

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

THROUGH: Joseph J. Pomroy, P.E.
Director of Public Works

FROM: Bradley A. Johnson, P.E.
Director of Asset Management

SUBJECT: Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District

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

DATE: April 14, 2017

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Enter into an Intergovernmental Grant Administration Agreement (IGAA) with South Tahoe Public Utility District that provides the District with \$72,266 in federal grant funds to support planning, design, and construction of water system improvements that have a direct relationship to fire suppression.
2. Authorize the Chair of the Board of Trustees to sign the agreement based on a review by General Counsel and Staff.

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

South Tahoe Public Utility District (STPUD) developed the Lake Tahoe Community Fire Prevention Partnership among the public water purveyors of Lake Tahoe. This partnership was formed out of the member agencies of the Tahoe Water Supplier's Association and its purpose is to obtain appropriations from the Federal Government through the United States Forest Service for planning, design, and construction of water system improvements that have a direct relationship to wildland fire suppression. The inclusion of all the public water purveyors has elevated the regional significance of this effort and acknowledges the threat of catastrophic fire to the Tahoe Basin. The public water purveyors included in the partnership are South Tahoe PUD, North Tahoe PUD, Tahoe City PUD, IVGID, Kingsbury GID, Round Hill GID, Douglas County, and Lakeside Park Association.

In 2008, STPUD staff and their legislative advocate obtained \$1,000,000 in matching funds for STPUD to construct water system improvements in 2008 to improve water infrastructure related to fire suppression.

The success of that first year's appropriation, the formation of the Partnership, and the severity of the Angora Fire resulted in the authorization of \$5,000,000 in the 2009-10 federal budget for the Partnership. The Board of Trustees approved entering into an IGAA with STPUD at the April 8, 2009 meeting that provided IVGID with \$1,174,770 in 50% matching funds from the Partnership. These grant funds supported the completion of the 2009 Watermain Replacement and Fireflow Enhancement Project, the 2010 Fireflow Enhancement Project, the Burnt Cedar Emergency Generator Upgrade Project, and the completion of final design and purchase of pumps for the 2010 Water Pump Station Improvements Project.

The Partnership received an additional \$5,000,000 authorization in the 2010-11 federal budget. The Board approved entering into a second IGAA with STPUD at the August 25, 2010 meeting that provided IVGID with \$1,168,742 in 50% matching funds. These grant funds supported the completion of the 2010 Water Pump Station Improvements Project as well as the 2011 Watermain Replacement

and Fireflow Enhancement Project and the 2013 Watermain Replacement and Fireflow Enhancement Project.

During the 2011-12 federal budget the partnership received an additional \$1,000,000 authorization. The Board approved entering into a third IGAA with STPUD at the October 12, 2011 meeting that provided IVGID with \$233,748 in 50% matching funds. These grant funds supported the completion of the 2013 Watermain Replacement and Fireflow Enhancement Project.

During the 2012-13 federal budget the partnership received an additional \$900,000 authorization. The Board approved entering into a fourth IGAA with STPUD at the October 10, 2012 meeting that provided IVGID with \$210,311 in 50% matching funds. These grant funds supported the completion of the 2013 Watermain Replacement and Fireflow Enhancement Project.

During the 2013-14 federal budget the partnership received an additional \$765,000 authorization. The Board approved entering into a fifth IGAA with STPUD at the September 25, 2013 meeting that provided IVGID with \$179,019 in 50% matching funds. These grant funds supported the completion of the 2014 Watermain Replacement and Fireflow Enhancement Project.

During the 2014-15 federal budget the partnership received an additional \$650,000 authorization. The Board approved entering into a sixth IGAA with STPUD at the July 30, 2014 meeting that provided IVGID with \$151,033 in 50% matching funds. These grant funds supported the completion of the 2014 Watermain Replacement and Fireflow Enhancement Project.

During the 2015-16 federal budget the partnership received an additional \$1,000,000 authorization. The Board approved entering into a seventh IGAA with STPUD at the June 24, 2015 meeting that provided IVGID with \$228,872 in 50% matching funds. These grant funds supported the completion of the 2016 Watermain Replacement and Fireflow Enhancement Project.

During the 2016-17 federal budget the partnership received an additional \$800,000 authorization. The Board approved entering into an eighth IGAA with STPUD at the July 27, 2016 meeting that provided IVGID with \$183,029 in 50% matching funds. These grant funds supported the completion of the 2016 Watermain Replacement and Fireflow Enhancement Project as well as the 2017 Watermain Replacement and Fireflow Enhancement Project currently underway.

At the March 23, 2017 meeting, the Board approved amending the 2015 and 2016 IGAA's with STPUD to increase the grant funds allocated to IVGID by \$71,327 and \$57,068 accordingly. These additional grant funds also supported the completion of the 2016 Watermain Replacement and Fireflow Enhancement Project as well as the 2017 Watermain Replacement and Fireflow Enhancement Project currently underway.

Based on the continued success of the program and through the combined efforts of IVGID's legislative advocate, Marcus Faust, working with the Nevada Delegation in Congress and STPUD Staff and their legislative advocate working with the California Delegation in Congress; the Partnership has received an additional \$500,000 for the 2017-18 Federal fiscal year. This amount is \$200,000 greater than the amount originally proposed by the USFS resulting in an IVGID allocation larger than the amount reported to the Board of Trustees during the 2017 Watermain Replacement and Fireflow Enhancement Project contract award at the March 23, 2017 meeting.

Based on the cost sharing formula for all of the agencies in the Partnership, IVGID can receive up to \$72,266 in matching federal funds for water infrastructure improvements related to fire suppression. IVGID will need to complete \$144,532 of water system improvements to receive the reimbursement of \$72,266. The agreement is effective starting May 1, 2017 and the District has until April 30, 2019 to complete eligible work.

STPUD has entered into a Grant Agreement with the United States Forest Service for the full \$500,000. IVGID must enter into this IGAA with STPUD in order to receive its share of the funding. The agreement also outlines the obligations and procedures that are required to meet the requirements of eligibility under the Grant Agreement.

This Grant Agreement will help fund the construction of the 2017 Watermain Replacement and Fireflow Enhancement Project which replaces aging and failing underground pipe with larger diameter pipe to improve available fireflows to the community. It is important to make expenditures as expeditiously as possible to tout the benefits of the program and to demonstrate our commitment to the Partnership. Continued Partnership success can lead to additional funding in future years.

IV. BID RESULTS

Not applicable.

V. FINANCIAL IMPACT AND BUDGET

Entering into the IGAA makes \$72,266 available to IVGID for water system improvements related to fire suppression. This will support District expenditures in the 2017/2018 fiscal year while completing necessary improvement to the District's water system to aid in protecting the community from wildland fire. This grant funding requires matching funds from IVGID.

To date the District has received a total of \$3,730,185 in grant funding through the Partnership; summarized in the table below:

Federal Budget Year	Grant Amount
2009-10	\$1,174,770
2010-11	\$1,168,742
2011-12	\$233,748
2012-13	\$210,311
2013-14	\$179,019
2014-15	\$151,033
2015-16 (amended)	\$300,199
2016-17 (amended)	\$240,097
2017-18	\$72,266
Total	\$3,730,185

All told, these reimbursements have saved the District's residential and commercial ratepayer a total of approximately \$414 (\$46 annually) over the nine years of the funding partnership.

VI. ALTERNATIVES

Not enter into the IGAA which would result in not receiving federal appropriations for water system improvements related to fire suppression.

Review, discuss, and possibly -6-
enter into an Intergovernmental Grant
Administration Agreement with South
Tahoe Public Utility District

April 14, 2017

VII. COMMENTS

This has been a collaborative effort of the public water purveyors at Lake Tahoe working together using the long standing relationship developed from the Tahoe Water Supplier's Association.

VIII. 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.