

# Heber Public Utility District

## REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** June 19, 2014

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Approve the Correll Estates Retention Basin Improvement Project.

**ISSUE:** Shall the Heber Public Utility District Board of Directors Authorize the Correll Estate Retention Basin Improvement Project and Authorize the General Manager to Negotiate Shared Cost With the County?

**GENERAL MANAGER RECOMMENDATION:**

Approve the Correll Estates Retention Basin Improvement Project and authorize the General Manager to negotiate shared cost with the County.

**FISCAL IMPACT:**

Assuming the County contributes \$25,000 toward the project and assuming the project is modified as presented below. I estimate that there could be about \$2,000 increase to the operation and maintenance expenditures in the HPUD Parks budget, but most of the maintenance items can be done by HPUD staff.

The Correll Basin Park Fund, which has about \$82,000 available, would expend a total of \$59,287 to make improvements to the basin and build a base for a park.

**BACKGROUND:**

In 1992, the County of Imperial Board of Supervisors authorized the Correll Estates Development and placed upon the development Conditions of Approval that included the construction of a retention basin. The County is the planning agency and the Board of Supervisors authorize, approve and accept development. Not HPUD. The purpose of the retention basin is to capture storm water runoff and pump the water out of the basin within a 72 hour period. The basin has never worked as designed because it was not constructed according to the approved plans and specifications.

In 1992 HPUD entered into an agreement with the developer, Mr. Abatti, to provide irrigation, lighting and landscaping for the park/retention basin facility. HPUD received a total of \$62,400 for this purpose. HPUD still has these funds set aside in a special account, and to date the account has grown to 82,000. HPUD has committed to maintaining the basin and making the improving according to our agreement, but only after the basin has been constructed and the water drains within 72 hours as required by law. Over the years HPUD has maintained the basin (even though it doesn't work) to the best of our ability, we repair the pumps, clean the drains, paint the graffiti, remove weeds and trash, and just this week repaired the fence after it was vandalized. But we cannot landscape, irrigate or construct a park unless the basin is operational. The improvements will be flooded at the first rain.

In 2005, the County Board of Supervisors approved the completed development project and released the construction security bonds even though HPUD expressed concerns that the basin was not constructed according to the conditions specified in the Conditions of Approval. The County Board of Supervisors is the approval authority and HPUD is of the opinion that they failed to make sure the developer constructed the basin to the approved plans, standards and specifications prior to releasing the security bonds.

**ISSUE:**

The basin has two inlets and one outlet with pumps to drain water into a drain ditch, however the inlets are at a lower elevation than the outlet, thus the water, that makes its way into the basin, is unable to drain resulting in stagnant water and mud. Additionally, the banks of the basin were not constructed to the correct width resulting in narrow banks that are subject to erosion.

In June 2013, HPUD's engineer prepared a Correll Estates Retention Basin Remedial Improvement Report that identifies the needed improvements and estimates the probable cost to complete the construction of the basin at \$138,173. HPUD shared this report with the County. The County Board of Supervisors have stated their opinion that HPUD is responsible to maintain the basin. HPUD agrees, but we are not responsible to construct the basin. The basin is not constructed and does not function.

**CURRENT STATUS:**

On May 22<sup>nd</sup>, HPUD had a meeting with the County CEO to discuss the condition of the basin. Attending that meeting with me was Diahna Garcia-Ruiz, Eduardo Valdez-Belmonte, and Steve Walker. We discussed the condition of the basin and we asked the County to help us fix the problem. We asked that they share 50% of the total cost (total cost was \$138,173) or if not able to contribute money we requested they assist with some of their staff time/equipment and materials. Several ideas on how to cut the cost and keep the project viable were discussed. Mr. Cordova, CEO, was receptive to the idea and requested a copy of HPUD's Correll Estates Retention Basin Remedial Improvement Report so that he could have his staff review it and see what assistance the County can provide. He requested two weeks to review and respond.

We received a response from the County and they are willing to provide HPUD with \$25,000 as their share of the project costs.

ON June 12<sup>th</sup>, I met with Mr. Jack Holt, HPUD Engineer, to discuss the Correll Basin Improvement Report that The Holt Group prepared in June 2013. Our goal was to identify the components of the project that: 1) could be eliminated from the project; 2) are deferred maintenance items; 3) could be modified to include construction of an area for a park facility. We then modified the cost estimates outlined in the Correll Basin Improvement Report.

We identified components that could be eliminated from the project scope. We determined item numbers 13, 14, and 15. These items are not critical to the project and

can be done at a later time. Additionally we determined that a geotechnical report would not be needed and we reduced the contingency on the project from 20% to 10%.

Next we identified items that are a result of deferred maintenance. HPUD has an obligation to maintain the basin and we have invested little money and staff time toward that effort. Consequently there are several components in the Correll Basin Improvement Report that can be attributed to deferred maintenance and should be completed by HPUD staff outside of the Correll Basin improvement project. Those items are listed in the Correll Basin Improvement Report as numbers: 1, 2, 3, 11, and 12. After we eliminated these items from the project the contingency, engineering, bidding and construction management costs were reduced accordingly.

Next we discussed how we could use the dirt that was to be removed (according to the Improvement Report item number 5) and use that dirt to build up an area where a park could be constructed. It was determined that we could use that dirt to construct a base approximately 100' X 130'. The cost to remove the dirt from the basin was estimated at \$21,000, however if the contractor was required to build up an area and compact it to specifications the cost may go up. However, for our budget purposes we will continue to use the \$21,000 figure as our park construction component. We also included half of the Construction Survey (not numbered) listed at \$2,850.

Lastly, we determined what components are related to fixing the basin so that it will work. It was determined that the basin project components are numbers 4, 6, 7, 8, 9, 10 and half of the Construction Survey (not numbered) listed at \$2,850.

### **PROJECT MODIFICATION – ITEMS ELIMINATED OR MODIFIED FROM REPORT**

<b>PROPOSED MODIFICATION</b>	<b>SAVINGS</b>
Eliminate Item Number 13	(5,500)
Elimiated Item Number 14	(6,000)
Eliminate Item Number 15	(1,500)
Reduced Contingency from 20% to 10%	(12,215)
Eliminated the Geotechnical Report	(3,800)
Reduced Engineering Fees 18% of Operations and Maintenance Activities and items eliminted from Project	(8,611)
<b>TOTAL COST SAVINGS</b>	<b>(37,626)</b>

As indicated in the table above we were able to reduce the cost of the project by \$37,626.

**PROJECT COSTS AFTER MODIFICATIONS SEPERATED INTO THREE COMPONENTS: Maintenance, Park Development and Basin Improvement.**

Correll Estate Retention Basin Remedial Improvement Project Analysis								
	Improvement Report Item Numbers	Construction Costs	Contingency 10%	Engineering 9%	Bidding 1%	Construction Management 8%	Construction Survey \$2,850	TOTAL
Operations and Maintenance	1, 2, 3, 11, 12	\$ 16,260						\$ 16,260
Park Development	5	\$ 21,000	\$ 2,100	\$ 1,890	\$ 210	\$ 1,680	\$ 1,425	\$ 28,305
Basin Improvements	4, 6, 7, 8, 9, 10,	\$ 42,623	\$ 4,262	\$ 3,836	\$ 426	\$ 3,410	\$ 1,425	\$ 55,982
	TOTAL	\$ 79,883	\$ 6,362	\$ 5,726	\$ 636	\$ 5,090	\$ 2,850	\$ 100,547

The Operations and Maintenance items can be completed by HPUD staff with a minimum additional cost to HPUD. Staff estimated about \$2,000, which are for items 11 and 12 as staff will need some assistance.

Building up a base for a park facility makes sense as we want to build something then we should not remove the dirt and then have to bring dirt back in. Granted this dirt is not high quality, but for the base of a park facility it will work and the contract will compact to our specifications.

The total cost for the basin repairs is \$55,982 and the County has offered to contribute \$25,000 of that amount, which is almost half.

**DISCUSSION:**

The County has offered \$25,000 to assist with the project. We requested half of the cost of the project, which included operations and maintenance, and the basin improvements. Staff has modified the project further to include keeping the dirt which would have been removed and building a base for a park improvements, and we have separated these costs out further as indicated in the tables above.

HPUD received money from the developer to construct a park at this site and since it has been determined that grass will not grow in the basin, unless extensive improvements are made including tile lines, remove/replace dirt, it is recommended that we build an area up to street level and construct some type of recreation facility on site.

The actual basin improvements are \$55,982. If you wanted to include the basin and park development (or just remove the dirt) costs are estimated at \$79,287.

The Correll Basin Park Fund, which has about \$82,000 available, would expend a total of \$59,287 to make improvements to the basin and build a base for a park. That would leave about \$22,700 in the Correll Basin Park Fund to make additional improvements.

The additional improvements would need to include a fence around the area, some irrigation and landscape, and what type of facility or improvements the Board decided to construct. Some ideas for the improvements could be a basketball court, skate park, or playground.

Respectfully Submitted,

Laura Fischer,  
General Manager