote Required

RECOMMENDATION: Approve the attached Resolution.

FUNDING: Funding for this budget amendment is for Fiscal Year 2017/18 and impacts the Sanitation District No. 1 Penn Valley Zone 6 budget (\$692,112), the Lake Wildwood Zone 1 budget (\$1,092,979), the Valley Oak Court Zone 12 budget (\$21,871), and the Penn Valley Capital Improvement Budget (\$1,806,962). The Roads budget incurs additional costs of (\$11,252) but no amendment is required. See table below for detail. The project is funded with grants from the Community Development Block Grant Program and the State Revolving Fund and additional funding as identified in the table below for work encountered on zone specific locations and projects. There is no impact on the General Fund.

BACKGROUND: On August 16, 2016, the Board of Directors adopted Resolution No. SD16-013, which approved the Nevada County Sanitation District No. 1 (District) to award the Penn Valley Dual Force Main Project contract to Koch & Koch. This contract did include a 10% of the base bid contingency amount of \$492,481. Construction is currently on going but costs have exceeded or are anticipated to exceed authorized and budgeted amounts due to several reasons described below:

1. Early on in the project and in an effort to save costs for the Valley Oak Court Zone 12, connections from the new force main to Valley Oak Court were installed via change order. The cost of this additional work was \$11,871 for construction and \$10,000 for engineering. There is sufficient fund balance available in Valley Oak Court Zone 12 for this work.
2. Aged storm drainage culverts were further damaged during recent rain events and required replacement in conjunction with the pipeline construction and in order to save costs and prevent time overruns, additional cost of \$11,252 to be funded by the Roads Maintenance budget.

3. A significant amount of rock inconsistent with the geotechnical findings for the project was discovered during work activities specific to either the Lake Wildwood or Penn Valley treatment zones; resulting in nine change orders totaling \$719,929 to date with an anticipated additional \$610,000 in rock break and removal activities that have yet to be performed or billed.

4. Because of the extra work described above and the impacts to the project schedule from the atmospheric rain events in January and February of this year, additional design, project oversight and inspection services have been required and additional construction costs have been incurred. As a result, consultants HydroScience Engineers Inc. and Coastland Civil Engineering have incurred additional costs of \$76,210 and \$50,000 respectively.

The total increased cost for this project, including projected conditions through the remainder of the project, is \$1,489,262. The approved construction contract contingency for the project is \$492,481 requiring an increase to the overall project budget of \$996,781.

The chart below reflects the zone specific impacts to fund balance from this overall project. Contract Change Orders (CCO) are contract adjustments that were issued in the field as the project was under construction. These amounts reflect unplanned project expenses that are impacting fund balance. The items in the chart that do not have a CCO identifier were original project planned improvements that benefit the zone and were incorporated into this project to take advantage of better contract pricing. Each zone receives annually enough revenue to cover their annual operations and maintenance costs and there is sufficient projected fund balance for zone emergencies.

Item	LWW - 4728	PV - 4771	VOC - 4775	Road Fund
LWW Odor Control	\$163,000			
LWW Grit Removal Upgrade	\$364,000			
LWW Piping Improvements	\$159,375			
LWW Design Engineering for the above	\$126,062			
LWW – Rock Issues (CCO)	\$280,542			
PV – Highway 20 Boring (CCO)		\$610,000		
PV – Rock Issues (CCO)		\$82,112		
VOC – Connection to Pipeline			\$21,871	
Roads – Culvert Replacement (CCO)				\$11,252
Total:	\$1,092,979	\$692,112	\$21,871	\$11,252
Projected Remaining Fund Balance:	\$1,051,963	\$137,350	\$47,359	\$776,426

The overall amount of the proposed budget amendment exceeds the increased contract amounts for Coastland, HydroScience and Koch and Koch. This is because planned project expenses for Fiscal Year 2016/17 did not occur and we are creating additional budget to cover the expenses in this fiscal year.

In 2016, the Board of Supervisors approved a \$500,000 cash advance from the LWW zone to the PV Capital Improvement Fund for the purpose of cash flow for the duration of the project. The Projected Remaining Fund Balance figures in the chart above reflect LWW being fully reimbursed for the \$500,000 plus interest accrued at the Treasurer’s pool interest rate.

In addition, Public Works staff is currently engaging the State Water Board to see if any more funding available for the project. If acquired, this funding option will be brought to the board and used prior to any local funds.

Item Initiated by: Brad Torres, Wastewater Operations Manager

Approved by: Trisha Tillotson, Director of Public Works

Submittal Date: August 24, 2017

Revision Date: