

HEBER PUBLIC UTILITY DISTRICT

REPORT TO BOARD OF DIRECTORS

MEETING DATE: May 21, 2015

FROM: Laura Fischer, General Manager

SUBJECT: Correll Basin Improvement Project.

ISSUE:

Shall the Board of Directors provide direction and take action regarding the Correll Basin Improvement Project?

GENERAL MANAGER'S RECOMMENDATION:

It is recommended that the Board of Directors authorize the General Manager to submit a formal request to the County of Imperial for additional funding in the amount of \$60,000 to fund half of the project costs to complete the Correll Basin Improvement Project; and if unsuccessful, to reject all bids for construction and move forward with the construction of the public access park area only project.

BACKGROUND INFORMATION:

At the April 2015 Board meeting the Board of Directors received information regarding the bid results for the Correll Basin Improvement Project. Staff received direction to go back to the County of Imperial and give the information to the CEO and see if the County was willing to contribute additional funds to the project.

PROJECT FUNDING INFORMATION:

At the HPUD Board Meeting on September 18th the Board approved the expenditure of up to \$50,000 to make the necessary improvements to the Correll Basin. The County of Imperial has also committed \$50,000 towards the project.

\$50,000	The County of Imperial has approved a contribution toward the project.
\$50,000	HPUD has a Parks Fund account of \$82,000, however only \$50,000 of this fund has been committed toward the project.
\$100,000	TOTAL FUNDS COMMITTED TO DATE

HPUD has spent approximately \$20,000 on the project to date.

The Engineer's Opinion of Probably Cost was \$123,473.00. So we anticipated that the project would need about \$25,000 of additional funds to complete the project. However, the construction cost alone received a low bid of \$171,771.00, which does NOT include a contingency or construction management. See the project cost breakdown in the table below.

Corell Retention Basin Improvement Project	Project Cost Estimates After Bid Received	Project Expenditures To Date by HPUD
Correll Subdivision Retention Basin Improvement Project-Low Bid	\$171,771	
Contingency 10% (Estimated) Not included in bid amount	\$17,177	
Construction Management - 7% (Estimated) Not included in bid	\$12,024	
Engineering Survey -Existing Conditions Report - (Actual)	\$7,565	7,565
Engineering to modify report with HPUD's staff suggestions (Actual)	\$1,340	1,340
Engineering Design- Contract (Actual)	\$8,469	8,469
Imperial Valley Press- Bid advertising (Actual)	\$1,467	1,467
THG - Bidding preparation (Estimated-Pending Invoice)	\$1,500	
Total Project Cost:	\$221,313	\$18,841

The total amount needed after the committed funds (HPUD and County \$50,000 each) is \$121,313.

DISCUSSION:

On May 4th, I attended a meeting with Mr. Ralph Cordova, CEO of Imperial County, and Mr. Jack Terrazas, County Supervisor for Heber area. I shared the project bid results, reviewed the bid tabulation forms, the report to the Heber Board, and discussed the Engineer's Probably Cost Estimate. We also reviewed the scope of the project and that the total project cost amount of \$221,313.00 was to fix the basin and make it drain, and that it does not include any park or features that would be available for public use. It would only slightly change the look of the basin by extending the top of the slope.

After much discussion on the project, Mr. Cordova offered to loan HPUD the money needed to complete the project. He suggested that we pledge a portion of our property tax funds to pay off the loan over a period of time (to be determined) and that the loan would be at less than 1% interest. This offer, although generous terms, would mean that HPUD would pay for the entire project (less the County's \$50,000) and that HPUD would have limited property tax dollars available for maintenance and operations of our parks.

I express to them that I would not recommend to the HPUD Board that we borrow against property taxes from the County.

Mr. Terrazas indicated that the County Board of Supervisors may be persuaded to contribute additional funds to the project if it included a park or public area. I told him that the amount under discussion did not include a park area. He stated that the County just contributed \$1,500,000.00 towards the Heber Community Center and that it would be difficult to convince the Board of Supervisors to contribute more money to Heber especially when the new community center was located just down the street from the

Correll Basin. He suggested that the residents could use the new Community Center for their recreation needs.

CONCLUSION:

The County will not make a decision on additional funding for the project until HPUD submits a written request outlining our request for funding and project details. My meeting with the County was informal and to my knowledge has not been placed on their agenda.

Staff recommends preparing a formal letter requesting that the County contribute an additional \$60,000 toward the Correll Basin Improvement Project. This would make the County contribution equal \$110,000, which is half of the estimated project costs. In return for the County's commitment, HPUD would have to commit the other half of the project cost.

If no additional funds are available from the County, then our alternatives are as follows:

ALTERNATIVES:

- 1) Do not fix the basin, which will result in the basin not draining. The outlet is about one foot above the inlet, thus water over one foot deep will drain into the wet well. If water should ever collect over the level of the outlet drain, the water would drain into the well and be pumped into the canal. If water is collected in the basin that is under the outlet drain level, HPUD will pump the water into the wet well until there is an acceptable level that will absorb into the ground and dry. Mosquito concerns can be addressed by the County Vector Control (we pay taxes for this service). Signs could be posted to let residents know that if there are any mosquito concerns or if they see standing water, to contact Vector Control with the contact information. HPUD would reject all bids for the basin improvement project.
- 2) Build the park area without fixing the basin, which will result in a new park for this area and no change in the condition of the basin area. The conditions mentioned in item #1 above will remain the same with this alternative.
- 3) Commit the needed funds in the amount \$121,313 to finish the project, which is to fix the basin only with no public park. HPUD would award the contract to Granite Construction Company and commit funding from the sources listed below.
 - a. Funding for this project can be made available from HPUD funds, such as:
 - i. Parks and Recreation available fund balance \$32,039
 - ii. Trash Franchise Fee available fund balance \$104,704
 - iii. Borrowed from our Enterprise Funds
- 4) Commit the needed funds to finish the basin improvement project, and commit further funds to make the needed improvements to the park. Staff does not have estimates to construct the park at this time, but may have some preliminary cost estimates at the meeting.

With ALL of these alternatives, HPUD will make the needed repairs to the pump station including the grates, electrical box, pump repair, drain cleaning. Our estimates to complete the rehabilitation of the pump station is approximately \$15,000. This amount has be included in our Operation and Maintenance Equipment Outlay Budget for the Parks and Recreation Department for FY 2015-16. HPUD will continue to maintain the basin and any park features.

Staff will prepare a formal written letter to the County requesting the amount that the HPUD Board agrees upon. The letter would include the scenario that if HPUD decided not to fix the basin would the County allow the current contribution amount of \$50,000 to be used toward the construction of the park/public access area. Should the County deny the additional funding staff recommends alternative number 2 (build the park) be moved forward.

Respectfully Submitted,

Laura Fischer,
General Manager