



STANISLAUS REGIONAL WATER AUTHORITY

156 S. Broadway, Ste. 270, Turlock, CA 95380
(209) 668-5490 (phone) (209) 668-5695 (fax)

October 6, 2016 at 10:00 a.m.
156 S. Broadway, Turlock, CA
2nd Floor – Yosemite Room

Minutes
Special Meeting
SRWA Board

- 1. A. CALL TO ORDER: Chair Soiseth called the meeting to order at 10:05 a.m.
PRESENT: Director Bublak, Vice Chair Vierra, Chair Soiseth
ABSENT: Director Lane
B. SALUTE TO THE FLAG
2. PROCLAMATIONS, PRESENTATIONS, RECOGNITIONS, ANNOUNCEMENTS & APPOINTMENTS: None
3. A. SPECIAL BRIEFINGS: None
B. STAFF UPDATES:
1. Interim General Manager Mike Brinton provided an overview of items discussed at recent Technical Advisory Committee (TAC) meetings...
2. Finance Director Kellie Jacobs-Hunter provided information on revenue and expenditures for Fiscal Year 2016-17 through October 4, 2016.
C. CONSULTANT UPDATES:
1. West Yost Associates Gerry Nakano provided a project status update...
D. PUBLIC PARTICIPATION: None
4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None
5. CONSENT CALENDAR:

Action: Motion by Director Bublak, seconded by Vice Chair Vierra, to adopt the consent calendar. Motion carried 3/1 by the following vote:

Table with 4 columns: Director Lane, Director Bublak, Vice Chair Vierra, Chair Soiseth. Values: Absent, Yes, Yes, Yes.

A. Motion: Accepting minutes of Regular Meeting of September 22, 2016.

6. **PUBLIC HEARINGS:** None

7. **SCHEDULED MATTERS:**

A. West Yost Associates Lindsay Smith opened discussion on the presentation on project delivery alternatives for completing the design, construction, and operations for the facilities included as part of the Project, including traditional design-bid-build, lump sum design-build, and design-build-operate.

1. Project Delivery Alternatives:

Design-Bid-Build (DBB):

- Traditional method.
- Advantages:
 - Engineer works directly for owner
 - More owner control during design
 - Known procurement method
 - Owner-hired construction manager
- Disadvantages:
 - Low bid can lead to contentious environment or low quality
 - Higher change order potential
 - Owner holds all risk for performance and budget
 - Owner in middle of all disputes
 - Construction cost unknown until design complete
 - Linear process leads to long timeline

Lump-Sum Design Build (DB):

- Advantages:
 - Schedule efficiencies and cost saving (depends on project size and complexity)
 - Technical Innovation
 - Qualifications-based selection
 - Single-entity responsibility
 - Risk transfer opportunities
 - Reduced change orders and claims
 - Collaborative contract negotiation process
- Disadvantages:
 - Reduction in control over design and construction quality control
 - Owner scope changes likely result in a change order
 - Cost of risk transfer
 - Costs will include some contingencies due to less defined project scope
 - Procurement process is time consuming
 - Public perception/lack of education

Design-Build-Operate (DBO):

- Adds in an Operations Team
- Looking at long-term costs of the facilities, including maintenance costs.
- Advantages:
 - Same as Design-Build (above)
 - Decision making based on long-term life cycle costs
 - Risk for long-term performance shifted to DBO operator

- Long-term operating costs are fixed
- Provides access to technical/operations resources at lower price
- Regional project avoids debate over who runs facilities
- More potential for innovation
- Design considers most efficient long-term maintenance and operations
- Disadvantages:
 - Same as Design-Build (above)
 - Project “marketability” concerns
- Legal Authority:
 - Government Code Section 5956
 - Requires use of private infrastructure financing as exclusive or supplemental revenue source
 - Contractor selected by a competitive negotiation process
 - Cannot be used on state financed projects (exception for SRF through 2019)
 - Will require legislation to both extend use of SRF and allow for use of other State funds

2. Input from DB/DBO Community:

- Schedule benefits due to early DBO RFP preparation and lack of bidding period
- Value Engineering is embedded in DB/DBO procurement process
- Reliable competitor list available

3. Procurement for SRWA Facilities:

- Status of each element reviewed
 - Wet Well Construction/Infiltration Gallery Development
 - Intake Pump Station, recommended to include in Project
 - Water Treatment Plant, recommended to combine with intake (at a minimum)
 - Raw and Finished Water Pipelines
 - Local Facilities
- Reviewed procurement methods for recent and local WTP Projects

4. Next Steps:

- Prepare Technical Memorandum describing Procurement Alternatives and bring recommendation to the Board
- Prepare Procurement Guidance Document

Discussion:

Progressive Design Build is another option, however, it will not be considered based on recent court cases that have determined there is a potential conflict of interest related to this procurement process. Dick Shanahan, Special Legal Counsel, advised the Board that it is not recommended they take that risk.

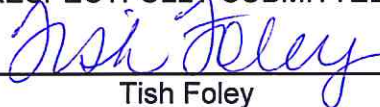
Chair Soiseth thanked the West Yost team for their thorough presentation of the options. The Board reviewed the costs associated with each alternative and did not make a formal selection. Design-Build-Operate could be considered if it would allow for a third-party oversight along the process.

Chair Soiseth opened public participation. There being none, Chair Soiseth closed public participation.

Action: None – Information and discussion only.

8. **MATTERS TOO LATE FOR THE AGENDA:** None
9. **BOARD ITEMS FOR FUTURE CONSIDERATION:** None
10. **BOARD COMMENTS:** Chair Soiseth would like the Board to consider adopting a Resolution stating the Board's opposition to the Draft Substitute Environmental Document (SED) released by the State Water Resources Control Board in support of updating the Bay-Delta Water Quality Control Plan.
11. **NEXT MEETING DATE:** October 20, 2016 – Special Meeting. The Regular Meeting scheduled for October 13, will be canceled.
12. **CLOSED SESSION:** None
13. **ADJOURNMENT:** The meeting was adjourned by unanimous vote at 11:18 a.m.

RESPECTFULLY SUBMITTED



Tish Foley
Board Secretary