

ANOTHER PUBLIC COMMENT – CVWD Board Meeting 4/13/2021 (from Marilyn Tyler)

CONCERN: As the CIP budget increases, there is greater reliance on outside consultants which significantly increases cost. (Also, the quality of the work may degrade due to small engineering staff trying to oversee too many projects.)

REAL WORLD EXAMPLE: For the first time in recent years, the Engineering Staff has a CIP budget which is almost double previous CIP budgets. For FY2020-21, the \$5M CIP budget includes \$2.3M to replace 1 mile of aging pipeline. But of the \$5M CIP budget, over \$800,000 will go to outside consulting services to deal with the accelerated schedule.

OUTSIDE CONSULTING SERVICES = \$810,920

\$600,000 – Construction Management and Support Services (Wallace and Assoc., Dudek, Cannon) – (“With the issuance of the new bonds, the Engineering Department is moving forward with design and construction relative to the \$5M bond funding scenario. To meet this goal, staff has put together an aggressive schedule that includes assistance from a variety of consultants and contractors to complete the CIP projects by June 30, 2021.” From October 13, 2020 Board packet.)

\$106,320 – Design plans and specifications for pipeline projects 3 and 4 (Civiltec Engineering) - (“For CVWD to meet the accelerated pipeline replacement schedule, we will need the assistance of a consulting engineering firm to prepare design plans and specifications for Projects 3 & 4.” From August 11, 2020 Board packet.)

\$104,600 - Utiliworks (AMI project) - (“When staff and UtiliWorks were preparing the RFQ in August 2019, the intent was for CVWD to perform most of the project administration, field testing and IT coordination with the customer service billing software platform. With the intent to pursue bond financing, staff and the Board concurrence to streamline project delivery by outsourcing programs and project management.” From August 11, 2020 Board packet.)

IMPLICATIONS: A \$5M CIP budget results in 1 mile of pipeline replacement (\$2.3M) and outside consulting costs of over \$800K. For CIP budgets bigger is not necessarily better---there is a point of diminishing returns. For example, I believe an \$8-9M CIP budget (2.12 miles of pipeline replacement) is too large to be managed successfully (keeping costs down and quality up).