



**DATE:** February 18, 2015

**TO:** LOCSO Board of Directors

**FROM:** Kathy A. Kivley, General Manager  
Margaret Falkner, Utility Compliance Technician III  
Kari Wagner, PE Wallace Group

**President**  
R. Michael Wright

**SUBJECT:** **Agenda Item 12B-1 – 3/5/2015 Board Meeting**  
Authorize Formal Bid Process for Bayridge Estates for Phase I  
Maintenance Improvement Project

**Vice President**  
Marshall E. Ochylski

**DESCRIPTION**

**Directors**  
Charles L. Cesena  
Jon-Erik G. Storm  
Louis G. Tornatzky

Authorize staff to initiate the formal bid process for Phase 1 Maintenance Improvement Project for Bayridge Estates to comply with the septic system improvements necessary prior to acquisition by the County and connection to the Water Recycling facility allowing the District to contract for the work prior to the road paving by the County.

**General Manager**  
Kathy A. Kivley

**STAFF RECOMMENDATION**

**District Accountant**  
Michael L. Doyel

Staff recommends that the Board adopt the following motion/resolution:

**Fire Chief**  
Robert Lewin

***Motion: I move the Board adopt Resolution 2015-07 authorizing the General Manager to initiate the formal bid process, release the bid documents and return to the Board on June 4, 2015 for award of bid to the lowest responsive bidder for the Bayridge Estates Phase 1 Maintenance Improvement Projects.***

**Battalion Chief**  
Phill Veneris

**DISCUSSION**

**Mailing Address:**  
P.O. Box 6064  
Los Osos, CA 93412

The Utilities Department operations crew have been maintaining the community septic subdivisions of Bayridge Estates and Vista de Oro since the formation of the District. Annual revenues for each subdivision for fiscal year 2014-2015 are \$61,562 and \$15,768 respectively.

**Offices:**  
2122 9<sup>th</sup> Street, Suite 102  
Los Osos, CA 93402

In December 2014, District staff met with County staff to discuss the conditions of the collection systems at the Bayridge Estates and Vista de Oro subdivisions. The reason for the meeting is due to the eventual connection to the wastewater project. The County has completed video inspections and have identified deficiencies in the collection systems. The deficiencies were rated in three categories, High, Medium, and Low. The attached memo from Kari Wagner has more detail for your review.

**Phone:** 805/528-9370  
**FAX:** 805/528-9377

In January 2015, District staff met with Kari Wagner to discuss the County's road paving schedule and the timeline to get any of these corrective actions completed. This prompted follow-up with the County which Wallace Group has been coordinating.

www.lososocsd.org

The purchasing guidelines require a formal bid process for any construction project over \$15,000. Emergency purchasing guidelines authorize contracts up to \$25,000. The County is requiring the District resolve High priority deficiencies prior to hook up to the Los Osos Wastewater Project. The list of four priority projects are contained in the attached memo (Exhibit A) dated February 11, 2015 by Kari Wagner of Wallace Group and also detailed as Exhibit B to this staff note. Another reason for the urgency of the proposed projects is the fact the County is in the process of a street paving/overlaying project that is scheduled to reach several streets in the Bayridge Estates subdivision by early summer 2015. Once the streets are paved the District by County Ordinance is not allowed to cut without having to repave the entire width of the street. Financially that is simply not an affordable option.

The four high priority projects must be done in the Bayridge Estates subdivision prior to August 2015. The projects for this item are requiring prompt action by your Board. It is important to note that \$125,000 is considered a small project. Staff is presently working out the financial arrangements with the County for the balance of the Phase 2 Maintenance Improvement Projects.

### **FINANCIAL IMPACT**

The funding for engineering services will come from Capital Outlay Infrastructure (9006) which has a balance of \$7,700. The balance of the funding for Phase 1 Maintenance Improvement Projects will come from an Interfund Loan from the Water Fund.

### **ATTACHMENTS – Resolution 2015-07**

Exhibit A: Kari Wagner letter dated February 11, 2015

Exhibit B: Bayridge Estates Phase 1 Maintenance Improvement Projects

**RESOLUTION 2015 - 07**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
APPROVING A FORMAL BID PROCESS FOR REPAIR WORK  
ON PRIORITY PROJECTS IN THE BAYRIDGE ESTATES SUBDIVISION**

**WHEREAS**, Community Services District Law is established in Section 61000 et seq. of the Government Code; and

**WHEREAS**, the Los Osos Community Services District ("District") is authorized under Government Code section 61600(b) to have as its purpose the collection, treatment, or disposal of sewage, waste, and storm water of the District and its inhabitants; and

**WHEREAS**, the Board of Directors desires to move forward with Bayridge Estates Phase 1 Maintenance Improvement Projects; and

**WHEREAS**, by resolution the Board of Directors is authorizing the initiation of the formal bid process for repair work four high priority projects in the Bayridge Estates Subdivision commonly referred to as Phase 1 Maintenance Improvement Projects; and

**WHEREAS**, the Board of Directors recognizes there is an urgency to insuring the Phase 1 projects are complete by August 2015;

**WHEREAS**, the Board of Directors recognizes that the District does not have the expertise and staffing to monitor and manage this type of construction project

**WHEREAS**, the Board of Directors realizes for Engineering Services the District must secure the plans and specifications from a sole source because public exigency will not permit delay; and

**WHEREAS**, the Board of Directors understand under Section 6 Non-Competitive Negotiations of the Purchasing Policy this action is allowed; and

**WHEREAS**, the Board of Directors recognizes Bid Phase Services from an outside party are necessary for the timely completion of the Phase 1 projects; and

**WHEREAS**, the Board of Directors recognizes the importance of the formal bid process for construction work for the Bayridge Estates Phase 1 Maintenance Improvement Projects.

**NOW, THEREFORE, BE IT RESOLVED, DECLARED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT AS FOLLOWS:**

1. Authorize the General Manager to execute an agreement with Wallace Group for Task 1 and Task 2 of the Phase 1 Maintenance Improvement Projects for Bayridge Estates in an amount estimated at \$7,600.
2. Set Bid Phase through May 7, 2015.
3. Set the date for receipt of Construction Bids as May 15, 2015.
4. Set the date the District will award the construction contract to lowest responsive bidder at June 4, 2015.
5. Find the Phase 1 Maintenance Improvement Projects is budgeted at an amount not to exceed \$125,000.
6. Find that it is necessary as allowed within Section 6. Non-Competitive Negotiations of the Purchasing Manual to sole source the engineering and design for the Bayridge Estates Phase 1 Maintenance Improvement Projects (Sewer Main Upgrades) Task 1 and Bid Phase Service Task 2 because of public exigency so as not to permit delay in awarding the construction contract.

Upon the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_  
and on the following roll call vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

The following Resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District on the 5th day of March 2015.

\_\_\_\_\_  
R. Michael Wright  
President, Board of Directors  
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:


\_\_\_\_\_  
Kathy A. Kivley  
General Manager and Secretary to the Board

\_\_\_\_\_  
Michael W. Seitz  
District Legal Counsel

# MEMORANDUM

Los Osos Community Services District  
0384-0001



**Date:** February 11, 2015  
**To:** Kathy Kivley, General Manager  
Los Osos Community Services District  
**From:** Kari Wagner, PE   
**Subject:** Bayridge and Vista de Oro Sewer Collection System Repairs

CIVIL AND  
TRANSPORTATION  
ENGINEERING

CONSTRUCTION  
MANAGEMENT

LANDSCAPE  
ARCHITECTURE

MECHANICAL  
ENGINEERING

PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCES

The County of San Luis Obispo (County) has completed a video inspection and identified deficiencies in the Bayridge and Vista de Oro sewer collection systems. The deficiencies were rated into three categories: High, Medium and Low. Prior to the County taking over the two sewer collection systems, the County has requested the Los Osos Community Services District (District) resolve the High Priority deficiencies.

## Vista de Oro

In Vista de Oro, the only High Priority deficiency is root intrusion. District staff will contract with a local company to eliminate the roots from the Vista de Oro sewer collection system. It is also recommended to clean the entire collection system via jetting. The cost to complete the root cleaning and jetting is approximately \$2,600.

## Bayridge

In Bayridge, ten pipe segments were identified to have High Priority sags (the County defined High Priority sags as having 50% or more standing water in the sewer main) or pipe offsets. Root intrusion and jetting was also identified as high priorities in the Bayridge collection system. The cost to complete the repairs on the sags and pipe offsets is approximately \$300,000. The cost to complete the root cleaning and jetting is approximately \$7,500.

To complicate the situation, the County is underway with a street overlaying project, which is scheduled to start late spring to early summer 2015. Several streets within Bayridge are on the County's list to be overlaid. The County's policy states that streets may not be cut into within 5 years of any re-pavement. If pavement cuts are required, the entity must overlay the entire width of the street. This increases the cost of any project substantially, thus it will be financially beneficial for the District to make any repairs prior to the overlay project.

Wallace Group has been coordinating with the County and District to determine which projects are required to be completed prior to the overlay, which includes all Bayridge streets west of South Bay Boulevard. Understanding the situation and the time it will take for the District to make the required upgrades, the County has noted that the overlay work for the Bayridge streets will not be scheduled until August 2015.



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Based on the timing of the overlay project and the High Priority projects identified, the following projects are recommended to be completed prior to August 2015:

- Bay Oaks Drive: Between Manholes 5 and 6 (~190 feet). The inspection noted one high priority sag and two medium priority sags along with root intrusion.
- Bay Oaks Drive: At Manhole 7. The inspection noted a high priority pipe offset.
- Del Mar Drive: Between Manholes 21 and 22 (~250 feet). The inspection noted two high priority sags, three medium priority sags, and a pipe offset.
- Green Oaks Drive: Between Manholes 10 and 11 (~200 feet). The inspection noted one high priority sag and three medium priority sags.

Wallace Group discussed the methodology of repairing the sags versus replacing the sewer main from manhole to manhole with a reputable local contractor who has previously worked in Los Osos. The number of sags between the manholes alluded to poor construction with inadequate bedding to support the sewer main, thus allowing the pipes to sag. It was recommended that the entire reach, manhole to manhole, be replaced. If only the pipe segments at the sag are replaced, the connection between clay pipe and PVC has been known to sag and/or fail. Based on discussions with the contractor, the cost to replace the sewer main from manhole to manhole and fixing the one offset joint is between \$100,000 and \$125,000.

In addition to the four pipe segments noted above, the County is still requesting the District to repair the remaining six pipe segments that were identified as High Priority. The overlaying or reconstruction of these streets (streets east of South Bay Boulevard) will not occur until summer 2016 (date TBD). Therefore, the District has more time to plan, design, fund, and construct these projects. This work is estimated to be an additional \$150,000 to \$200,000.

### **Schedule**

With the County's overlay project on the Bayridge streets scheduled to start in August 2015, the design and construction for sewer repairs must be expedited. The following is a proposed schedule with an informal bid (request three bids only) and a formal bid.

#### Schedule with Informal Bid

March 5: District authorize Wallace Group to start design

March 5 – April 20: Design (design may be expedited if survey and geotechnical work are not required)

April 20 – May 11: Informal Bid Phase - Request three bids

May 11: Receive bids

June 4: District Award contract to lowest bidder (may be moved up with special meeting)

June 4 – July 23: Construction

Ms. Kathy Kivley, General Manager  
Los Osos Community Services District  
February 11, 2015  
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Schedule with Formal Bid

March 5: District authorize Wallace Group to start design

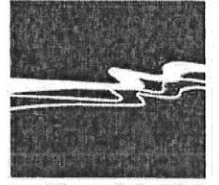
March 5 – April 20: Design (design may be expedited if survey and geotechnical work are not required)

April 20 – May 27: Bid Phase

May 27: Receive Bids

June 4: District Award contract to lowest bidder

June 4 – July 23: Construction



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## **EXHIBIT B**

### **Bayridge Estates Phase 1 Maintenance Improvement Projects**

The following project encompass Phase 1 of the engineering and construction maintenance plan:

- Bay Oaks Drive: Between Manholes 5 and 6 (~190 feet). The inspection noted one high priority sag and two medium priority sags along with root intrusion.
- Bay Oaks Drive: At Manhole 7. The inspection noted a high priority pipe offset.
- Del Mar Drive: Between Manholes 21 and 22 (~250 feet). The inspection noted two high priority sags, three medium priority sags and a pipe offset.
- Green Oaks Drive: Between Manholes 10 and 11 (~200 feet). The inspection noted one high priority sag and three medium priority sags.