



# WASHOE COUNTY

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## STAFF REPORT

BOARD MEETING DATE: April 14, 2020

**DATE:** February 27, 2020

**TO:** Board of County Commissioners

**FROM:** Ben Jesch, P.E., Licensed Engineer, Engineering and Capital Projects, Community Services Department, 954-4635, [bjesch@washoecounty.us](mailto:bjesch@washoecounty.us)

**THROUGH:** Dwayne Smith, P.E., Division Director, Engineering and Capital Projects, Community Services Department, 328-2043, [desmith@washoecounty.us](mailto:desmith@washoecounty.us)

**SUBJECT:** Recommendation to:

- 1) accept and approve Nevada Division of State Lands Fund to Protect Lake Tahoe Amendment #1 to the Project Funding Agreement for the Lower Wood Creek Phase I Water Quality Improvement Project (FTPLT 18-003), effective from the date of execution and extending the termination date from March 31, 2021 to March 31, 2022;
- 2) accept Grant Funding [in the amount of \$1,080,000 with additional matching funds of \$200,000 funded through a 319(h) subgrant award, combined with existing project matching funds to meet grant obligations];
- 3) direct the Comptroller's Office to make the necessary budget amendments; and
- 4) authorize Assistant County Manager Dave Solaro to execute the Amendment and enter into all necessary agreements and contracts. (Commission District 1.)

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## **SUMMARY**

Lower Wood Creek Phase I Water Quality Improvement Project (WQIP) is the next project on Washoe County's Lake Tahoe Total Maximum Daily Load (TMDL) priority list and is being implemented in accordance with Washoe County's Interlocal Agreement (ILA) with Nevada Division of Environmental Protection (NDEP). Washoe County also participates in the Tahoe Regional Planning Agency (TRPA) Environmental Improvement Program (EIP) in the Lake Tahoe Basin, and this is the next project on Washoe County's 5-year list of EIP water quality improvement projects (EIP No. 01.01.01.0111).

In March 2018, the Board of County Commissioners (Board) accepted a grant from the Nevada Division of State Lands (NDSL) in the amount of \$1,285,000 with the expectation that NDSL would subsequently amend the grant to add \$880,000 for a total award of \$2,165,000. In the course of the project, the need for additional funds has been identified in order to fully implement the project design. In response, County staff have worked with NDSL to secure an additional \$200,000 in grant funding, for a total amendment of \$1,080,000. To comply with grant match requirements, the County has also secured

\$200,000 in 319(h) grant funds through NDEP. The total estimated cost of the Lower Wood Creek Ph I WQIP is \$3,287,000.

By accepting these funds, Washoe County is maintaining its commitment to NDEP, TRPA, and the residents of Lake Tahoe for our part in the preservation of lake clarity and to maintain the infrastructure for a minimum 20 year period.

Strategic Objective supported by this item: Stewardship of our Community.

### **PREVIOUS ACTION**

October 11, 2016 - The Board approved an update to an Inter-Local Agreement (ILA) between Washoe County and NDEP, which was originally approved in July 2013. The ILA affirms Washoe County's commitment to participate in an urban stormwater pollutant reduction program at Lake Tahoe. The ILA is a cooperative implementation of water quality improvement actions as opposed to a regulatory permit. The ILA explicitly requires the County to implement pollutant control projects and pursue external funding sources for the projects. The current Agreement is valid through 2021.

March 27, 2018 - The Board:

- 1) adopted a Resolution approving the application for State of Nevada Lake Tahoe Water Quality and Stream Environment Zone Grant Funds and appointing Assistant County Manager David Solaro as agent of Washoe County to conduct all negotiations, execute and submit all documents including applications, agreements, billing statements, which may be necessary for the completion of the [Lower Wood Creek Phase I] project; and
- 2) approved the Project Funding Agreement Between the State of Nevada Acting By and through its Division of State Lands and the Fund to Protect Lake Tahoe and Washoe County; and
- 3) approved the Assurances certifying that the County will comply with the regulations, policies, guidelines, and requirements of the Division of State Lands; and
- 4) accepted a Grant Award from the Nevada Division of State Lands (NDSL) Water Quality and Erosion Control Grants Program for the Lower Wood Creek Phase I Water Quality Improvement Project [in the amount of \$1,285,000] for the period of April 2, 2018 through March 31, 2021; and
- 5) accepted Tahoe Regional Planning Agency Mitigation match funds [in the amount of \$606,500 with additional Washoe County in-kind staff support match of \$115,500].

On February 25, 2020, the Board accepted and approved a Nonpoint Source Grant Program 319(h) subgrant agreement from the Nevada Division of Environmental Protection for the Lower Wood Creek Phase I Water Quality Improvement Project [in the amount of \$200,000] with match [in the amount of \$280,000] for the period the date the subgrant agreement is approved by the Nevada Division of Environmental Protection through March 31, 2022.

## **BACKGROUND**

Washoe County Community Services Department (CSD) continues its efforts to meet the Lake Tahoe TMDL requirements established by the United States Environmental Protection Agency (EPA). The goal of the TMDL is to reduce the pollutant load in urban stormwater runoff that reaches Lake Tahoe. Within Nevada, the TMDL is implemented through an agreement approach, and in 2016, Washoe County updated an ILA with NDEP to comply with obligations and commitments toward achieving the identified load reduction milestones and associated credit targets. Specifically, one of the requirements of the ILA is to maintain a five-year list of priority pollutant control projects to reduce sediment loading and to implement those projects. Additionally, the County commits to “oversee and coordinate financing for all aspects of pollutant control implementation including planning and design, construction, and activities related to Crediting Program participation. The County, as an implementing entity, will pursue self-funded and external funding sources to implement the [projects].”

In further efforts to improve the water quality and transparency of Lake Tahoe, Washoe County has participated in the TRPA EIP in the Lake Tahoe Basin since the inception of the program. This has been done through the implementation of erosion control and water quality improvement projects and enhanced road maintenance practices within the County right-of-way to improve the water quality of urban storm runoff discharging to Lake Tahoe.

Since its inception in March 2018, the Lower Wood Creek WQIP has advanced through the planning and pre-design phase. In that process, the need for additional funds has been identified in order to fully implement the project. Therefore, County staff worked with NDSL to identify and secure an additional \$200,000 of funding for the project. The additional funding will be used for design, construction, and construction management for the project.

## **GRANT AWARD SUMMARY**

### **Project/Program Name:**

Lower Wood Creek Phase I Water Quality Improvement Project

### **Scope of the Project:**

Washoe County has contracted with NCE for professional services including planning, permitting, and final design of the project. The project design incorporates erosion control and stormwater treatment facilities that may include shoulder stabilization, storm drains, catch basins, stormwater treatment facilities, infiltration features, curb and gutter, channel improvements, culvert improvements, water quality basins, and revegetation. Construction will take place during the summer of 2021, and the project will be registered with the Crediting Program to receive credits toward the milestones agreed upon in the ILA.

### **Benefit to Washoe County Residents:**

The project will continue to improve water quality and clarity of Lake Tahoe through the construction of erosion control and stormwater treatment facilities. The

project will help Washoe County meet the Federal and State requirements of the Lake Tahoe TMDL.

**On-Going Program Support:**

Washoe County will be responsible for maintenance of any facilities constructed for a minimum of 20 years. Maintenance of stormwater features is currently provided by the CSD. The Department is researching potential funding opportunities and is working to develop strategies for on-going program support of the Lake Tahoe TMDL.

**Award Amount:** \$1,080,000 (Amendment #1)

**Grant Period:** Date of execution by the Board – March 31, 2022

**Funding Source:** Nevada Division of State Lands Tahoe Bond Funds

**Pass-Through Entity:** N/A

**CFDA Number:** N/A

**Grant ID Number:** FTPLT 18-003

**Match Amount and Type:**

Funding Source	Amount	Percentage
Nevada Tahoe Bond Funds	\$2,365,000 <sup>[a]</sup>	72%
TRPA Mitigation Funds	\$606,500	18%
319(h) Nonpoint Source Grant	\$200,000	6%
Washoe County In-Kind Match	\$115,500	4%
<b>Total</b>	<b>\$3,287,000</b>	<b>100%</b>

[a] Includes initial grant award of \$1,285,000 plus Amendment #1 in the amount of \$1,080,000 for a total award of \$2,365,000.

**Sub-Awards and Contracts:**

Washoe County has contracted with NCE for professional services to include planning, permitting, and final design of the project. Additionally, the County has contracted with the NTCD to perform PLRM model development for the project. A public bid for the construction phase will be advertised and awarded in accordance with County Purchasing policies and procedures and any other requirements dependent on final funding sources. The County may also enter a contract for construction management services.

## **FISCAL IMPACT**

Should the Board accept and approve this grant award, the FY20 Capital Improvement Fund (402) budget will be amended by \$1,080,000 in the following revenue and expenditure accounts:

<b>Cost Object</b>	<b>G/L Account</b>	<b>Amount</b>
IN11474- NDSL Lower Wood Creek	432100 – State Grants	\$1,080,000
IN11474 – NDSL Lower Wood Creek	818000 – Transfer to Intrafund	\$1,080,000
PW920598-Lower Wood Creek WQIP	781001 - Land Improvements Capital	\$1,080,000
PW920598-Lower Wood Creek WQIP	818000 – Transfer to Intrafund	\$1,080,000

In accordance with the NDSL grant guidelines, Washoe County must provide a minimum match of 25% of the total project funding. To meet match requirements, the County is using:

- TRPA Mitigation Funds in the amount of \$606,500 (18%), which was approved for release by the TRPA Board on February 28, 2018.
- 319(h) Nonpoint Source Grant in the amount of \$200,000 (6%), which was accepted and approved by the Board on February 25, 2020.
- In-kind staff match in the amount of \$115,500 (4%), which will include Washoe County's indirect cost rate in calculating the amount of the in-kind match.

Washoe County's match contributions total 28% of the total project funding, thus meeting the match requirement.

This grant will reimburse funds on a quarterly basis, as specified by the State. The Capital Improvement Fund (402) will be the source for the up-front cash.

## **RECOMMENDATION**

It is recommended that the Board of County Commissioners:

- 1) accept and approve Nevada Division of State Lands Fund to Protect Lake Tahoe Amendment #1 to the Project Funding Agreement for the Lower Wood Creek Phase I Water Quality Improvement Project (FTPLT 18-003), effective from the date of execution and extending the termination date from March 31, 2021 to March 31, 2022;
- 2) accept Grant Funding [in the amount of \$1,080,000 with additional matching funds of \$200,000 funded through a 319(h) subgrant award, combined with existing project matching funds to meet grant obligations];
- 3) direct the Comptroller's Office to make the necessary budget amendments; and
- 4) authorize Assistant County Manager Dave Solaro to execute the Amendment and enter into all necessary agreements and contracts.

## **POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to:

- 1) accept and approve Nevada Division of State Lands Fund to Protect Lake Tahoe Amendment #1 to the Project Funding Agreement for the Lower Wood Creek Phase I Water Quality Improvement Project (FTPLT 18-003), effective from the date of execution and extending the termination date from March 31, 2021 to March 31, 2022;
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