

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Steven J. Pinkerton  
General Manager

**FROM:** Joseph Pomroy, P.E.  
Director of Public Works

**SUBJECT:** Review, Discuss, and Possibly Authorize Multiple Contracts for the Incline Creek Restoration Project – Upstream of SR-28 – 2018/2019 Capital Improvement Project: Fund: Community Services; Division: Parks; Project # 4378LI1504B; Vendors: Aspen Developers in the amount of \$273,000 and Cardno in the amount of \$37,000

**STRATEGIC PLAN:** Long Range Principle 5 – Assets and Infrastructure

**DATE:** May 14, 2019

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**I. RECOMMENDATION**

That the Board of Trustees makes a motion to:

1. Award a construction contract to Aspen Developers in the amount of \$273,000 for construction of the Incline Creek Restoration Project – Upstream of SR-28.
2. Authorize Chair and Secretary to execute the contract with Aspen Developers based on a review by General Counsel and Staff.
3. Authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 20% of the project bid – \$55,000
4. Authorize Staff to enter into an Additional Services Addendum with Cardno totaling \$37,000 for services during construction of the project.

## **II. DISTRICT STRATEGIC PLAN**

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

## **III. BACKGROUND**

The District has a long history of successfully partnering to restore the creeks in Incline Village with the goals of reducing bank erosion, improving lake clarity, creating fish habitat, and improving fish passage. Restoration work on the District owned portions of Third and Incline Creeks has long been identified as an Environmental Improvement Project with the Tahoe Regional Planning Agency (TRPA) again with the goals of restoring the stream environment zone and improving fish passage on both creeks.

Between 2008 and 2015, five phases of restoration work were completed on Third and Incline Creeks between Lake Tahoe and State Route 28 in partnership with the United States Army Corps of Engineers (USACE) and State of Nevada – Division of State Lands (NDSL). These projects were recognized in 2009 and 2012 by TRPA with a Best in the Basin Award.

During completion of the fifth phase of restoration work on Incline Creek in 2015, Staff from IVGID and NDSL identified an opportunity to continue the successful work to restore the valuable aquatic habitat in Incline Village and address a piece of failing District infrastructure. Between the fourteenth and fifteenth holes on the Championship Golf Course the District maintains a crossing to facilitate customers as well as maintenance staff and equipment movement across Incline Creek. This crossing consists of an earthen fill with two corrugated metal pipe culverts to allow creek flow passage. The outfalls of the culverts are perched above flowline of the creek which prevents fish passage and there is substantial bank erosion occurring. The culverts themselves have become undermined and are showing deterioration.

At the May 18th, 2016 meeting, the Board of Trustees voted to authorize a cost sharing agreement with to the NDSL to replace the failing culverts, install a new bridge consistent with the others constructed during the multiple phases of restoration projects, restore stream banks and fish habitat in the vicinity of the culvert, and restore fish passage to upstream habitat. This project includes preparation of project plans and specifications, completion of the necessary environmental documentation and permitting. The total anticipated cost to complete this project was \$170,000. The District was awarded an \$114,207 grant by the NDSL via the Lake Tahoe License Plate (LTLP) Program. The District match for the project totaled \$55,793.

During the design of the project, District Staff identified and pursued additional grants to ensure adequate funding was secured to address the project goals of restoring the function and processes of Incline Creek, while providing a buffer against the escalating construction costs seen in the current bidding environment. In October 2017 the District was awarded a 319(h) grant through the Nevada Department of Environmental Protection (NDEP) in the amount of \$114,000. This grant requires a 50/50 match of funding. The NDSL/LTLP grant, when coupled with the previously allocated District funds, will provide the necessary 50/50 match requirement. As a result of the pursuit and receipt of the NDEP grant, a new NDSL/LTLP grant agreement has been issued and was authorized by the Board of Trustees to extend the project timeline and agreement duration.

#### **IV. BID RESULTS**

The District publicly advertised this project for bidding and plan sets were acquired by interested bidders. Three bids were received and opened on April 25, 2019. The bid results are as follows.

<b>Contractor</b>	<b>Bid Amount</b>
Aspen Developers	\$273,400
Burdick Excavating	\$290,874
F.W. Carson	\$496,528

The lowest responsive bidder is Aspen Developers. If awarded, the project is scheduled to be substantially complete by October 15, 2019. The objective is to perform the work in the fall when the Incline Creek flows are lower, the impacts to golf are lessened and there is also a long lead time to procure the new bridge.

**V. FINANCIAL IMPACT AND BUDGET**

The Incline Creek Restoration Project – Upstream of SR-28 is included in the 2018/2019 Capital Improvement Plan with \$186,000 in grant funds and \$37,000 was carried over from the 2017/2018 Capital Improvement Plan.

The following table summarizes the District, NDSL and NDEP funding commitments and expenditures to date through April 2019. This table was first presented to the Board of Trustees in February 2018 when the two cost sharing agreements were approved by the Board. There is currently \$215,532 in available funds for the project in the current CIP and with the two grant funding agreements.

	<b>IVGID</b>	<b>NDSL</b>	<b>NDEP</b>	<b>Total</b>
Funds	\$55,793	\$114,207	\$114,000	\$284,000
Expended To Date	\$15,950	\$47,853	\$1,517	\$65,320
Remaining	\$36,695*	\$66,354	\$112,483	\$215,532*

\*Adjusted to project actuals.

The following Table presents the Total Construction Phase Project budget. There is currently a need for \$163,000 to complete this project.

**Total Construction Phase Project Budget**

<b>Construction Phase</b>	<b>Cost</b>
Construction Contract	\$273,000
20% Construction Contingency	\$55,000
Construction Management and Engineering	\$50,000
<b>Subtotal</b>	<b>\$378,000</b>
NDEP and NDSL Grant Remaining	\$178,837
IVGID CIP Budget Remaining	\$36,695
IVGID Budget Needed to Complete Project.	\$162,468

District staff immediately reached out to our Project Partners to request additional support for this important Environmental Improvement Project. NDSL and NDEP both immediately stated their desire to complete this project and were able to identify additional sources of funding. The additional cost sharing is shown in the following table to meet the needed project shortfall of \$162,468. This preserves the cost sharing percentage for all three project partners. The District is currently contributing approximately 20% of the project costs.

<b>Project Partner</b>	<b>Funding Commitment</b>
NDEP	\$65,000
NDSL	\$65,000
District	\$32,468
<b>Total Funding Commitment</b>	<b>\$162,468</b>

The new funding commitments meet the projected budget shortfall. If the project comes in below the new funding commitment, all parties will proportionately share in the savings, which is consistent with the project cost sharing agreements. The budget summary is presented below when all new funding commitments are included.

<b>Project Partner</b>	<b>Funding Commitment</b>
Construction Phase Expenditures	\$378,000
NDSL and NDEP Funding	\$308,837
District CIP Funding (see below)	\$69,163

The NDEP and NDSL have committed up to an additional \$130,000 of funding for this project. Under a previous agenda item, Staff requested authorization to enter into an amended funding agreement with NDEP for an additional \$65,000. The amendment for the NDSL Funding agreement will not be available until June at the earliest. The District has added \$163,200 to the CIP and the data sheet follows this memo. At this time, the District has a liability of \$97,468 to complete this Project. The additional funding commitment from NDSL will reduce the District's liability to \$32,468 for this Project when it is brought to the Board for approval.

## **VI. ALTERNATIVES**

Not award the contract and notify the funding partners that the project has insufficient funds to proceed.

## **VII. BUSINESS IMPACT**

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.



## Project Summary

<b>Project Number:</b>	4378LI1504
<b>Title:</b>	Incline Creek Restoration Project - Upstream of SR-28 (Net of Grants)
<b>Project Type:</b>	D - Capital Improvement - Existing Facilities
<b>Division:</b>	78 - Parks Services
<b>Budget Year:</b>	2020
<b>Finance Options:</b>	
<b>Asset Type:</b>	LI - Land Improvements
<b>Active:</b>	No

<b>Project Description</b>					
This grant funded project will replace two failing culverts on the Championship Golf Course with a new prefabricated bridge consistent with other bridges installed on previous phases of creek restoration work on District owned property. Additional goals of the project include restoring the stream banks and improving fish passage to upstream habitat.					
<b>Project Internal Staff</b>					
IVGID Engineering will manage all phases of this project.					
<b>Project Justification</b>					
IVGID has partnered with the NDSL and NDEP to fund design and construction of this project. NDSL is providing \$114,207 (of which \$74,817 remains as of February 21, 2018) and NDEP is providing \$114,000. NDSL and NDEP have indicated a probability that additional funds can be made available to meet the May 7, 2019 disclosure of additional costs; now that the bidding process has been completed. The end objective would be a 25% match from the District.					
<b>Forecast</b>					
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>		
2020					
Construction	163,200	0	163,200		
Year Total	163,200	0	163,200		
	<b>163,200</b>	<b>0</b>	<b>163,200</b>		
<b>Year Identified</b>	<b>Start Date</b>	<b>Est. Completion Date</b>	<b>Manager</b>	<b>Project Partner</b>	
2015			Principal Engineer		