



SUMMARY REPORT

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**Agenda Date:** 10/15/2019

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**To:** Board of Directors, Sonoma County Water Agency  
**Department or Agency Name(s):** Sonoma County Water Agency  
**Staff Name and Phone Number:** Douglas Messenger 547-1952  
**Vote Requirement:** 4/5th  
**Supervisorial District(s):** Fourth

**Title:**

Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System - Contract Award

**Recommended Action:**

- A) Adopt and approve the Project Manual and Drawings ("plans and specifications") entitled "Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System."
  - B) Award the contract to Ranger Pipelines, Inc., for the amount of \$3,727,868, and authorize the Chair of the Board to execute the contract.
  - C) Authorize the General Manager of Sonoma County Water Agency to sign Document 00650 (Agreement and Release of Any and All Claims), with County Counsel review, if any unresolved claims are listed by the contractor.
  - D) Delegate to the General Manager of the Sonoma County Water Agency or his designee the authority to approve design changes to the project as may be necessary or appropriate in connection with change orders within the General Manager's authority pursuant to Resolution No. 04-0547.
  - E) Adopt a resolution authorizing budgetary adjustments to move FY2019/2020 appropriations for the Facilities Fund loan in the amount of \$4,852,000 and the Sanitation Zone's project costs budgeted in the Sanitation Zone's Construction Fund in the amount of \$4,852,000 to the newly created Sanitation Zone's Larkfield Estates Fund. (4/5<sup>th</sup> Vote Required)
- (Fourth District)

**Executive Summary:**

This item requests approval of a contract with Ranger Pipelines, Inc. for \$3,727,868 for construction of the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System, and a budget of \$1,124,132 for final design and construction inspection labor for a total Fiscal Year 2019-2020 cost of \$4,852,000. The project is located in the Larkfield Estates neighborhood in an unincorporated area of Sonoma County outside the limits of the City of Santa Rosa. The work includes, but is not limited to, the excavation, backfilling, and surface restoration for the construction of approximately 8,600 feet of 8-inch diameter sanitary sewer main, approximately 815 feet of 6-inch sewer main, and approximately 900 feet of 2-inch low-pressure sewer main. The work also includes installation of basins to serve four individual parcels and the abandonment or removal of approximately 400 feet of existing sewer main.

This item also requests approval to move FY2019/2020 appropriations for the Facilities Fund loan in the amount of \$4,852,000 and the Sanitation Zone's project costs budgeted in the Sanitation Zone's Construction Fund in the amount of \$4,852,000 to the newly created Sanitation Zone's Larkfield Estates Fund.

**Discussion:**

**HISTORY OF ITEM/BACKGROUND:**

The Sonoma Complex Fires, a series of fires that swept Sonoma County beginning on Sunday, October 8, 2017, caused widespread damage. The County Administrator/Director of Emergency Services issued a Proclamation of Existence of Local Emergency in the Sonoma County Operational Area. In the Airport-Larkfield-Wikiup Sanitation Zone (Sanitation Zone) entire neighborhoods were destroyed by the Tubbs Fire. Many homes in the Larkfield area were connected to septic systems, and at the request of neighborhood property owners, the Sonoma County Water Agency (Sonoma Water), on behalf of the Sanitation Zone, developed a preliminary design of a sewer collection system to serve homes being rebuilt in the Larkfield Estates neighborhood, and is steadily advancing toward a completed design.

On June 5, 2018 the Board authorized Sonoma Water to enter into an agreement for a sewer collection system design in the Larkfield Estates community damaged by the Sonoma Complex Fires in the Sanitation Zone.

On February 5, 2019, the Board approved the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System Project (Project). Immediately following project approval, the General Manager/Chief Engineer filed a Notice of Exemption in accordance with the California Environmental Quality Act (CEQA) for the project. As part of the same item, the Board approved the financing program, which will offer low-cost financing to property owners in the fire-impacted area. Each property that chooses to connect to the sewer will be allocated a pro-rata share of the entire design and construction cost to be repaid over 30 years, with the first 10 years in a grace period. The Board also authorized the General Manager to execute agreements to acquire property rights needed for the Project. Subsequent to this approval, the Project design was revised to eliminate any need for acquisition of easements on private property.

**COMPETITIVE PROCESS, SELECTION & COST DETAIL**

The Project was advertised for bids: 08/15/2019

Bids were opened: 09/17/2019

Bids for construction of said Project were received on September 17, 2019, as follows:

Argonaut Constructors, Santa Rosa, California	\$ 4,486,754
Ghilotti Construction Company, Santa Rosa, California	\$ 4,356,970
Ranger Pipelines, Inc., San Francisco, California	\$ 3,727,868
Teichert Energy & Utilities Group, Inc., Sacramento, California	\$ 4,587,808
TerraCon Constructors, Inc., Healdsburg, California	\$ 3,776,301

The Engineer's Estimate was \$4,580,380.

The lowest responsive and responsible bid is from Ranger Pipelines, Inc. and is \$852,512 below the Engineer's Estimate. Ranger Pipelines, Inc. is experienced in this type of construction and met the experience requirements.

Pursuant to Resolution No. 04-0547, the General Manager maintains authority to approve change orders to

construction contracts approved by the Board of up to \$50,000 each, provided the change order doesn't affect the material character of the work and the need for the change order results from unforeseen matters which are discovered after the contract was awarded and such modifications are necessary or advisable to complete the project in a timely and efficient manner. In the unlikely event that significant design-related changes are necessary to complete the Project, staff will return to the Board to approve such changes. However, staff request that the Board authorize the General Manager or his designee to approve design changes as may be necessary or appropriate in connection with change orders within the General Manager's authority pursuant to Resolution No. 04-0547.

A contractor must execute a release of claims (Document 00650) before final payment but may except any unresolved claims from the release. The requested action authorizes the General Manager to approve the release unless the contractor lists unresolved claims. In that case, County Counsel must review Document 00650 prior to General Manager's approval.

Construction on the Project is scheduled to begin approximately December 2, 2019, with an estimated completion date of September 6, 2020.

Sonoma Water will loan the project costs in the amount of \$4,852,000 from its Facilities Fund to the Sanitation Zone. The Sanitation Zone will repay principal and interest costs (at the treasury rate, currently 2.247% as of 6/30/2019) to the Facilities Fund in the estimated amount of up to \$200,000 annually for up to 30 years to make the fund whole. Repayment will be from construction costs paid by customers in Larkfield Estates and subsidized by the Sonoma Water General Fund as needed. Sonoma Water will manage the funds and repayment schedule to ensure that the Sanitation Zone and Facilities Fund maintain their target fund balance throughout the repayment period.

As of October 1, 2019, over 60 property owners have indicated interest in participating in the project; the deadline for contacting Sonoma Water to express interest in being included in the project was October 8, 2019. Additional property owners that connect to the sewer system in the future will be assessed the pro-rata share of the entire project, as described above, indexed for inflation.

Sonoma Water is requesting Board approval to move FY2019/2020 appropriations for the Facilities Fund loan and the Sanitation Zone's project costs each in the amount of \$4,852,000 budgeted in the Sanitation Zone's Construction Fund to the newly created Sanitation Zone's Larkfield Estates Fund.

**Prior Board Actions:**

- 2/5/2019: Board approved the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System Project and adopted a resolution authorizing the financing program for sewer construction costs and sewer connection fees for the Larkfield Estates Collection System Project.
- 6/5/2018: Board authorized the Sonoma County Water Agency's General Manager to enter into an agreement for sewer collection system design (not to exceed \$600,000) in the Larkfield Estates community and directed the Sonoma County Water Agency staff to develop a Sewer Collection System Financing Program.
- 10/10/2017: Board adopted Resolution No. 17-0389 ratifying the County Administrator's proclamation of the existence of a local emergency with the Sonoma County Operation Area.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY 20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses	\$3,727,868	\$10,000	\$10,000
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$3,727,868</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	\$3,727,868	\$10,000	\$10,000
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$3,727,868</b>	<b>\$10,000</b>	<b>\$10,000</b>

**Narrative Explanation of Fiscal Impacts:**

With Board approval, Fiscal Year 2019/2020 appropriations budgeted in the Zone’s Construction Fund, in the amount of \$3,727,868 for construction, and \$1,124,132 for design, environmental, right-of-way, and inspection during construction for a total of \$4,852,000 will be moved to the newly created Zone’s Larkfield Estates Fund. Likewise, FY 2019/2020 budgeted appropriations of \$4,852,000 for the loan from the Sonoma Water Facilities Fund to the Zone’s Construction Fund will be moved to the newly created Zone’s Larkfield Estates Fund. The attached budget resolution also zeroes out excess FY 2019/2020 expenditure appropriations of \$1,899,000 in the Zone’s Construction Fund that will no longer be needed to complete the project.

Appropriations for administration of the finance program estimated at \$10,000 per year will be budgeted in FY 2020/2021 and FY 2021/2022 in the Sanitation Zone Operations Fund.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

None.

**Attachments:**

Resolution

**Related Items “On File” with the Clerk of the Board:**

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