



February 14, 2013

Mitch Chambers
 Stonegate Village Metropolitan District
 c/o Mulhern MRE, Inc.
 2 Inverness Drive East
 Suite 200
 Englewood, CO 80112

RE: Stonegate Village Metropolitan District Wastewater Treatment Facility Upgrades
 Alternate Project Delivery Project Experience Summary
 Burns & McDonnell Project No. 69228

Dear Mitch:

In follow-up to our meeting of January 21, 2013, and at the request of the Stonegate Village Metropolitan District Board, Burns & McDonnell has prepared a summary of Burns & McDonnell projects in which alternative project delivery methods were used. This summary includes project name, owner name, contract type, and project costs based on the best available information. Please note that these are municipal projects completed by our Rocky Mountain Regional Office with the last ten years and many were completed by your project team.

Project	Owner	Contract Type	Project/Construction/Engineering Costs (in Millions)
Broomfield North Area Lift Station (On-going)	City and County of Broomfield	Design-Build – GMP w/ Shared Savings	\$12 / \$11.05 / \$0.95 ^(a)
Boxelder Wastewater Treatment Facility (On-going)	Boxelder Sanitation District (Fort Collins, CO)	Design-Contract-Build (Hybrid)	\$10 / \$9 / \$1 ^(a)
Plum Creek Water Purification Facility (On-going)	Town of Castle Rock	Design-Contract-Build (Hybrid)	\$17.4 / \$16 / \$1.4 ^(a)
Erie North Water Reclamation Facility	Town of Erie	Design-Build – GMP w/ Shared Savings	\$20 / \$18.1 / \$1.9 ^(a)
Fairplay Wastewater Treatment Facility	Fairplay Sanitation District	Design-Build – GMP w/ Shared Savings	\$5.5 / \$5 / \$0.5 ^(a)
Lynn R. Morgan Water Treatment Plant Expansion	Town of Erie	Design-Build – Lump Sum	\$13.1 / \$11.6 / \$1.5
Lynn R. Morgan Water Treatment Plant Fluoride System	Town of Erie	Design-Build – Lump Sum	\$0.22 / \$0.17 / \$0.05
Riverton Wastewater Treatment Plant Headworks and Solids Handling Improvements	City of Riverton (WY)	Design-Build – GMP w/ Shared Savings	\$5.2 / \$4.62 / \$0.58 ^(a)
West Brown Water Treatment Plant Expansion	City of Thornton	Construction Manager at Risk	\$55 / - / -



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Project	Owner	Contract Type	Project/Construction/Engineering Costs (in Millions)
Brighton Wastewater Treatment Plant Improvements	City of Brighton	Design-Build – GMP w/ Shared Savings	\$4.1 / - / .6
Northwest Water Treatment Plant Expansion	City of Westminster	Design-Build – Lump Sum	\$2.9 / \$2.72 / \$0.18
Northwest Water Treatment Plant	City of Westminster	Design-Build – Lump Sum	\$16 / - / -
Montrose Wastewater Treatment Plant Expansion	City of Montrose	Design-Build – Lump Sum	\$3.5 / \$3.17 / \$0.33
Colorado City Water Treatment Plant	Colorado City Metro District	Design-Build – Lump Sum	\$1.9 / \$1.73 / \$0.17
Cave Creek Water Ranch	Town of Cave Creek (AZ)	Design-Build – GMP	\$27 / \$24.5 / \$2.5

Notes:

1. Engineering included preliminary services such as master planning assistance and site development. Construction engineering does not include full-time resident project representative (i.e., part-time field observations are included).
2. Engineering included preliminary services such as design criteria confirmation and additional support services. Construction engineering includes essentially a full-time, experienced field engineer (i.e., registered professional engineer).
3. Construction engineering does not include full-time resident project representative (i.e., part-time field observations are included).
4. Engineering included preliminary services such as property acquisition assistance and site development. Construction engineering included a full-time, experienced field engineer (i.e., registered professional engineer).
5. Final project cost includes deductive change orders resulting from shared savings generated during completion of the project.

The District can be confident that Burns & McDonnell, and specifically our project team, is well qualified in assisting the District with any form of alternative project delivery. If you have any questions related to our presentation at the previous board meeting, please do hesitate to let us know.

Respectfully Submitted,

Darin Brickman, P.E.
 Principal

Memorandum



Date: February 14, 2013
To: Mitch Chambers
From: Andrew Waddoups
Subject: Stonegate Village Metropolitan District Wastewater Treatment Facility Upgrades Progress Update

This memorandum is to describe progress completed for the Upgrades Project, Preliminary Design & Permitting.

- **Project Delivery Method Overview**
The District and Burns & McDonnell met on January 22nd, 2013 to discuss project delivery options. Burns & McDonnell provided an overview of alternative delivery methods and the difference between alternative and conventional construction methods.
- **Permitting**
The project team has started the permitting process with CDPHE. To date, it has been confirmed that new preliminary effluent limits will not be required for the plant expansion since the flow rate will not change. The project team has also completed the Invoice Request Form and Site Application Form, which are the first permitting steps through CDPHE. The majority of the Site Application Report has also been completed. The outstanding items to complete on the forms are related to how the project will be funded. Until this is resolved, the Site Application cannot be submitted.
- **Process Alternative Evaluation**
The project team is developing a comparison matrix for alternative process manufactures that may be used for the final design selection. The team has established the headworks screening requirements, secondary process basin volumes, MBR basin alternatives, digester basin volumes, UV disinfection alternatives and bio-solids dewatering alternatives. Budgetary proposals have been obtained for each process for use in the alternative matrix and for the net present worth comparison. The team will soon be prepared to present the findings of the alternatives analysis.

The MBR preliminary design has progressed to a second round of budgetary proposals. At this time, the project team is discussing redundancy requirements with CDPHE as the new DR-1 regulations are unclear. Since the regulations are only a few months old, we don't believe the MBR regulations have been tested by a previous project.

- **Project Scope Definition**
This scope task includes specifically defining what processes will be included in the Upgrade Project. Work has not commenced on this task directly, but an underlying goal of this task is to determine what process improvements can/should be included within the



Memorandum *(continued)*

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District's budget. At this time, the project team has obtained enough budgetary proposals and completed enough preliminary engineering to establish an approximate budget. In the coming month, the project team will be prepared to complete this task with input from the District.

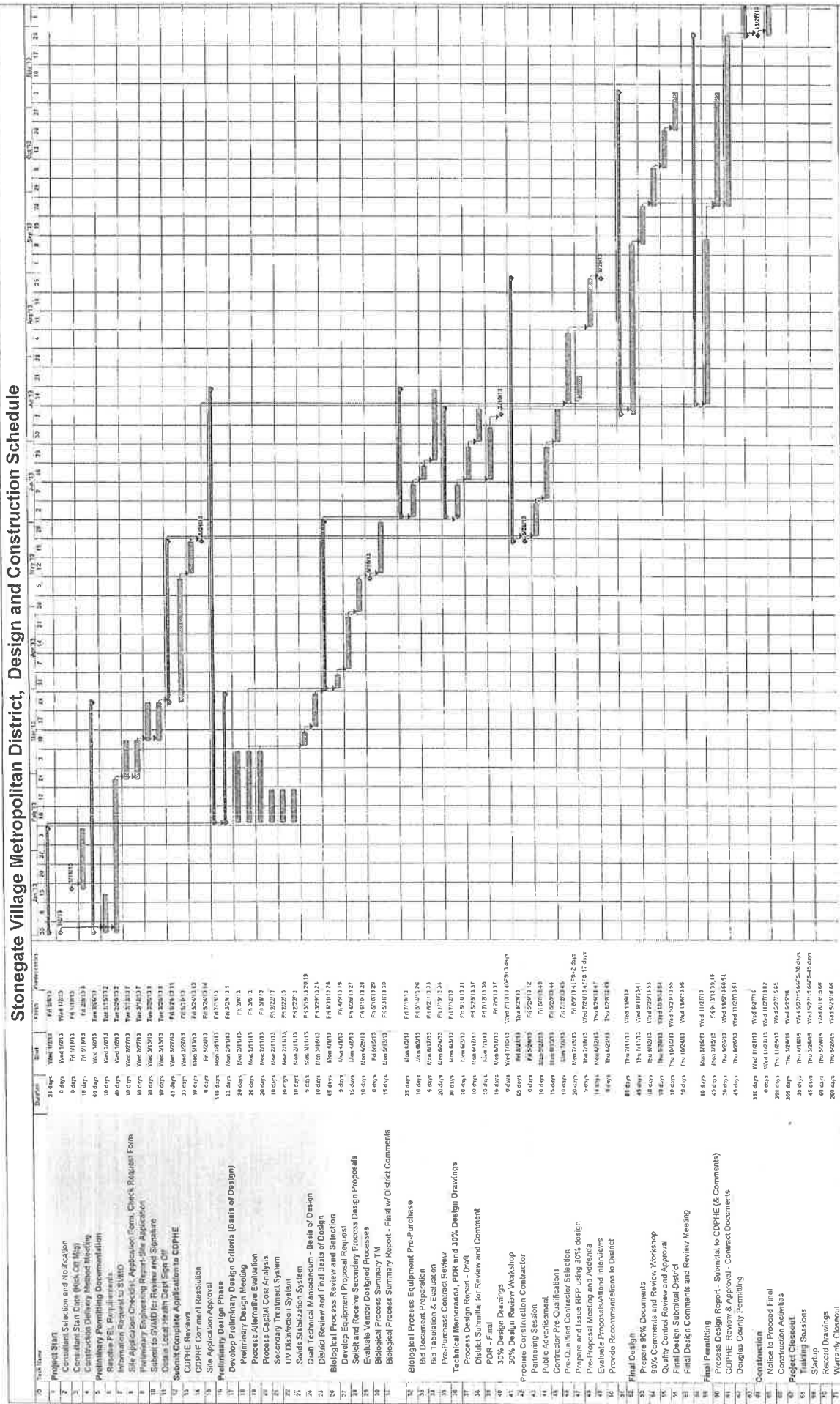
At this time, the project team is continuing with the scope tasks indicated in Amendment 1, Tasks Series 2. In order to complete the work, the team will need decisions and comments from the District. These included the following items.

- **Project Funding Selection** – The funding method and proof of payment capability is a critical path step of the Site Application process. Until this is determined, the site application cannot be submitted.
- **Project Scope Selection** – The project team would like to meet with the District within the next few weeks to discuss the final project scope. Enough of the preliminary design is completed to create a budget for the design project.
- **Project Delivery Method Selection** – This will be important for the next phase of design. If the District wishes to use an alternative delivery method, then this will be addressed in the future design phase of the project.

ALW

Enclosure
cc: File

Stonagate Village Metropolitan District, Design and Construction Schedule



Gantt Chart | Network Diagram | Resource Histogram | Summary | Print | Refresh | Zoom | Filter | Legend | Help

Project Summary | Resource Summary | Task Summary | Summary | Print | Refresh | Zoom | Filter | Legend | Help

Project Summary | Resource Summary | Task Summary | Summary | Print | Refresh | Zoom | Filter | Legend | Help

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Stonegate Village Metropolitan District

Debt Service & Rate Options - Series 2013 Water Revenue Bonds

	Option 1 30 Year Term	Option 2 25 Year Term	Option 3 20 Year Term
Par Amount	\$8,385,000	\$8,450,000	\$8,525,000
Project Funds	\$8,000,000	\$8,000,000	\$8,000,000
Reserve Fund	\$468,744	\$511,313	\$581,763
True Interest Cost % (TIC)	3.66%	3.42%	3.12%
Total Repayment (Net of DSRF)	\$13,238,076	\$11,958,183	\$10,782,376
Average Annual Repayment	\$456,485	\$498,258	\$567,493
Annual Cost Per Customer	\$138.33	\$150.99	\$171.97
Monthly Cost per Customer	\$11.53	\$12.58	\$14.33

Assumptions:

- A Rated Revenue Bond +100 over MMD
- DSRF Earning 2% Annually
- Level Payments
- 3,300 Customers