

***SANTA YNEZ COMMUNITY SERVICES DISTRICT***

**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** Jose Acosta, General Manager  
**DATE:** September 15, 2021  
**SUBJECT:** Horizon Drive Project Updates: Construction Updates, Customer Capacity Fee Study Update, and Engineering Services

**Recommendation**

Review Horizon Drive project updates construction updates, customer capacity fee study update, and engineering services. Board can provide direction to Staff.

**Policy Implications**

The Board directed staff to enter into an agreement with CSDA for financing of the Horizon Drive project, finalize and make payment for the easements, and work with our construction contractor Specialty Construction Inc. Staff and District Engineer have maintained communication regarding the status of the Horizon Drive project.

**Fiscal Implications**

The right of way acquisition (easement) services agreement with Hamner, Jewell & Associates has a not to exceed amount of \$31,000. Hamner, Jewell and Associates has completed their assistance with procurement of the easements and the property owners have been paid in full. The estimated amount for the loan through Municipal Finance Corporation is \$1,300,000. The Board has awarded the construction contract to Specialty Construction inc., in the amount of \$998,315.

**Alternatives Considered**

None at this time.

**Discussion**

The item today provides the Board with an update of the Horizon Drive project inclusive of the property easement status, CSDA loan status, construction updates, and an update on engineering services.

1. **Construction Updates:** SCI has been working on the project daily. The Mainline along Horizon Drive has been installed along with all laterals within the same area. SCI is currently working though the easements, at the southern end, near Santa Cota hotel. They are optimistically projecting completing work along the easements by the end of September.

SCI is planning to begin the asphalt work along Horizon Drive the week of September 20<sup>th</sup>, this will include rebuilding the gutters along the properties, asphaltting the laterals fronting the properties, and completing the asphalt work along the mainline.

Staff and Mr. Kerr, construction manager, have been working diligently with SCI on all areas or responsibility. All parties have maintained weekly progress meetings at the district offices, discussing project progress, setbacks, concerns, accomplishments, and the couple change orders.

There have been two additional, totaling four so far, change orders submitted and approved thus far. Change order #3 was in the amount of \$48,216 to cover the costs of a portion of the overage of slurry required to complete the project, as of August 19, 2021. Change order #4 is in the amount of \$4,400 for additional potholing required during the project, to locate utilities. The amounts of slurry, requested in the bid, were not accurate and additional slurry was needed along Horizon Drive. Staff directed SCI to use the extra sand to mitigate the amount and costs for the extra slurry that was needed, this work should mitigate the costs of the slurry overage approximately \$20,000. The Board was apprised of the slurry situation prior to the meeting as well.

The total of the 4 change orders has reached an amount of \$74,166. At their June 2, 2021, meeting the Board provided direction to have the General Manger return to the Board for approval of any change order that surpass an individual amount of \$25,000 or total of all change orders between the range of \$50,000 and \$90,000. The change orders that have been approved thus far were imperative to keep the project moving ahead and ensuring the project is completed in an efficient timeframe, thus allowing our constituents to connect at the soonest time. The General Manager is asking the Board to provide direction on how to proceed with any future change orders, per direction provided. The Board, staff, and residents all want the project to remain on task and within the projected project scope.

Staff has compiled a checklist for the residents to use a reference when they are ready to connect to sewer. The accompanying letter does state connection cannot be made until the project is finalized, passes all inspections, and accepted by the district. The checklist provides information on application for connection, applying for a district repayment plan, contacting SB County EHS for abandonment of septic tank, etc.

2. **Customer Capacity Fees-** A draft customer capacity fee study has been presented this evening for initial discussion and public presentation. A final study with charges will be presented once the project has been completed and accepted by the district.
3. **Engineering Services:** District engineer has been involved in correspondence with project updates and review of submittals form the contractor. The district engineer will also be in attendance this evening to answer any questions the Board or public may have.