

MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, SEPTEMBER 13, 2021, AT 3:00 P.M.
VIA TELECONFERENCE

Director Elitharp called the meeting to order at the hour of 3:00 p.m.

Present: Director Elitharp
 Director Hernandez
 General Manager Pruim
 Legal Counsel Gilpin
 District Engineer Gumpel
 Capital Facilities Senior Engineer Morgan
 Development Services Senior Engineer Lopez
 Engineering Services Assistant Fretwell

ITEM(S) FOR DISCUSSION

DEVELOPMENT CONSTRUCTION AGREEMENT REVIEW

Director Elitharp inquired about portions of the Development Construction Agreement at a previous Board meeting; therefore, the Committee dedicated this time for discussion.

Director Elitharp noted that two Sections, 23 and 24, address developer liability before and after acceptance of the work by the District and he is particularly interested in Section 24 where there is broad language. He stated that the language could allude to a continuing liability on the part of the developer and questioned if the obligation would go into perpetuity.

Legal Counsel Gilpin summarized the developer agreement including the performance and payments bonds, 1-year warranty period after acceptance covered by a bond, and lastly, the liability after acceptance of the work due to latent defects. He stated the latter issue is what Section 24 is regarding, and it does not go into perpetuity because there is a statute of repose which imposes a 10-year limitation on liability.

General Manager Pruim asked if it would be helpful to clarify Section 24 by detailing the 10-year limitation or referencing the appropriate law. General discussion took place on how to clarify the vague language regarding a developer's liability before and after acceptance of the work.

The Committee supports staff working with Best, Best & Krieger to work on minor changes to the agreement. Once the language is finalized, it will be brought back to the Committee.

DEVELOPMENT SERVICES UPDATE

District Engineer Gumpel provided an update on development projects and explained that projects fall into three categories: 1) projects currently in active construction that are certain to be completed for which capital facility fees have been collected or will be collected within a few years; 2) projects in the plan check process that are from three to five years away from construction; and 3) planned projects which are beyond five years or may never be completed. The projects were presented on a map throughout the District, including a spreadsheet of anticipated water and sewer equivalent dwelling units (EDUs) and related capacity fees.

District Engineer Gumpel stated that remaining capacity fees to be collected for projects in construction total approximately \$3.4 million for water and \$2.2 million for sewer. A large portion of the capacity fees, including the Kaiser hospital, has already been paid. For active projects in plan check, remaining capacity fees to be collected total \$2.1 million for water and \$5.2 million for sewer. Lastly, projects in the early planning phase include 4,266 water EDUs and 4,282 sewer EDUs, which total approximately \$33.8 million for water and \$55.8 million for sewer. All estimates are based on the current capacity fee rates.

MEADOWLARK RECLAMATION FACILITY SODIUM HYPOCHLORITE DESIGN AWARD

Capital Facilities Senior Engineer Morgan provided an update on the design award for a professional services agreement for the Meadowlark Reclamation Facility (MRF) Sodium Hypochlorite Project. Since MRF uses chlorine gas to meet state regulations, conversion to bulk storage and injection of sodium hypochlorite will remove the acute hazard of chlorine gas, reduce regulatory requirements, and reduce operations and maintenance staff time at MRF. Additionally, the use of sodium hypochlorite does not create an acute hazard in the event of a spill. The project is an operational priority and is scheduled for planning and design in the fiscal year 2021-2022 CIP budget.

Vallecitos submitted request for proposals from five local engineering firms on July 1, 2021. On August 5, staff received proposals from four of the firms: Murray Smith, Kleinfelder, Kennedy/Jenks and Infrastructure Engineering Corporation. Staff reviewed proposals and rated them on experience, how well they addressed the request for proposal requirements, project approach, scope of work, estimated fee/labor hours, and schedule.

Staff short-listed Murray Smith and Kleinfelder, who conducted virtual interviews on August 31. Murray Smith was selected as the most responsive and qualified consultant with a total fee of approximately \$425,000 for design and bid phase professional engineering and environmental services.

Additional staff, overhead, and materials bring the current total to \$640,000. The construction contract amount is about a year away. Furthermore, the project is identified in the fiscal year 2021-2022 budget with an amount of \$1.845 million dollars.

Staff asked for the Committee's support of their recommendation to execute a professional services agreement with Murray Smith in the amount of approximately \$425,000 for project design and bid phase professional engineering and environmental services for the Meadowlark Reclamation Facility Conversion to Sodium Hypochlorite Project.

The Committee supports staff's recommendation.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 3:38 p.m.