

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works		(2) MEETING DATE June 13, 2006		(3) CONTACT/PHONE John Hollenbeck, P.E., Nacimiento Project Manager (805) 781-5252	
(4) SUBJECT Amendment to the Agreement for Appraisal Services for the Nacimiento Water Project with Reeder, Gilman & Borquist					
(5) SUMMARY OF REQUEST It is requested that your Board approve the Amendment No. 1 Agreement for Professional Services in Support of Nacimiento Water Project.					
(6) RECOMMENDED ACTION It is our recommendation that your Honorable Board, acting as the Board of Supervisors of the San Luis Obispo County Flood Control and Water Storage District, execute the attached Amendment to the Agreement with Reeder, Gilman & Borquist for Appraisal Services associated with the Nacimiento Water Project amending the Agreement to reduce insurance coverage from \$2 million to \$1 million and reducing the contract value from \$93,200 to \$90,125.					
(7) FUNDING SOURCE(S) Nacimiento Water Project Fund 220000100		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Nacimiento Project Commission					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All		(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board <input checked="" type="checkbox"/> N/A	
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)		(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input checked="" type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A			
(18) NEED EXTRA EXECUTED COPIES? <input checked="" type="checkbox"/> Number: 2 <input type="checkbox"/> Attached <input type="checkbox"/> N/A		(19) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A			
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____		(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input type="checkbox"/> N/A Date <u>March 28, 2006</u>	
(23) ADMINISTRATIVE OFFICE REVIEW <i>OK Leslie Brown</i>					

*B/L
6-13-06*



SAN LUIS OBISPO COUNTY DEPARTMENT OF PUBLIC WORKS

Noel King, Director

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Fax (805) 781-1229

email address: pwd@co.slo.ca.us

TO: Board of Supervisors of the San Luis Obispo Flood Control and Water Conservation District

FROM: John R. Hollenbeck, Nacimiento Project Manager *JRH*

VIA: Noel King, Director of Public Works *NK*

Date: June 13, 2006

Subject: Amendment to the Agreement for Appraisal Services for the Nacimiento Water Project with Reeder, Gilman & Borquist

Recommendation

It is our recommendation that your Honorable Board, acting as the Board of Supervisors of the San Luis Obispo County Flood Control and Water Storage District, execute the attached Amendment to the Agreement with Reeder, Gilman & Borquist for Appraisal Services associated with the Nacimiento Water Project amending the Agreement to reduce insurance coverage from \$2 million to \$1 million and reducing the contract value from \$93,200 to \$90,125.

Discussion

The Nacimiento Water Supply Project (Project) consists of 45 miles of pipeline, with storage tanks, pump stations and appurtenant facilities for the purpose of conveying up to 15,750 acre feet of water from Lake Nacimiento to local water agencies within the boundaries of the San Luis Obispo County Flood Control and Water Conservation District (District).

On January 6, 2004, your Board certified the Environmental Impact Report on the Project, adopted the Notice of Determination, and directed staff to carry out those actions needed to implement the raw water alternative. In July 2004, your Board entered into entitlement contracts with the four participating agencies (the cities of Paso Robles and San Luis Obispo, the Atascadero Mutual Water Company, and the Templeton Community Services District). The Nacimiento Water Project is currently estimated to cost \$150,000,000 including design, environmental permitting and mitigation, right-of-way negotiations, coordination with participating agencies and the

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Nacimiento Project Commission, obtaining municipal finance, legal review and other detail tasks.

The District has assembled a team of professionals to design the proposed facilities such as engineers, right-of-way specialists, environmental professionals, geotechnical engineers, and surveyors. Certified appraisers are needed to assign a value to easements and properties to be acquired as part of the Nacimiento Project. An estimated 60+ private properties and 15+ public/utility properties/easements will be affected by this project.

The Board approved agreements with appraisers for project support, one with Reeder, Gilman & Borquist and one with Schenberger, Taylor, McCormick and Jecker, Inc. Negotiations with both firms began with the District's standard agreement for professional services which calls for \$2 million coverage for professional liability insurance. Schenberger, Taylor, McCormick and Jecker pointed out that they maintain \$1 million in coverage and it was deemed appropriate for the requested services. The Board executed that appraisal agreement with the \$1 million coverage. Reeder Gilman & Borgquist initially agreed to the \$2 million limit but later found that their insurance provider was unable to extend that coverage. As a result, an amendment to their Agreement with the Board is necessary to change the coverage limit from \$2- to \$1-million.

Other Agency Involvement/Impact

The approach to soliciting proposals and the recommended award of contracts was discussed with both the Nacimiento Technical Support Group and the Project Commission. Both entities indicate their support for the appraisal contracts award, with the Commission taking formal action at their February 16, 2006 meeting.

Several public agencies own property through which the District will seek easements. These include Monterey County Water Resources Agency, Camp Roberts, Caltrans, the State Department of Water Resources, the cities of Paso Robles, Atascadero, and San Luis Obispo. Easement(s) affecting Union Pacific Railroad property will also be secured.

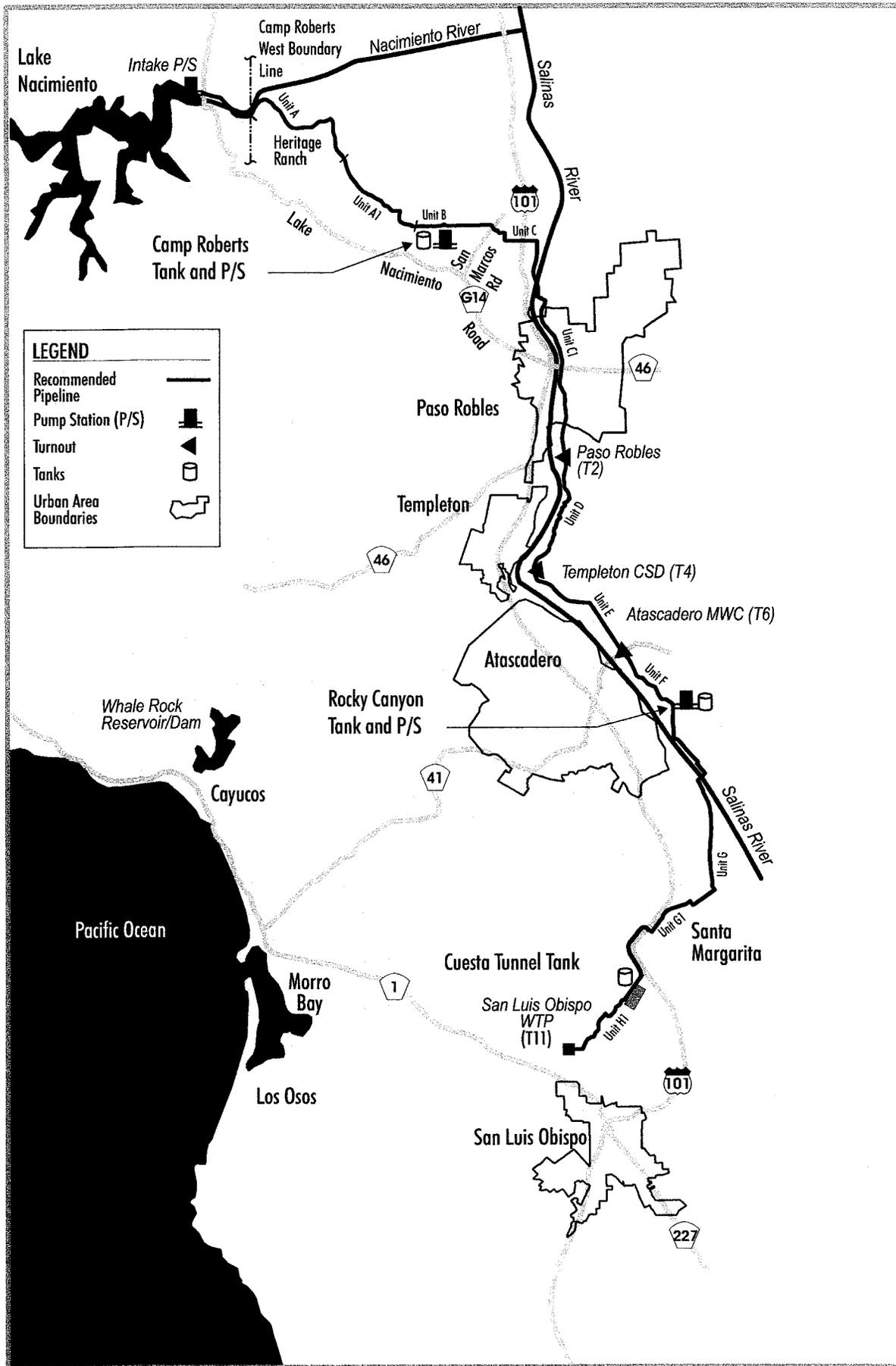
Nacimiento Project Participants have tentatively agreed by board/council action in 2005 to permit easements through their properties at no cost to the Project, contingent on receipt of legal descriptions and Easement Deeds for review and execution.

Financial Considerations

The current Agreement with Reeder, Gilman & Borquist is being funded through the Nacimiento Water Project Fund (2200001000). The above described services with Reeder Gilman & Borquist will be provided on a time-and-materials basis for a fee originally not to exceed \$93,200. Due to the time investment to correct the Professional Liability insurance situation, Amendment No. 1 will reduce the fee by \$3,075. This is the estimated cost for District resources required to solve the insurance problem; thus, the services with Reeder Gilman & Borquist now shall not exceed \$90,125.

The cost of the Project is funded by the Nacimiento Participating Agencies per the Nacimiento Project Water Delivery Entitlement Contracts executed by your Board in July 2004.

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LEGEND	
Recommended Pipeline	—
Pump Station (P/S)	■
Turnout	▲
Tanks	□
Urban Area Boundaries	⬡

Nacimiento Water Project Report
UNIT MAP

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AMENDMENT NO. 1
TO
AGREEMENT FOR PROFESSIONAL SERVICES
IN SUPPORT OF NACIMIENTO WATER PROJECT

THIS AMENDMENT NO. 1, entered into this _____ day of _____, 2006, by and between the SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, herein called "DISTRICT," and REEDER, GILMAN & BORGQUIST, a partnership whose address is 1101 South Broadway, Suite A, Santa Maria, California 93454, herein called "CONSULTANT", hereby amends the AGREEMENT executed by the DISTRICT and CONSULTANT on March 28, 2006.

RECITALS

WHEREAS, the CONSULTANT entered into the AGREEMENT representing that Professional Liability coverage in the amount of \$2-million would be obtained; and

WHEREAS, the CONSULTANT'S insurance carrier later identified that coverage at the \$2-million limit for Professional Liability is not available for the CONSULTANT; and

WHEREAS, the DISTRICT judges a \$1-million Professional Liability coverage limit to be reasonable for the Nacimiento Water Project appraisal services; and

WHEREAS, the CONSULTANT agrees to reimburse the DISTRICT for the approximate cost of resources needed to administer the AGREEMENT change to the new coverage limit of \$1-million for Professional Liability in the form of a fee reduction for the scope of work presented in Exhibit A of the AGREEMENT;

NOW, THEREFORE, be it agreed and understood by the parties hereto, as follows:

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Section 1. Recitals. The foregoing recitals are true and correct. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the AGREEMENT.

Section 2. The first sentence of the first paragraph of the AGREEMENT is hereby amended as follows: "This AGREEMENT, entered into this 28th day of March, 2006, by and between the SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, herein called "DISTRICT," and REEDER, GILMAN & BORQUIST, a partnership whose address is 1101 South Broadway, Suite A, Santa Maria, California 93454, herein called "CONSULTANT."

Section 3. Under Section 3.a, "Compensation," of the AGREEMENT, the first sentence of the first paragraph is hereby amended as follows: "District shall pay to Consultant as compensation in full work required by this Agreement a sum not to exceed the total amount of Ninety Thousand One Hundred Twenty Five Dollars (\$90,125)."

Section 4. Under Section 7.a, "Professional Liability Insurance," of the AGREEMENT, the first sentence of the first paragraph is hereby amended as follows: "Consultant shall maintain in full force and effect during the entire term of this Agreement, professional liability "errors and omissions" insurance with limits of liability of not less than \$1,000,000.00 per claim to cover all services rendered by Consultant pursuant to the Agreement.

Section 5. Exhibit B, "Cost Proposal and Fee Schedule," of the AGREEMENT is hereby revised per the May 8, 2006, "Revised Cost Proposal and Fee Schedule," attached hereto and incorporated herein by reference.

IN WITNESS THEREOF, all provisions of the AGREEMENT not affected by the AMENDMENT NO. 1, or other amendments, shall remain unchanged and in full force and effect.

IN WITNESS THEREOF, DISTRICT and CONSULTANT have executed this Agreement on the day and year first hereinabove set forth.

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IN WITNESS THEREOF, the parties hereto have executed this AMENDMENT NO. 1 effective on the date shown signed by the DISTRICT.

ATTEST:

County Clerk and Ex-Officio Clerk of the Board of Supervisors, County of San Luis Obispo Flood Control and Water Conservation District, State of California

Date: _____, 20__

COUNTY OF SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: _____
Chairperson of the Board
County of San Luis Obispo Flood Control and Water Conservation District, State of California

Date: _____, 20__

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel

By: *James B. Lindholm, Jr.*
Deputy County Counsel

Date: 5/16/2006

CONSULTANT

By: *Wan Pao*

Title: *Partner*

Date: 2/18, 2006

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Agreement for
Professional Appraisal Services
In Support of Nacimiento Water Project

Exhibit B – Cost Proposal and Fee Schedule

Task	Basis of Fee	Subtotal Fee
Appraisal of one fee site (Cuesta Tank)	\$4,000	\$4,000
Review of Army Corps property appraisals	3 parcels at \$2,000 each ¹	\$6,000
Appraisals for underground pipeline easement	41 parcels at \$1,800 each	\$73,800
Kickoff and other special meeting attendance	40 hours at \$180/hour	\$7,200
Review and update District's overall project budget for easement and fee acquisition	12 hours at \$180/hour	\$2,200
Amendment No. 1 – Professional Liability Insurance ²	Commensurate with District and consultant staff time	(-\$3,075)
Total Base Fee (Compensation) =		\$93,200 \$90,125

Additional appraisals would be completed at a cost of \$1,800 each and would be authorized under a subsequent authorization.

Reeder, Gilman & Borgquist will invoice for appraisals and appraisal review of Army Corps properties at the lump sum amounts stated in the table above. Consultation services will be invoiced at the hourly billing rate specified in the table above. Agreed-upon additional services of Mr. Warren Reeder will be billed at the hourly rate stated above not to exceed the amounts stated above without prior written authorization.

It is understood that the amounts stated above include all labor, mileage, reproduction, communications, overhead, profit, and other direct and indirect costs incidental to the performance of the services stated herein and that rates are to remain constant for the duration of this project.

¹ Alternatively, the fee for appraisals at Camp Roberts, Santa Margarita Booster Station and Camp San Luis Obispo, if needed, is \$5,000 each, for a total of \$15,000 which would require District's prior authorization.

² Credit to be reflected in first invoice following execution of Agreement Amendment No. 1

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