

## MEMORANDUM

**TO:** Board of Trustees

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

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

**SUBJECT:** Review, discuss, and possibly declare an emergency as it relates to contracting for the repair of the damaged culvert beneath the Lodgepole run at Diamond Peak Ski Resort and direct Staff to solicit bids to complete repairs of the damaged culvert section and bring back results to the Board of Trustees for award of a construction contract at the August 17, 2017 meeting

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

**DATE:** July 7, 2017

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### **I. RECOMMENDATIONS**

That the Board of Trustees makes a motion to:

1. Declare an emergency, consistent with Nevada Revised Statute (NRS) 338.011.2, as it relates to contracting for the repair of the culvert beneath the Lodgepole run damaged by summer run-off at Diamond Peak.
2. Direct Staff to solicit bids, consistent with NRS 338.1444, to complete repairs of the damaged culvert section and bring results back to the Board of Trustees for award of a construction contract at the August 17, 2017 meeting.

### **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**

Within the Diamond Peak base area, Incline Creek is contained within a buried 72-inch diameter corrugated metal pipe (CMP) culvert running approximately 1,800-feet from just above the upper parking lot to just below the Schoolhouse Lift loading area. A 24 to 36-inch diameter CMP culvert branch line runs approximately 4,000-feet from the 72-inch culvert just below the Diamond Peak Skier Services Building, up the Lodgepole run, to mid-way up the Spillway run. These culverts were installed by Boise Cascade in the 1960s to facilitate the construction of the base area of Ski Incline.

Starting in 2011, the District has been engaged in planning and design as part of a multi-year capital improvement project to rehab the 1,800-feet of 72-inch culvert along with major sections of the branch culvert. This project is currently in the final design process with construction of rehab improvements planned for 2018.

As reported to the Board of Trustees by the General Manager at the June 12, 2017 meeting, Diamond Peak saw heavy run-off starting in early June from the near record snowpack. This run-off caused areas of significant surface erosion throughout the mountain and damaged portions of the branch culvert beneath the Lodgepole run.

A section of approximately 100-feet of the branch culvert was exposed, undermined, and damaged and a number of additional sink holes appeared along the culvert alignment. Diamond Peak staff completed immediate repairs intended to prevent and contain near term catastrophic failure as well as to temporarily isolate the public and District Staff from the undermined areas. Subsequent inspections conducted over the course of June and early July have indicated as much as 1,000-feet of the branch culvert may need immediate replacement.

The damaged culvert must be repaired prior to the start of the 2017/2018 ski season and the October 15<sup>th</sup> Tahoe Regional Planning Agency grading deadline in order to avoid risking the safety of the public, further damage to District infrastructure, and harm to the environment of Lake Tahoe. The damaged section

of the branch line culvert cannot be buried as-is as it will not support soil loading nor survive another run-off event without failing catastrophically.

Design for repair of the damaged section is currently being completed by CH2M via the existing design contract awarded by the Board of Trustees, as part of the larger multi-year culvert project, at the June 8, 2016 meeting. In order for a contractor to procure materials and mobilize with sufficient time to complete repairs by the October 15<sup>th</sup> grading deadline, a construction contract must be awarded no later than mid-August.

With design of the repairs still on-going as of the writing of this memorandum, there is not adequate time available to prepare the necessary front-end bidding and contractual documentation associated with the formal bidding requirements of NRS 338.143 (publicly advertised bids for construction of projects greater than \$100,000) nor allow for the necessary advertising and qualification timelines associated with the formal bidding process.

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

NRS 338.011.2 states that the bidding requirements stipulated in NRS Chapter 338 do not apply to a contract:

“Awarded to meet an emergency which results from a natural or artificially created disaster and which threatens the health, safety or welfare of the public. If the public body or its authorized representative determines that an emergency exists, a contract or contracts necessary to contend with the emergency may be let without complying with the requirements of this chapter. If such emergency action was taken by the authorized representative, the authorized representative shall report the contract or contracts to the public body at the next regularly scheduled meeting of the public body.”

Though NRS 338.011.2, through the declaration of an emergency, would allow the District to award a contract without competitive bidding, District Staff proposes to solicit bids, consistent with the requirements of NRS 338.1444 (soliciting bids for construction of projects less than \$100,000), from three qualified and licensed contractors with award of the contract by the Board of Trustees at the August 17, 2017 meeting. In order to expedite the process, Staff proposes to solicit bids from the three qualified contractors currently under contract with the District for completion of major capital projects:

<b>Contractor</b>	<b>Project</b>
Gerhardt and Berry Construction	2017 Watermain Replacement
Burdick Excavating	WRRF Access and Decant Improvements
K.G. Walters Construction	Sewer Pump Station #8 Improvements

All three contracts were awarded via publicly advertised competitive bidding and the District already has the necessary licensure, insurance, and bonding information on file for all three contractors.

#### **V. FINANCIAL IMPACT AND BUDGET**

A total of \$1,367,500 is included in the 2017/2018 Capital Improvement Program budget under Incline Creek Culvert Rehabilitation at Diamond Peak Project – 3499LI1101 (see attached data sheet). Though the project budget does not include completing rehabilitation of as large a section of the branch line culvert as what may now be necessary, the funds are available for use. As the Incline Creek Culvert Rehabilitation at Diamond Peak Project construction budget is spread over two fiscal years (with work of the larger project planned for late summer 2018), the second year of project budget may need to be increased during next year’s budget cycle in order to offset the cost of the unplanned repairs.

The cost of the immediate branch line repairs is preliminarily estimated at \$250,000.

Total proposed budget for completion of the brand line repair work will be presented to the Board of Trustees at the August 17, 2017 meeting upon completion of bidding.

District Staff has met with Federal Emergency Management Agency (FEMA) about the repair work qualifying for federal reimbursement and FEMA Staff have indicated the work qualifies and is a candidate for reimbursement.

#### **VI. ALTERNATIVE**

None. The District must move forward with repairs of the damaged branch line culvert and complete work prior to the October 15<sup>th</sup> grading deadline in order to avoid risking the safety of the public, further damage to District infrastructure, and harm to the environment of Lake Tahoe.

Review, discuss, and possibly declare  
an emergency as it relates to  
contracting for the repair of the damaged  
culvert beneath the Lodgepole run  
at Diamond Peak Ski Resort

-5-

July 7, 2017

## **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>	3499LI1101	
<b>Title:</b>	Incline Creek Culvert Rehabilitation at Diamond Peak	
<b>Asset Class:</b>		
<b>Division:</b>	99 - General Administration	
<b>Budget Year:</b>	2018	
<b>Scenario Name:</b>	Main	<b>Active:</b> Yes
<b>Budget Status:</b>	Data Entry	
<b>Locations:</b>		
<b>Project Something:</b>	LI - Land Improvements	

**Project Description**

Within the Diamond Peak base area, Incline Creek is contained within a buried 72-inch diameter corrugated metal pipe (CMP) culvert running approximately 1,800-feet from just above the upper parking lot to just below the Schoolhouse Lift loading area. The culvert runs beneath the upper and lower parking lots roughly along the Western edge of the Diamond Peak Skier Services Building (DPSSB) and then following the Eastern boundary of the lower parking lot. Additionally there is a feeder creek contained within a buried 36-inch CMP culvert intersecting the Incline Creek 72-inch culvert near the Southwest corner of the DPSSB. Rehabilitation work would involve in-situ lining of the CMP culvert with a structural application while Incline Creek is diverted via temporary pumping. This project is a multi-year multi-phase Project. A condition assessment investigation was performed in 2011/2012 with a pre-design evaluation completed in 2012/2013. These initial phases determined both culverts are in poor condition and badly in need of rehabilitation to avoid eventual pipe collapse.

**Project Internal Staff**

The Engineering Department would manage all phases of this project.

**Project Justification**

This project must be completed to avoid an eventual pipe collapse of either/both the 72" and 36" CMP in the base area. A collapse could impact the structural integrity of the DPSSB, parking lots, and/or the general base area of the ski resort. The District has no as-built information or engineering drawings regarding the design, construction, alignment, or planned life expectancy of this culvert. This culvert is not and has not been on any routine inspection or maintenance program. During construction of the DPSSB, the culvert was encountered in multiple locations and a number of buried access hatches were located. A brief field inspection of the interior of the culvert, via those uncovered access hatches, identified areas in which spot corrosion has eaten through the entire wall thickness of the CMP. This project allows for an engineering design, permitting, and culvert rehabilitation for its entire length.

**Forecast**

Budget Year	Total Expense	Total Revenue	Difference
<b>2018</b>			
36" CMP Rehabilitation (600LF)	250,000	0	250,000
72" CMP Rehabilitation (1800 LF)	800,000	0	800,000
Construction Management	37,500	0	37,500
Contingency	175,000	0	175,000
Internal Services	30,000	0	30,000
Stream Diversion	75,000	0	75,000
<b>Year Total</b>	<b>1,367,500</b>	<b>0</b>	<b>1,367,500</b>
<b>2019</b>			
36" CMP Rehabilitation (600LF)	250,000	0	250,000
72" CMP Rehabilitation (1800 LF)	1,450,000	0	1,450,000
Construction Management	37,500	0	37,500
Contingency	100,000	0	100,000
Internal Services	50,000	0	50,000
Stream Diversion	75,000	0	75,000
<b>Year Total</b>	<b>1,962,500</b>	<b>0</b>	<b>1,962,500</b>
	<b>3,330,000</b>	<b>0</b>	<b>3,330,000</b>

Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2012			Principal Engineer	