



**Nacimiento Project Commission
Notice of Meeting and Agenda
Thursday, August 23, 2007 – 4:00 pm
Templeton Community Services District Board Room
420 Crocker Street, Templeton CA**

- I. Call to Order, Roll Call, and Flag Salute
- II. Public Comment
This is the opportunity for members of the public to address the Commission on items that are not on the agenda, subject to a three minute time limit.
- III. Meeting Notes from July 26, 2007
(RECOMMEND APPROVAL)
- IV. COMMISSION INFORMATION ITEMS – written reports with brief verbal overview by staff or consultant. No action is required.
 - a. Project Management Report
 - b. Project Schedule
 - c. Project Budget
- V. PRESENTATIONS – no action required.
 - a. Opt-Out Phase Reporting
- VI. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)
 - a. None
- VII. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)
 - a. Adoption of Revised Project Budget
- VIII. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners

Harry Ovitt, Chair, SLO County
Flood Control & Water
Conservation District

Dave Romero, Vice Chair, City of
San Luis Obispo

David Brooks, Templeton CSD

Grigger Jones, Atascadero MWC

Frank Mecham, City of El Paso
de Robles

**Next Commission meeting scheduled for
Thursday, October 25, 2007, at 4:00 pm at
Templeton Community Services District offices.**

Nacimiento Project Commission
August 23, 2007
Agenda Item III – Meeting Notes from July 26, 2007

I. Call to Order, Roll Call and Flag Salute

Chairman Ovitt convened the special meeting at 4:45 pm.

Commissioners Present: Chairman Harry Ovitt, SLO County Flood Control & Water Conservation District
Vice Chairman Dave Romero, City of San Luis Obispo
Frank Mecham, City of el Paso de Robles
David Brooks, Templeton CSD
Grigger Jones, Atascadero MWC

II. Public Comment – Commissioner Brooks introduced Templeton CSD’s new General Manager, Kathleen Boxer. Kathleen greeted all and excused herself from the meeting.

III. Meeting Notes from June 28, 2007, Meeting

Commissioner Mecham moved approval of the June 28, 2007, meeting notes; Commissioner Romero seconded the motion; motion passed unanimously.

IV. Project Management Report

The primary purpose of this special meeting was to receive a report on bid results so far and to tend to some timely business items.

Steve Foellmi reported on bid results for the Intake, Pipeline North, and Pipeline Central noting that the combined apparent low bids are tracking \$8.8 million under the Engineer’s opinion of probable construction costs. James W. Fowler Co. is the apparent low bidder for the Intake work; Teichert Construction is the apparent low bidder for Pipeline North, and Whitaker Contractors is the apparent low bidder for Pipeline Central. Black & Veatch finds that the primary reason behind the lower pipeline bids is a more aggressive (i.e. faster) pipeline lay rate anticipated by contractors.

The next scheduled bid opening is on August 2, 2007, when the Pipeline South bids will be opened. Following that bid, the Technical Support Group will take a closer look at alternative bid amounts for larger diameter, energy-saving pipe diameters.

V. Presentations – (none)

VI. Commission Action Items (No Subsequent Board of Supervisors Action Required) – (none)

VII. Commission Action Items (Subsequent Board of Supervisors Action Required)

Builder’s Risk Insurance - Christine Halley reviewed the projected premiums and coverage as stated by AIG, Firemen’s Fund, and Hartford Insurance. She passed along the Technical Support Group’s recommendation that earthquake and flood coverage be omitted from the Builder’s Risk policy. Chairman Ovitt inquired as to the \$10,000 vs. \$35,000 deductible amount and Mrs. Halley replied that Alliant Insurance advises that we write a \$10,000 deductible policy. Otherwise, contractors may pad their construction bids to cover that higher deductible amount. Commissioner Jones moved to procure \$35 million loss limit Builder’s Risk coverage with a \$10,000 deductible and no earthquake or flood coverage and to direct staff to work with Alliant Insurance Services and County risk management staff to secure the policy. Commissioner Romero seconded the motion; passed unanimously.



Contract Extension with Black & Veatch for Construction Phase Services – John Hollenbeck reviewed the scope of services to be provided by Black & Veatch during the construction phase, noting that a \$3.2 million line item budget is included in the Project budget report. Vice Chairman Romero clarified that this extension would be on a time-and-materials basis and Mr. Hollenbeck replied yes. Commissioner Jones moved to direct staff to forward the proposed Black & Veatch contract extension for post-design services to the District Board of Supervisors with Commission’s support for a base fee of \$2,725,000 plus a contingency fee of \$475,000. Commissioner Brooks seconded the motion; passed unanimously.

Contract Extension with TJ Cross Engineers for Construction Phase Services –John Hollenbeck reviewed the scope of services to be provided by TJCross Engineers under the management of Mrs. Halley, to include continued project management assistance and assembly of a Project history. Mr. Hollenbeck commented on the public significance of this water project and encouraged the assembly of a bound Project history. Commissioner Romero moved to recommend to the District Board of Supervisors that TJCross Engineer’s contract be amended to include construction phase services for a fee of \$500,000. Commissioner Jones seconded the motion with Commissioner Mecham excusing himself from consideration of this action. Motion passed 4-0-1.

Jacobs Contract Amendment for Environmental Monitoring Services – Christine Halley outlined the environmental monitoring procurement process and reported that negotiations with ESA are underway. She outlined the scope of the monitoring services that lies ahead and recommended support for amending the construction manager’s contract for these services. Following a cautionary remark about easing up on spending in the wake of favorable bidding, Commissioner Jones moved to recommend to the District Board of Supervisors that Jacobs’ construction management contract be amended to include ESA as a subconsultant to provide environmental monitoring services for an estimated fee of \$2.4 million. Commissioner Brooks seconded the motion; passed unanimously.

VIII. Future Agenda Items Desired by Commission – None stated.

Chairman Ovitt adjourned the meeting at 5:10 pm.

Submitted by Christine Halley



Nacimientto Project Commission
August 23, 2007
Agenda Item IV.a– Project Management Report
(Information Only – No Action Required)

PROJECT RESOURCES

The last set of resources to procure is the construction contractors. Refer to Agenda Item V.a for a report on bid results and on the overall Opt-Out Phase. The **attached** following two pages is an updated Organization Chart for both the Design Phase and Construction Phase

PROJECT ISSUES

Status of Financial Issues

Participants received a set of documents to execute pertaining to the Delivery Entitlement Contract amendment and approving resolutions for the preliminary offering statements and continuing disclosure agreements. Each of you have already or will soon see execution of these financial documents on an upcoming governing body agenda. Thus, the finance team is poised to sell bonds after the close of the Opt-Out period, with the sale scheduled for September 12, 2007.

Builder’s Risk Insurance

Alliant Insurance followed through on the Commission’s direction from the July 26, 2007, meeting and has secured a binding quote for Builder’s Risk Insurance from Fireman’s Fund. Premium costs for three years’ coverage is \$366,000, which are in line with our previous discussion. Details regarding coverage term are being defined as well as options for payment of premiums (such as annual or lump sum). County risk management staff confirmed that accepting the Project policy can be done at staff level, so we will have the insurance in effect in time for issuing the Notice to Proceed for the construction contracts.

Environmental Permitting

In past months, we reported on the delays in securing the right-of-entry for construction across Camp Roberts and the change in National Guard/Army Corps stance regarding the need for a NEPA determination. Processing delays and piecemeal requirements added to our frustration. On June 27, 2007, the National Guard/Army Corps alerted us to rather significant inadequacies in our cultural resource documentation. Essentially, the plan set forth dating back to the 2004 EIR for identification, avoidance, and recovery of cultural resources does not satisfy regulations. ESA with the help of Albion are engaged to rectify this situation.

More field work is needed to confidently characterize the cultural resources impacted by our Project and to get the State Historic Preservation Office’s (SHPO) agreement as to how each mapped resource site is to be treated. Possible treatments are 1) monitor during construction; 2) “Phase I” surface surveys to look for evidence of deposits supplemented with some degree of excavation/shovel probing; 3) “Phase II” exploration of sufficient detail, usually involving backhoe excavation, to evaluate whether a site qualifies as a Historic Property as defined in the National Register, and; 4) “Phase III”





NWP NACIMIENTO WATER PROJECT
San Luis Obispo County Flood Control & Water Conservation District

**DESIGN PHASE
Project Team Organization Chart**

Governing Authority

District's Board of Supervisors
Nacimiento Project Commission
Technical Support Group

Project Manager

John R. Hollenbeck, PE
San Luis Obispo County Flood Control and Water Conservation District

Project Engineer

Christine Halley, PE
TJ Cross Engineers

**Construction Management
Jacobs Engineering Group**

Construction Manager
Ed Weyrauch

**Design Team
Black & Veatch**

Project Manager
Steve Foellmi, PE

**Environmental Team
ESA & District**

ESA Project Manager
Tom Roberts

**Right Of Way
Hamner-Jewell Associates**

Project Manager
Lillian Jewell

**Appraiser
RGB**

Project Manager
Warren Reeder

Other District Support

Value Engineering Team

Facilitator
George Bartolomei

**Cultural Resource Data Recovery Team
Albion**

Project Manager
Tom Garlinghouse

**Appraiser
STMJ**

Project Manager
Todd Murphy

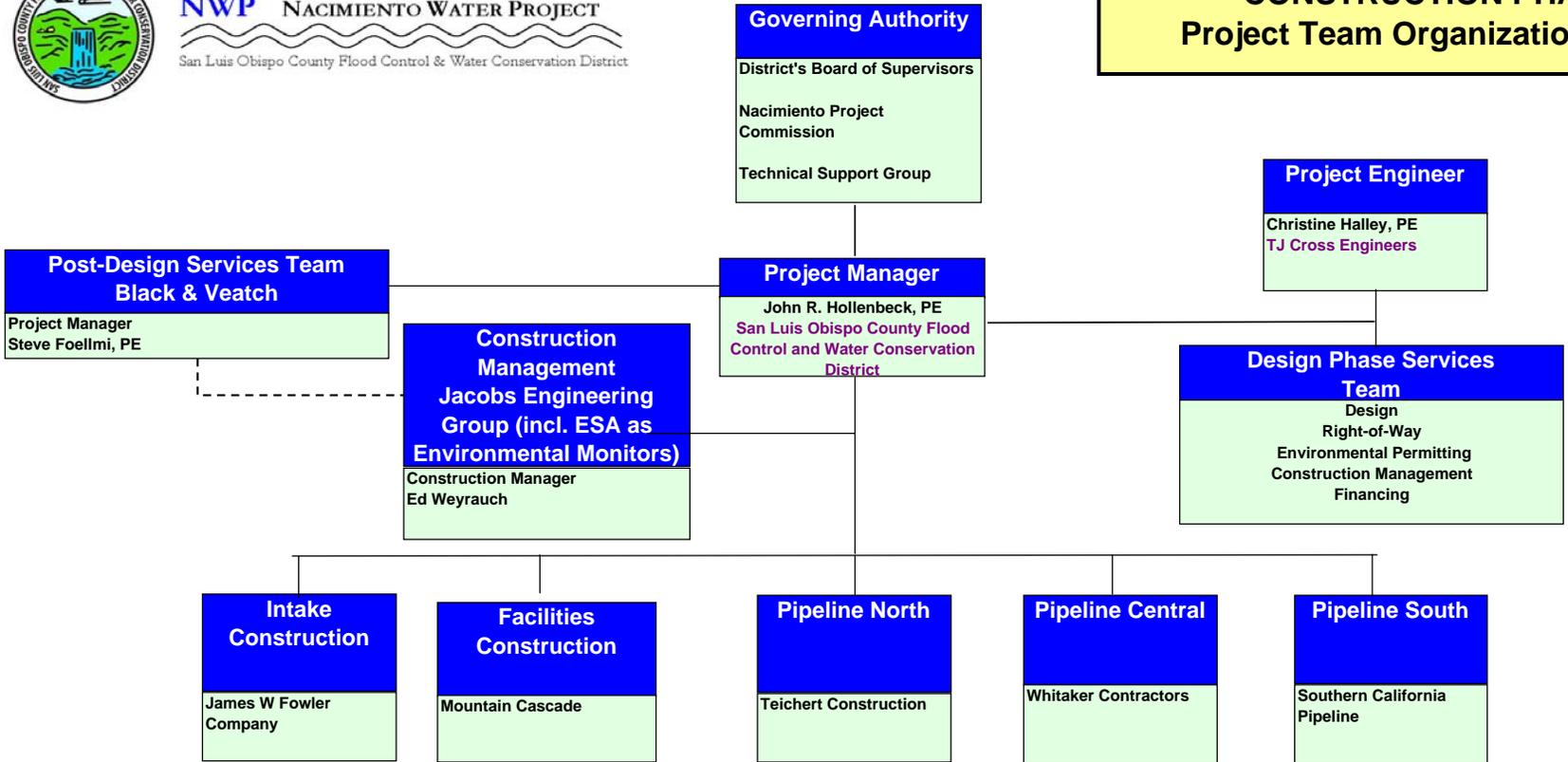
**Finance Team
PFM, UBS and Fulbright & Jaworski**

District Liaisons
Will Clemens and Paavo Ogren



NWP NACIMIENTO WATER PROJECT
San Luis Obispo County Flood Control & Water Conservation District

CONSTRUCTION PHASE Project Team Organization Chart



Contractor's listed are not official until approved by the District's Board of Supervisors.

data recovery where the proposed Project will indeed impact archaeological artifacts and recovery of those artifacts is to precede pipeline installation.

The National Guard/Army Corps contends that we don't have sufficient information to determine how each site is to be treated. Albion Environmental, Inc. has the lead in pulling cultural resource information together, proposing how to proceed, and documenting their recommendations to SHPO and to the National Guard/Army Corps.

It is important that we get SHPO buy-in in the form of a signed Section 106 Memorandum of Agreement. It is this document that clears us to proceed with any necessary data recovery and construction in these sensitive areas. Without that, construction near mapped archaeological sites may not proceed.

Most of the known cultural resource sites are within Camp Roberts, along the Salinas River near Paso Robles, and near Santa Margarita. In other words, this issue potentially affects all three pipeline contracts.

ESA acknowledges that the *Cultural Resource Investigation Report and Avoidance Plan* dated April 2006 was lacking and has taken corrective action without invoicing the District. ESA and Albion point out that the supplemental field work would have been necessary in any event and seek a contract amendment to cover those services. This is now under review by the Project Manager.

The concern now is one of timing. Albion submitted a new Section 106 consultation letter to the Army Corps on August 6th, and this letter was subsequently forwarded by the Army Corps to SHPO on August 15th. Archaeologists have been examining the corridor and will perform Phase I field exploration of all sites and limited Phase II field exploration on eight selected sites is scheduled for the week of August 20. This will provide sufficient information to revise our NEPA document¹ and, provided the Army Corps agrees, proceed with that document certification. Our own CEQA document may need another addendum. We still need SHPO sign-off to proceed with the more detailed Phase II and Phase III data recovery so that pipeline installation may proceed.

An update on this Section 106 consultation progress will be given at the Commission meeting.

Status of Project Delivery Team Activities

Right of way – Briefly, the status as of August 17, 2007 is:

Date	Number of Identified Parcels	Completed Legal Descriptions	Appraisals Ordered ²	Appraisals Complete	Offers Made	Agreements	
						Signed	Pending
As of July 31, 2007	54 (42 private + 12 public)	54 completed	44 completed	44 completed	43 ³	25	18

¹ The outstanding request for an Environmental Baseline Study must also be rectified.

² All necessary District appraisals are ordered. All 42 private parcel appraisals have been ordered plus the MCWRA properties and the Cal Poly property which we later learned would be acquired through the State Lands Commission.

³ The appraisal/offer for the TCSD turnout is pending.



In all, negotiations/condemnation proceedings are underway with 18 private parties and 5 public agencies. During July, the Hamner-Jewell right-of-way team executed one additional acquisition agreement and supported Price Postel & Parma in their court filings. The last appraisal has been completed and the offer is to be made as soon as the District so authorizes. Court dates have been set for possession hearings on October 17th, and for November 1st, 13th, and 14th.

The team continues efforts to bring owners to agreement while court filings are made to advance the condemnation process if needed.

Design/Bid Activities – Bid results are in for all five construction contracts. Refer to Agenda Item V.a for a report on the Opt Out Phase.

Black & Veatch has completed the development of all addenda to support the bidding phase, and is presenting developing the Conformed Contract Documents which incorporates all the changes to the bidding documents. The Conformed set of Contract Documents will be distributed to the Contractor and the District's Construction Phase team members. Black & Veatch is nearing the end of their Design Phase services, and will continue to support the Project during the Construction Phase. They have taken the lead in preparing the Cost Summary Report that benefits the Participants as we progress through the Opt-Out Period. They also have supported the District during the evaluation of the apparent low Bidder's submittal, having reviewed the bid forms, and provided input on the list of suppliers identified by the Bidders. The Project Manager is extremely pleased with the service provided by Black & Veatch, especially in keeping within the project schedule timelines that were established in July 2005, and the Project Manager commends and appreciates their leadership on the technical design issues.

The reproduction and distribution of all bidding documents, including addenda, was performed by the local firm of ASAP Reprographics. Their work is accounted for under the budget line item of AD-15 (AD stands for Administrative Directive), an internal Public Works procedure for managing the reproduction and distribution of the bidding documents, issuing addenda, and other important processing of the Contract Documents. The critical nature of accurate accounting for the holders of the Contract Documents, the speed for distributing addenda, and the management of inquiries to buy the documents, would be challenging for District staff to manage given the on-going workload; therefore, ASAP Reprographics performed this work without error and always on-time. The Project Manager is extremely pleased and appreciative of the services they provided to our Project.

Construction Management Activities – Ed Weyrauch joins us as the lead construction manager for Jacobs Engineering Group (Jacobs), replacing Ron Drake who has embarked on new endeavors. The Jacobs construction management team has established their construction field office in Templeton. On July 10, 2007, Jacobs conducted the mandatory pre-bid meeting for the Facilities contract (Spec 2). Jacobs has responded to numerous bidder inquiries, assisted with preparation of addenda, supported the bid protest process, actively participated in the negotiations with the environmental monitoring firm, lead the review process of the Escrow Bid Documents, and continued work on implementation of document control and project management system. They conducted bidder responsiveness due diligence on contract bids. They established project server for WEB-based Primavera Contract Manager data system and completed preliminary set-up of project FTP site for electronic filing of project documents.



Jacobs also met with materials testing consultants and began preliminary development of the scope and budget. Proposals are in review now.

Outside Agency Issues

PG&E – There has been no recent information from PG&E. PG&E will be alerted upon award of construction contracts to reinforce the schedule requirements for power arrangements at the intake.

Monterey County Water Resources Agency – Acquisition of property rights from MCWRA was heard by the Board of Supervisors at the June 26, 2007, necessity hearing and the filing for court-ordered possession occurred during the week of July 30, 2007. MCWRA took action in closed session on July 31, 2007, on the leasehold settlement, but the impact of that action (if any) on District rights sought has yet to be established. A staff coordination call is scheduled for August 29, 2007.

Conoco Phillips – The District drafted a follow-up letter to Conoco Phillips urging resolution of the soil contamination matter either by clearing the corridor of contamination ahead of our pipeline installation or cooperative handling and disposal of any contaminated materials encountered during construction.

Camp Roberts – Refer to the environmental permitting discussion above for a status report on dialogue with Camp Roberts.

* * *



Nacimiento Project Commission
August 23, 2007
Agenda Item IV.b– Project Schedule
(Information Only – No Action Required)

The Project is nearing a significant milestone as the Construction Phase is about to begin. On August 28, 2007, the District’s Board of Supervisors will take action on their Consent Agenda to award the construction of four of the five construction packages. These include:

- Contract No. 300187.08.01 – Intake
- Contract No. 300187.08.03 – Pipeline North
- Contract No. 300187.08.04 – Pipeline Central
- Contract No. 300187.08.05 – Pipeline South

Approval and award of these construction contracts will mark the beginning of the Construction Phase of the Project. Some Design Phase activities, including the completion of the right-of-way and the cultural resource investigations will be completed in parallel with the Construction Phase.

Presentation of a bar chart schedule to your Commission will resume once the construction firms submits their schedules, and Jacobs incorporate those into a single bar chart schedule.



Nacimiento Project Commission
August 23, 2007
Agenda Item IV.c– Project Budget
(Information Only – No Action Required)

This meeting's budget report is presented as Agenda Item VII.a.



Nacimiento Project Commission
 August 23, 2007
Agenda Item V.a – Opt-Out Phase Reporting
 (Commission Action Item – Subsequent Board of Supervisors
 Action Required)

Bids for all five construction contracts have been received and opened by the District as of August 16, 2007. The results of the five bids are presented below.

Construction Contract Apparent Low Bidder	Engineer's Estimate	Low Bid	Variance
300187.08.01 – Intake Spec 1 James W. Fowler Co.	\$13.1	\$20.8	\$7.7
300187.08.02 - Facilities Spec 2 Mountain Cascade Inc.	\$30.8	\$25.6	(\$5.2)
300187.08.03 - Pipeline North Spec 3 Teichert Construction	\$49.8	\$38.4	(\$11.4)
300187.08.04 - Pipeline Central Spec 4 Whitaker Contractors	\$27.1	\$22.0	(\$5.1)
300187.08.05 - Pipeline South Spec 5 Southern California Pipeline	\$18.2	\$16.3	(\$1.9)
Total =	\$139.0	\$123.1	(\$15.9)

Formal bid protests were received on Specs 4 and 5. District staff and County Counsel have reviewed these bid protests and forwarded recommendations to the District's Board of Supervisors for consideration during their review and approval of their Consent Agenda on August 28, 2007. The Commission is directed to the Board's web site to access Staff's formal report.

At the closure of the bid periods, the Nacimiento Project Construction Costs is estimated at \$175.1 million (including credits⁴) as documented in the Cost Summary Report prepared by Black & Veatch and distributed by the District to each Technical Support Group Member. The budget report presented in Agenda Item VII.a is \$176.0 million and does not include the credits.

This Nacimiento Project Construction Cost represents both Design Phase and Construction Phase costs including allowances for construction contingencies, environmental compliance, and other Project activities. The District will issue the Final Cost Summary Report by August 24, 2007, the end of the Opt-Out Phase. As we have previously discussed, since the Total Nacimiento Project Construction

⁴ Credits include reimbursements from the County's Information & Technology Department and the Monterey County Water Resources Agency.

Cost is projected to exceed the \$150 million figure stated in the Water Delivery Entitlement Contracts, Participants have the opportunity to opt-out of Project participation. The schedule for each Participant's Opt-Out consideration is:

Atascadero Mutual Water Company – The Water Company Board of Directors considered the Engineer's Cost Summary Report at their August 8, 2007, meeting and in doing so, signaled their intent to stay in the Project. The Water Company also executed Amendment No. 2 to the delivery entitlement contracts along with various financial resolutions pertaining to bond sale provisions at that same meeting.

City of San Luis Obispo – The City Council considered the Engineer's Cost Summary Report at their August 14, 2007, meeting and in doing so, signaled their intent to stay in the Project. The City also executed Amendment No. 2 to the delivery entitlement contracts along with various financial resolutions pertaining to bond sale provisions at that same meeting.

City of Paso Robles - The City Council executed Amendment No. 2 to the delivery entitlement contracts along with various financial resolutions pertaining to bond sale provisions on August 7, 2007. The Council will consider the Engineer's Cost Summary Report at their August 21, 2007, meeting.

Templeton Community Services District – The CSD Board of Directors executed Amendment No. 2 to the delivery entitlement contracts along with various financial resolutions pertaining to bond sale provisions on August 14, 2007. The Board will consider the Engineer's Cost Summary Report at their August 21, 2007, meeting.

County Service Area No. 10A – The Board of Supervisors executed Amendment No. 2 to the delivery entitlement contracts and approved cash funding of their participation on August 14, 2007.

In summary, three of the five Participants elect to stay in the Project and, by the time the Commission meets on August 23, 2007, we will know if all five Participants feel the same.

Key dates from here are presented as follow:

ACTIVITY	DATE	COMMENT
District issues final Cost Opinion Report	August 24, 2007	\$176 million Reflects all bid results
Commission meeting	August 23, 2007	
Opt-Out Phase closes	August 24, 2007	
Board of Supervisors to consider award of Spec 1, 3, 4, and 5	August 28, 2007	Written Notice of Award to follow within days thereafter
Secure Builder's Risk Insurance policy	August 2007	
Board of Supervisors to consider award of Spec 2	September 11, 2007	Written Notice of Award to follow within days thereafter



ACTIVITY	DATE	COMMENT
Proceed with sale of bonds	September 12, 2007	
Begin issuance of Notices to Proceed	September through October 2007	

While the bids were favorable, the team’s emphasis on cost control does not stop there. There will be continued cost control measures as we head into construction such as safety adherence; well-staffed construction management oversight; keeping a close watch on permit adherence; a partnering approach with contractors; and good public outreach.

* * *

Nacimiento Project Commission
 August 23, 2007
Agenda Item VII.a – Adoption of Revised Project Budget
 (Commission Action Item – Subsequent Board of Supervisors
 Action Required)

TO: Nacimiento Project Commission

FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager

VIA: Noel King, Director, Department of Public Works

DATE: August 23, 2007

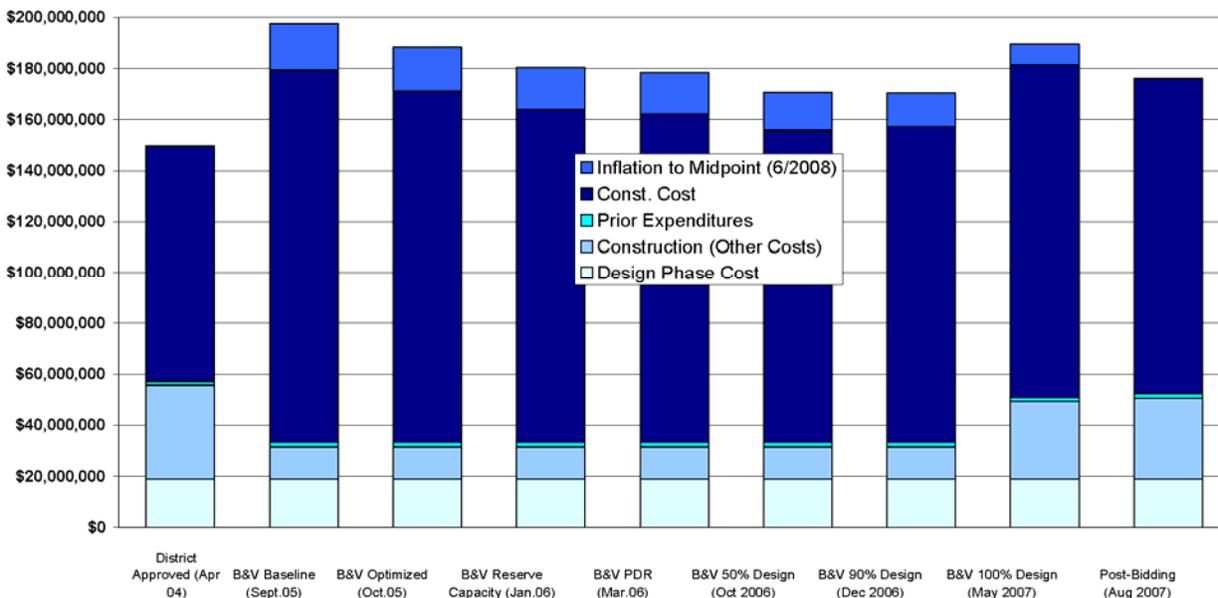
Recommendation

Approve the revisions to the Project budget in recognition of the bid results to date, actual costs incurred to date, values for various consultant contracts, and the Project Manager’s forecasting for various line items, and direct Staff to forward budget to District’s Board of Supervisors on September 11, 2007.

Discussion

Since our first meeting three years ago, the Project Manager has regularly reported on the status of not only the overall Project budget, but tracked separate line item budgets for key activities. From time to time, the Project Manager recommended budget adjustments to keep pace with demands of the Project design, permitting, and property acquisition phase. Black & Veatch has also given updates on the Nacimiento Project Construction Cost, and the latest graphic presenting these costs is provided below. The last time the Commission

Progression of Nacimiento Project Construction Cost



approved adjustments to the line item budgets was August of 2006. Since then, we have adjusted Projected Total Costs, but have not sought Commission approval to make any budget adjustments.

One year ago, staff agreed to come back to the Commission with revised line item budgets once bids were in hand. The attached proposed budget adjustments do just that. The attached table shows two historic points of reference. One is the April 2004 initial \$150 million budget and the other is the Commission-approved budget dated August 2006. The next column lists the Project Manager's recommended line item budgets as of this date.

The Design Phase Anticipated Costs are based on actual costs-to-date with an allowance for costs-to-complete where appropriate. Note that the Project Manager expects to conclude the Design Phase within the \$18.9 million estimate and anticipates a carryover of \$1,386,636 to the Construction Phase.

Noteworthy adjustments in the Construction Phase Anticipated Costs include amounts for the construction contracts. The proposed line item budget of \$123,876,769 includes both the bid amounts for each construction specification along with bonuses that each contractor is eligible to earn. A separate contingency of over \$11 million is proposed to fund change orders and other activities. Note that this is less than half of the contingency amount approved in prior versions. The decrease in contingency is appropriate at this point in Project development (i.e. we have actual bids in hand) and has been developed in consultation with the Technical Support Group.

One other noteworthy change in the Construction Phase Anticipated Costs is the Project Management line item budget. The Project Manager has more thoroughly captured the various activities that constitute this category such as District staff time, active participating system operator support during construction, TJCross project management support services, legal support, County overhead costs, and the District-provided builder's risk insurance premium.

Please see the "comments" column for a brief description of the basis of each line item.

Other Agency Involvement

While many regulators have jurisdiction over the conduct of this Project, the proposed budget adjustments primarily affect Project Participants and set the stage for upcoming revenue bond sale.

Financial Considerations

Periodic reviews of the Project budget enable each Participant to orderly plan for the financial aspect of the Nacimiento Water Project. The adjusted total Project costs have been reported by the District in the form of the Cost Summary Reports that have been issued as bid results were made available. Those reports translate this overall Project cost reporting to individual financial obligations for each Participant.

Further, the cash flow needs of the Project have been updated based on the \$176 million estimate, a projection that has a bearing on our bond financing.

Results

Adopting the proposed budget adjustments will position the Project team and each Participant to more accurately anticipate the financial aspects of the Project and creates a framework for Project reporting as we head into the Construction Phase.

* * *



Nacimiento Water Project
Project Budget Reporting
Report Ending Period: 07/31/07

NOTE - FOR CLARITY, THESE TWO COLUMNS WILL NOT BE PRESENTED IN FUTURE COMMISSION BUDGET REPORTS FOLLOWING THE AUGUST 23, 2007, COMMISSION MEETING.

	Initial Budget April 22, 2004	Budget as Approved August 2006	Proposed Revised Budget AUGUST 2007	Cost to Date thru 7/31/07	Remaining Budget	Projected Total Cost as of 8/8/07	Projected Variance (Budget Vs. Cost)	Comments
Design Phase Costs								
Project Management	\$1,250,000	\$1,875,000	\$2,341,564	\$2,140,992	\$200,572	\$2,341,564	\$0	Includes County Project Manager, VE, support staff, TJCross support, finance team, legal fees, and County overhead allocation during Design Phase. Adjusted to better align with actual costs to date.
AD-15 Process (Preparation for Bidding)	\$0	\$0	\$93,000	\$ 94,105.60	(\$1,106)	\$93,000	\$0	Reproduction and mailing of Contract Docs, addenda, and other bid phase correspondence, utilizing ASAP Reprographics.
Environmental	\$800,000	\$899,667	\$1,415,000	\$ 963,725.99	\$451,274	\$1,415,000	\$0	ESA-Includes design assistance, permit applications, agency coordination. Amendments authorized for EIR Addendum and extended cultural resource efforts.
PG&E Service Extension	\$1,100,000	\$1,100,000	\$100,000	\$ 5,170.00	\$94,830	\$100,000	\$0	Estimate to extend power to proposed facilities. Load-shedding approach less capital costly.
Right of Way Consulting Services	\$500,000	\$635,000	\$1,375,000	\$657,086	\$717,914	\$1,375,000	\$0	Hamner-Jewell contract plus allowance for appraisal, title reports by others, and Special Counsel. Includes court hearings for orders of possession.
Property Acquisition	\$2,000,000	\$2,500,000	\$2,500,000	\$ 247,498.50	\$2,252,501	\$2,500,000	\$0	8/06-Revised acquisition budget.
Construction Mgt/Constructability Review	\$2,000,000	\$2,000,000	\$650,000	\$ -	\$650,000	\$650,000	\$0	Initial CM services authorization est Nov 2006 @ \$735,000. Reduced to \$650,000 Aug 2008 as est of expenditures during the Design Phase
Engineering Design (Includes geotechnical, survey & Design CM)	\$10,250,000	\$9,088,800	\$9,088,800	\$ 8,961,998.39	\$126,802	\$9,088,800	\$0	Black and Veatch Corporation 11/06-Revised projected total. 8/07-revised back up to original budget pending Design Amendment
Finance	\$0	\$115,000	\$0	\$ -	\$0	\$0	\$0	PFM, UBS, and Fulbright & Jaworski support services coded to Project Management line item above.
New Participant Contribution		\$0	-\$50,000	(\$49,040)	(\$961)	(\$50,000)	\$0	11/06-CSA 10A buy-in fee per Article 29 of the WDEC.
						Total Variance=	\$0	
Design Phase Budget Reserve (NOTE 2)	\$1,000,000	\$686,533	\$1,386,637		\$1,386,637	\$1,386,637		
SUMMARY - DESIGN PHASE	\$18,900,000	\$18,900,000	\$18,900,000	\$13,021,536	\$5,878,464	\$18,900,000		
Construction Phase Costs								
Project Management	\$2,325,000	\$2,712,500	\$4,688,563	\$0	\$4,688,563	\$4,688,563	\$0	Includes District staff, County Counsel, intern support, TJCross support, and operator support during construction. Also includes premium for District-provided Builder's Risk Insurance and County overhead allocation
Environmental Mitigation	\$3,700,000	\$3,720,000	\$4,500,000		\$4,500,000	\$4,500,000	\$0	Estimated as \$100,000 per mile for pipeline realignments, special construction techniques, and other costs incurred due to unforeseen environmental issues.
Construction Management, including Materials Testing & Surveying	\$4,500,000	\$4,485,000	\$5,835,000		\$5,835,000	\$5,835,000	\$0	Based on Jacobs construction management services fees.
Post-Design Services by Designer	\$0	\$0	\$3,200,000		\$3,200,000	\$3,200,000	\$0	Black & Veatch's construction phase services.
Environmental Monitoring (this work is added into Jacob's CM Agreement)	\$1,800,000	\$1,800,000	\$2,400,000		\$2,400,000	\$2,400,000	\$0	Includes cost for cultural and biological monitors during construction including Jacobs' mgt fee. Value negotiated with ESA per revised memo from TJ Cross 8-16-07
Construction Contracts (NOTE 1)	\$93,000,000	\$93,000,000	\$123,876,769		\$123,876,769	\$123,876,769	\$0	BASED ON CONSTRUCTION BIDDING
District Controlled Contingency Construction Phase Contingency and Reserve (NOTE 2)	\$24,231,000	\$23,838,500	\$11,113,363	\$0	\$11,113,363	\$11,113,363	\$0	Recommended contingency for construction change orders, prof service changes, and other Project reserve. Excludes the carryover of unused Design Phase reserves.
SUMMARY - CONST. PHASE	\$129,556,000	\$129,556,000	\$155,613,695	\$0	\$155,613,695	\$155,613,695	\$0	
Prior Expenses								
Advance Expenditures	\$513,000	\$513,000	\$513,000	\$513,000	\$0	\$513,000	\$0	
Cuesta Tunnel	\$1,031,000	\$1,031,000	\$1,031,000	\$1,031,000	\$0	\$1,031,000	\$0	Includes construction of Nacimiento Water Project pipeline section through Cuesta Tunnel and cost for 2003 EIR.
					\$0	\$0	\$0	
TOTAL PROJECT	\$150,000,000	\$150,000,000	\$176,057,695	\$14,565,536	\$161,492,159	\$176,057,695	\$0	

Positive Projected Variance indicates costs are under the revised line item budget.
Recent Update: August 20, 2007

NOTES

1. Construction value assumes the apparent low Bidder is awarded the construction contract.
2. When the Design Phase is closed, the reserves will be transferred to the Construction Phase Reserves.