

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): OCTOBER 16 & 20, 2025

FROM: ERIC WECK, P.E., ENGINEERING MANAGER

FOR: ACTION X DIRECTION _____ INFORMATION _____



REJECTION OF CONSTRUCTION BIDS FOR THE SEPTIC TO SEWER CONVERSION PROJECT

STAFF RECOMMENDATION

It is recommended to authorize the General Manager to reject all bids and not proceed with construction of the Septic-to-Sewer Conversion Project.

SUMMARY

The purpose of the Septic to Sewer Conversion Program is to bring six parcels into compliance with the District's Notice to Connect Program. In September 2025, MSWD solicited bids for the construction of the Septic to Sewer Conversion Program. Five contractors submitted proposals, with the lowest responsible bid received from Tri-Star Contracting II, Inc. in the amount of \$113,376.00.

ANALYSIS

The Prop 1 Round 1 Grant, in the amount of \$76,988, was originally designated for the AD-18 D-3 Sewer Construction Project. However, due to contractor bids coming in significantly higher than expected and the project being put on hold, the funds needed to be reallocated to another eligible District project. To meet the grant requirement of completing the project by the September 30, 2025, deadline, MSWD expedited the Septic to Sewer Conversion Program with the intention of utilizing the available grant funds. While the project was being advertised for bids, staff awaited confirmation from the Department of Water Resources (DWR) regarding whether the grant funds could be applied to private-side construction. After receiving bids, DWR determined that the funds could not be used for this purpose. As a result, moving forward with construction would require the District to fully fund the project at a cost of \$113,376.00. Given the substantial financial impact, Staff recommends that the Board reject all bids received.

FINANCIAL DATA		
Cost Associated with this action:	\$0	
Current FY cost:	\$0	
Future FY cost:	\$0	
Is it covered in current year budget:	YES ☐	NO ☒
Budget adjustment needed:	YES ☐	NO ☒
If yes, year needed:	NA	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	CIP	
BID/Job#	11905	
Current BID/Job balance	\$0.00	
Balance remaining if approved:	(\$113,376.00)	

FISCAL IMPACT & STRATEGIC PLAN IMPLEMENTATION

Awarding the project to Tri-Star Contracting II, Inc. would require the District to fully fund the project at a cost of \$113,376.00, equating to approximately \$18,896.00 per lot, exclusive of ancillary costs. This action of rejecting the bids is consistent with Strategic Plan Goal 3.2: Control costs and manage debt responsibly.

ATTACHMENTS

Attachment A: Bid Summary