

Memorandum

To: Programs, Projects and Operations Subcommittee

Subject: Sarpy County Wastewater/Water Study – Phase 2

Date: September 6, 2006

From: Gerry Bowen

In August, 2004, the District approved an interlocal agreement with Sarpy County and others to study the water and wastewater treatment needs in predominantly the Platte River watershed in Sarpy County. The District contributed \$50,000 to that effort (total cost ~ \$400,000).

Mark Wayne, Sarpy County Administrator, has requested that that NRD consider contributing to Phase 2 of the study which will further define the type of system to be designed and built in the southwestern portion of the County (see attached scope). The final report that was adopted and incorporated into the Sarpy County Comprehensive Plan, called for new urban development in the county, except acreages, to have a regional wastewater system available for hook-up by these developments.

The total estimated cost of the Phase 2 study is \$100,000. The following stakeholders and the amounts requested are shown below:

Sarpy County	\$30,000
MAPA	\$30,000
Springfield	\$20,000
Gretna	\$10,000
P-MRNRD	\$10,000

An interlocal agreement will be prepared by Sarpy County for execution by the parties.

Management recommends that the Subcommittee recommend to the Board that the Acting General Manager be authorized to execute an interlocal agreement with Sarpy County, MAPA, and the Cities of Springfield and Gretna for Phase 2 of the Sarpy County Water/Wastewater Treatment study in the amount of \$10,000, subject to changes deemed necessary by the Acting General Manager and accepted as to form by the District Legal Counsel.

Task 100 – Project Management

Objective:	As part of this task, the Project Manager will provide budget and invoice management, maintain agreed project schedules, will prepare progress reports to accompany invoices, will conduct internal staff meetings and prepare a project guide for HDR use.
HDR Activities:	<ul style="list-style-type: none"> 101.1 Budget and invoice management 101.2 Prepare and maintain overall progress schedule 101.3 Progress Reporting (monthly) 101.4 Internal Team Meetings 101.2 Develop HDR Project Guide
Task Deliverables:	<ul style="list-style-type: none"> Project Guide Meeting Minutes Monthly project status reports
Key Understandings:	HDR assumes six internal staff meetings during the course of the project to discuss project goals and objectives.
Meetings/Travel:	Internal staff meetings
Information and Services Provided by Others:	None

Task 200 –Project Definition and Concept Development

Objective:	<p>The primary objective of this task is to develop a clear understanding of the issues associated with the development of a publicly-owned and operated sanitary sewer infrastructure system that can serve the growing areas around Springfield and Gretna and the unincorporated areas that lie between that are part of the Sarpy County jurisdiction.</p> <p>In addition to defining these issues, key objectives include defining a Stakeholder Work Group and their respective roles and responsibilities, establishing an action plan with a specific schedule, and to introduce the Multiple Development Zone (MDZ), Present Development Zone (PDZ) and Future Development Zone (FDZ) concepts.</p>
HDR Activities:	<p>HDR will assist the County in forming a Stakeholder Work Group (SWG) by facilitating a kickoff meeting and developing a resolution of understanding.</p> <p>HDR will also work with the SWG and Sarpy County officials to define the needs associated with sanitary sewer management and to plan specific actions necessary to satisfy the identified needs.</p> <p>HDR will introduce the concept of Development Zones that will be designed to allow planned residential, commercial and light industrial development that will be financially feasible, and in accordance with the <i>Updated Sarpy County Comprehensive Plan</i>. The main HDR activities for this task include the following:</p>

201.1 Client Kick-off Meeting (Meeting #1)

HDR will facilitate a kickoff meeting to discuss the purpose of this Phase II study and to identify the key public and private Stakeholders to serve on the Stakeholder Work Group.

201.2 Review Existing Reports and Documentation

A review of the land use planning assumptions made in the Comprehensive Development Plan will provide the basis for proposed sanitary sewer system construction. A review of the water and wastewater systems study will become the starting point for the preliminary evaluation.

201.3 Development Zone (DZ) Concepts

HDR will prepare a general preliminary map of development zones for review and approval by the SWG. This preliminary DZ map will be subject to change based on financial analysis and inputs. HDR will introduce the concepts of present, future and multiple developments zones.

201.4 Stakeholder Work Group Kick-off Meeting (Meeting #2)

The outcome of this SWG Kickoff Meeting will be to complete a resolution of understanding and to outline a schedule by which publicly-owned infrastructure may be developed and to define the needs of the County and public Stakeholders.

Task Deliverables:	Client Kick-off Meeting (Meeting #1) Stakeholder Work Group Kick-off Meeting (Meeting #2) Map that demonstrates the preliminary concepts of Present, Future and Multiple Development Zones
Key Understandings:	This task is the first step to understanding what political, administrative, or economic obstacles may exist relative to the development of a publicly-owned and operated sanitary sewer infrastructure system. The Client Kick-off Meeting will involve two HDR professionals. HDR assumes the Project Manager (PM) and Management Consultant (MC) will participate in this meeting and that the meeting will require a maximum of four hours plus four hours of preparatory time per person. The Development Zone map is an assumed " <i>work-in-progress</i> " and is subject to change based on future cost estimating and financial analysis. The SWG Kick-off Meeting will involve three HDR professionals. HDR assumes the PM, MC and Senior Engineer (SE) will participate in this meeting, and that the meeting will require a maximum of four hours plus four hours of preparatory time per person.
Meetings/Travel:	Client Kick-off Meeting (Meeting #1)/SWG Kick-off Meeting (Meeting #2)
Information and Services Provided by Others:	None

Task 300 – Management Alternatives

Objective: The objective of this task is to assist with the challenge of determining what entity will take the lead in managing sanitary wastewater infrastructure decisions in Western Sarpy County. A key outcome of this task will be a preliminary list of management structure alternatives.

HDR Activities: HDR will work with the Sarpy County Attorney (or legal representatives for the Nebraska Association of County Governments) to draft a “white paper” describing the legal authorities of County government to manage sanitary wastewater systems under current Nebraska State law. HDR will facilitate and assist Sarpy County and the SWG with the development of a management option that satisfies the public and private management needs in Western Sarpy County. The sub-tasks include:

301.1 Preliminary Alternatives Analysis

HDR proposes to conduct an independent evaluation of the preliminary list of management alternatives. From this evaluation, HDR will recommend three (3) management alternatives (i.e. short list) for future consideration. HDR will consider, at a minimum, the following three concepts:

- a) Super SID
- b) Dominant Public Agency
- c) Sarpy County Sewer District

The Sarpy County Sewer District may integrate the concept of a Super SID and the Dominant Public Agency. Other concepts may be possible. HDR will consider other alternatives, as developed at Meeting #3; however, only three management alternatives will be retained for further consideration.

301.2 Stakeholder Work Group Meeting (Meeting #3)

HDR proposes to facilitate a Stakeholder Work Group meeting (Meeting #3) to discuss the concept of publicly-owned sanitary sewer infrastructure. The purpose of this meeting is to facilitate a brainstorming session to develop a preliminary list of management alternatives.

An additional activity will be to identify individuals to serve on a special Finance Committee (Task Series 400).

Task Deliverables: HDR will prepare a Technical Memorandum summarizing the Preliminary Alternatives Analysis.

Key Understandings: Meeting #3 will involve three HDR professionals. HDR assumes the PM, MC and SE will participate in this meeting, and that Meeting #3 will require a maximum of four hours plus eight hours preparatory time per person.

Government personnel will not be compensated by HDR.

This task is an intermediate step in the process of developing a publicly-owned and operated sanitary sewer infrastructure system.

Meetings/Travel: Stakeholder Work Group Meeting (Meeting #3)

Information and Services Provided By Others:

“White Paper” by Sarpy County Attorney or NACO legal representative

Task 400 –Financial Needs and Alternatives Analysis

Objective: The objectives of this task are to establish firm project costs and to formulate funding scenarios.

The purpose is to develop a way for the cash to flow from the owner (developer, land owner or lot owner) to an entity legally authorized to own, operate and manage sewerage systems for residential, commercial and industrial purposes. The funding scenarios will provide clear direction on how this will happen.

HDR Activities: In this task, HDR will review the Financial Plan prepared in the Phase I Infrastructure Study and will consider the financial applicability to the Management Alternatives determined in Task Series 300.

The main activities completed as part of this task include preparation of an updated financial plan, the preparation of three funding scenarios and the application of the optimal funding scenario to the short list of Management Alternatives. HDR will facilitate Meeting #4 to present and discuss the three funding scenarios.

401.1 Review the Phase I Financial Plan

HDR economists will review the Phase I financial plan for potential methods to improve or simplify. This document shall serve as the basis for the Phase II Financial Plan going forward.

401.2 Capital Cost Estimate Update

Complete capital cost have been presented in the Phase I study. As part of this task, the Phase I capital cost estimate (for the complete Western Sarpy drainage basin) will be reviewed and updated as necessary.

401.3 Capital Cost Estimate (Phased)

This capital cost estimate will be prepared based on a limited area of land in the Western Sarpy study area. The phased approach (based on the Development Zone concept (Multiple, Present or Future) will establish the area boundaries. Capital costs for sewer infrastructure will be prepared on a cost per acre basis for this phased approach.

401.4 Funding Scenarios

HDR economists will formulate three funding scenarios and draft a Technical Memorandum describing three scenarios that may achieve the stated objective.

401.5 Meetings #4 and #5

HDR team will meet with representatives of the financial community (Special Finance Committee (SFC) appointed by SWG) to discuss the perceived advantages and disadvantages of the preliminary list of funding scenarios (Meeting #4).

HDR will facilitate a fifth meeting (Meeting #5) to present the three funding scenarios to the Stakeholder Work Group. This meeting is planned to allow Stakeholder input and selection of a single funding scenario that may be applied to the short list of Management Alternatives.

	401.6 Alternatives Analysis HDR team will apply the recommended funding alternative to the short list of management alternatives and complete the assessment.
Task Deliverables:	Capital Cost Estimates for Sewer Infrastructure based on phasing (i.e. Development Zones) Technical Memorandum describing three Funding Scenarios Technical Memorandum recommending a Management Structure based on the application of the recommended Funding Scenario.
Key Understandings:	The activities performed as part of this task are estimates and recommendations only. The actual implementation of the Phase II Financial Plan is dependent upon the actions taken by the local governments on recommendations made in a future task (i.e. Policy Formation and Agreements), which is not included in the Scope of this Work. Meeting #4 will involve three HDR professionals and representatives of the Financial Community (as appointed by the SWG). HDR assumes the PM, MC and Economist will participate in this meeting, and that the meeting will require a maximum of four hours plus four hours of preparatory time per person. Members of the SFC participate on a strictly voluntary basis. Meeting #5 will involve three HDR professional and the Stakeholder Work Group. HDR assumes the PM, MC and Economist will participate in this meeting, and that the meeting will require a maximum of four hours plus four hours of preparatory time per person.
Meetings/Travel:	Finance Committee Meeting (Meeting #4)/SWG Meeting (Meeting #5)
Information and Services Provided by Others:	The Stakeholder Work Group appoints the Special Finance Committee Input from the Financial Community (as appointed by the SWG)

Task 500 – Prepare Reports

Objective:	The objective of this task will be to capture the major outcomes of the Phase II study. While the Phase II study will include efforts to update and revise engineering recommendations made in the Phase I study, the major components of this study will include development zone concepts, management recommendations and decisions, and financial planning.
HDR Activities:	HDR will prepare a draft report and a final report for this Phase II study. HDR will review the Draft Report. Upon review and acceptance by the Stakeholder Work Group, HDR will complete the Final Report.

501.1 Draft Study Report

The Draft Study Report will consist of a written description of the project, problem identification, alternatives analysis, and recommendations with Technical Memorandums, and updated cost analysis included as appendices.

501.2 Quality Control Review

HDR will perform a Quality Assurance/Quality Control (QA/QC) review of the Draft Study Report utilizing a Senior Professional. The reviewer will be an HDR professional experienced in administrative, management and financial planning for the municipal or public sector.

501.3 SWG Review Meeting (Meeting #6)

A single comprehensive presentation and review meeting is planned to discuss results of the Draft Study Report with the Stakeholder Work Group.

501.4 Final Report

Final Report with approved comment/responses incorporated.
The Final Report will also include updated Cost Estimates with a breakdown of Capital Costs based on the Development Zone concept.

501.5 Final Presentations (Meetings #7, #8, and #9)

HDR will present study findings to the City of Springfield (Meeting #7) and City of Gretna City Council (Meeting #8). HDR PM will present the findings including Management Options, Financial Planning resulting from this study.

The final presentation proposed (Meeting #9) would be to the Sarpy County Board of Commissioners.

Task Deliverables:

Draft Phase II Study Report (distributed electronically).
Final Phase II Study Report. Ten (10) bound reports including an electronic version will be produced.
Review Meeting (Meeting #6)
Final Public Presentations

Key Understandings:

HDR will distribute the Draft Study Report electronically for Sarpy County and Stakeholder Work Group review and comment.
Draft review will be performed in a timely fashion (four weeks are assumed from the date of receipt of the Draft Study Report).

Meetings/Travel:

Draft review meeting and presentation (Meeting #6).
Meeting #6 will involve four HDR professionals. HDR assumes the PM, MC, SE and Economist will participate in this meeting, and that the meeting will require a maximum of four hours plus eight hours of preparatory time per person.
The Final Public Presentations (Meetings #7, #8 and #9) will involve the PM and MC and will require a maximum of four hours per meeting and four hours of preparatory time per meeting.

Information and Services Provided by Others:

County review/comment
Stakeholder Work Group review/comment

Task 600 – Policy and Agreements [Considered part of FUTURE PHASE III]

Objective: The objective of this task is to provide Sarpy County and the Stakeholder Work Group a set of accepted policies and agreements used in the management of developer proposals in the study area.

HDR Activities: HDR will assist Sarpy County and the public Stakeholder Work Group in developing policies and agreements to support the decision-making process as it pertains to development in Western Sarpy County. The specific activities include the following.

601.1 Zoning and Regulation Changes

HDR has prepared a preliminary technical memorandum (as part of the Phase I Infrastructure Study) to deal with privately-owned and operated wastewater treatment facilities. HDR will review this memorandum and current zoning and development regulations to determine what zoning and regulation changes can be executed as part of this Phase II study.

601.2 Assist with Development Policy

HDR will work with Sarpy County to prepare an administrative policy to manage the decision-making process during the land development process. This policy making will ultimately involve the Sarpy County Board and other public City Councils and Board action. HDR proposes to develop model language for review by the appropriate legal representative of each public agency.

601.3 Investigate Pro Forma Agreements

HDR will propose agreements between public agencies as necessary and appropriate for the implementation of a public wastewater authority.

601.4 Develop Model Engineering Standards and Guidelines

HDR will prepare a listing of model engineering standards and guidelines for future sanitary wastewater design and construction. As part of this task, only a listing will be provided.

This listing of engineering standards and guidelines will be subject to review and approval of Sarpy County and the public Stakeholder Work Group before it can be enforceable. The enforcement of model engineering standards and guidelines may become part of a future wastewater authority's role and responsibility.

Task Deliverables: Draft Zoning and Subdivision Regulation Changes
Model Agreements
Listing of Applicable Engineering Standards and Guidelines

Key Understandings: Zoning and Subdivision Regulation changes can only be presented to the appropriate public authority. HDR can only present the proposed changes. Actual approval of recommended zoning changes may become part of a subsequent task.

Meetings/Travel: # of Meetings will be determined

Information and Services Provided By Others:

Approval of Zoning Changes must be performed by the Sarpy County Board, the City of Springfield Council, and the City of Gretna Council.

COMPENSATION AND FEE SCHEDULE

HDR would not start work on any given Task or Subtask until specific services, and associated fees, are authorized by the County. HDR estimates the cost of this project to be \$99,946. The level of effort and associated fee estimate is provided in the following table.

PERIOD OF SERVICE

Upon receipt of written authorization to proceed, HDR shall perform the services described in the Scope of Services within the time period(s) presented in below or otherwise agreed upon in writing. Tasks are anticipated to be completed on or before the dates listed below, based on authorization to proceed prior to August 29th, 2006 and anticipated start of various tasks.

<u>Task</u>	<u>Activity</u>	<u>Estimated Timeframe</u>
Task 201.1	Client Kick-off Meeting (#1)	September 14, 2006
Task 201.4	Stakeholder Work Group Meeting (#2)	September 25, 2006
Task 301.1	White Paper/Management Alternatives Analysis	
	Stakeholder Work Group Meeting (#3)	October 16, 2006
Task 401.4	Funding Scenarios	October 31, 2006
Task 401.5	Financial Committee Meeting (#4)	November 2, 2006
Task 401.5	Stakeholder Work Group Meeting (#5)	November 13, 2006
Task 501.1	Draft Study Report	December 7, 2006
Task 501.3	Stakeholder Work Group Meeting (#6)	December 18, 2006
Task 501.4	Final Report	January 11, 2007
Task 501.5	Report Presentations	Complete in February

Unless otherwise stated in this Agreement, the rates of compensation for HDR's services have been agreed to in anticipation of the orderly and continuous progress of the project through completion.

If any specified dates for the completion of HDR's services are exceeded through no fault of the HDR, the time for performance of those services shall be automatically extended for a period which may be reasonably required for their completion and all rates, measures and amounts of ENGINEER'S compensation shall be equitably adjusted.

**Sarpy County
Phase II Infrastructure Study**

LEVEL OF EFFORT AND FEE ESTIMATE

Task	PM	SPENGR	MGMT CONSULT	ECON	PE	QA/QC	GISTECH	WP	TOTAL
	Randy	Lyle and Jim	Stephanie	Jeremy or George	Jose	Tony	John	Joanne	
100 - Project Management	32	6	6	6	2	2	2	12	68
200 - Defining Concepts	32	16	18	0	8	2	44	0	120
300 - Management Analysis	40	28	50	0	0	2	0	8	128
400 - Financial Analysis	38	0	26	86	24	2	0	16	192
500 - Reporting	76	20	76	52	24	24	24	40	336
600	0	0	0	0	0	0	0	0	0
Total	218	70	176	182	58	32	70	76	844
HRS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate	\$27,032	\$11,284	\$18,550	\$17,856	\$6,563	\$5,337	\$4,481	\$3,758	\$94,861
Fee									

Total Labor Fee: \$94,861

ESTIMATED REIMBURSABLE EXPENSES

Miscellaneous	\$0
Travel	\$550
Mapping	\$50
Printing	\$975
Technology Charge	\$3,460

Total Expenses: \$ 5,085
Total Project Fee: \$99,946