

DECISION PAPER



April 12, 2019

Issue:

To move the Nature Loop Improvement Project to the next step, the staff is recommending the board approve expenditure of the 2019 Replacement Reserves Funds for Nature Loop soft costs related to permitting, with a budget not to exceed \$75,000.

Background:

As the original trail built by Dart Industries, the Nature Loop trail is a core asset Tahoe Donner. It is one of Tahoe Donner's most popular family-friendly trails, due to its gentle slopes, wider trail, easy access, and variety of experiences available within the 3-mile loop. Over the last several years extreme winter conditions have caused portions of the trail to fail, including a boardwalk through wet and pond areas, a bridge spanning Trout Creek. Because of these failures, half of the trail loop is closed necessitating a large scale replacement and improvement project. For a detailed overview of the replacement and improvement project, see attached project summary.

The improvement project has been in the design phase for two years, following CEQA approval by Nevada County and the Town of Truckee. Due to its highly sensitive location, a wetland within of the Trout Creek 100-year flood plain, the design phase required extensive surveys, engineering, and complex construction plans.

The Board of Directors approved \$85,000 in Replacement Reserve funds in February 2018 for soft costs relating to the design of the project, exclusive of project permitting. Surveys were completed during the summer 2018 with design and engineering completed in December 2018.

The next step in the replacement and improvement project is to submit required regulatory agency permits. This includes submittals to:

- Town of Truckee
- California Department of Fish and Wildlife
- Army Corp of Engineers
- Lahontan Regional Water Quality Control Board

The permit process takes several months as each agency reviews the permit application, considers its completeness, during review of the submitted plans. Having coordinated with each agency during the design phase to address any concerns in advance, the potential for required plan changes remains. Additionally, due to the location of the project within a wetland, Lahontan Water Quality Regional Board will require mitigation fees as a condition of approval. The fees are established according to the calculated impact and estimated construction cost.

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Estimated Soft Costs Relating to Permits - \$75,000

- Permit preparation - \$5,000
- Permit fees - \$14,000
- Plan changes + permit conditions - \$20,000
- Estimated Wetland mitigation fees - \$20,000
- Contingency - \$16,000

Regulatory permit review can take up to 120 days with anticipated issuance in late August. Following permit issuance and approval of funding, the project will be ready to proceed with construction. In the best-case scenario,

- Start of construction may be possible in September through October of 2019 (weather dependent), with activities resuming in 2020.
- Fall season construction will allow for Trout Creek water levels to subside, mud to dry, and wetland plants to complete their flowering cycle. Nesting bird surveys need to be completed two weeks prior to construction if beginning before September 2019.
- The most likely scenario is that permit review and issuance will occur in 2019, with all construction in 2020.

Depending on the timing of permit issuance, staff anticipates returning to the Board of Directors to request construction funds in 2019 either before or during the 2020 budget approval process. Requests for Proposals for construction services have been circulated to qualified contractors with receipt of cost proposals anticipated in May 2019.

Staff is coming before the board at the April 27, 2019 board meeting because the estimated soft costs relating to permitting the nature loop improvement project exceeds \$50,000. Staff recommends the board approve expenditure of the 2019 Replacement Reserves Funds for the Nature Loop permitting, with a budget not to exceed \$75,000.

Options:

1. Approve expenditure of a 2019 Replacement Reserves Funds - Nature Loop Construction budget for project permitting with a budget not to exceed \$75,000.
2. Do not approve the continuation of the project.

Recommendation:

Staff recommends the Board of Directors consider approving Option 1: Approve the expenditure of the budgeted 2019 Replacement Reserves Funds -Nature Loop Construction for soft costs relating to permitting with a budget not to exceed \$75,000.

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Reviewed By: Michael Salmon

Board Meeting Date: April 27, 2019

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General Manager Approval to place on agenda: _____ **Date:** _____