

SWEETWATER AUTHORITY

Governing Board

May 22, 2024



Consideration to Authorize the Purchase and Installation of a Fishing Platform Replacement for the Loveland Reservoir Recreation Program

RECOMMENDATION

Staff recommends that the Governing Board authorize the purchase and installation of a fishing platform replacement for the Loveland Reservoir Recreation Program from South Shore Marine Construction, Inc. of Huntington Beach, CA, for an amount of \$99,000.

This item was presented to the Engineering and Operations Committee at its February 20, 2024 meeting. The Committee deferred making a recommendation to the Governing Board in order to allow for community input. The Alpine Community Planning Group held a meeting on March 14, 2024, and discussed the proposed work plan for a \$750,000 State grant awarded to the Authority for the Loveland Recreation Program. Community input during that meeting did not change staff's recommendation.

OVERVIEW

The existing fishing float at Loveland Reservoir was damaged in January 2023 due to heavy inflows from storms. Runoff from the January 2023 storms scoured through the soft sand deposits in the recreation area, leaving sheer drop-offs up to 15 feet deep along the shoreline. Due to the high river flow, part of the fishing platform was undermined while river debris piled up against it. The aluminum fishing platform was separated from stress, and part of the platform remained, while the other section remained on the river bottom in a twisted heap of metal. Attachment 1 includes pictures of the fishing platform before and after damages, as well as recent pictures of existing conditions showing a functional smaller platform to serve the visiting anglers. From 2017 to 2023, on average 6.6 persons per day were observed using the Loveland Recreation Program on the days that the program was operated.

During the last year, staff worked with the Authority's insurance provider, California Joint Powers Insurance Authority (JPJA), to replace the damaged fishing platform. In January 2024, the Authority received payment from JPJA to replace in-kind the damaged sections of the fishing platform. After considering asset depreciation and the insurance deductible, payment was issued by JPJA in the amount of \$96,538.64.

The Authority has the following options with the insurance payment:

1. Use the insurance payment towards a fishing platform replacement.
 - a. Any replacement cost in excess of the insurance payment would have to be paid with Authority funds.
 - b. Any replacement with cost that is less of the insurance payment would result in excess insurance payment that can be placed in the General Fund.

2. Cash the insurance payment and allocate the funds to the General Fund without replacing the fishing platform. If the Authority cashes the insurance payment in full, then JPIA would also reimburse the Authority with the recoverable asset depreciation in the amount of \$14,867.70.

Given that approximately half of the fishing platform remained undamaged and is currently operational, staff recommends replacing only the damaged sections and not replacing the entire fishing platform. Once installed, the fishing platform would be almost identical to the pre-damaged conditions. To determine the most cost-effective replacement option, staff reached out to five vendors to obtain quotes, but only received quotes from two vendors.

Hallsten Corporation of North Highlands, CA provided a quote (Attachment 2) for \$106,799.65, not inclusive of installation cost. Hallsten Corporation is the manufacturer of the fishing platform the was damaged and if the replacement sections are purchased from this vendor, they would match the existing undamaged sections and they can be installed by staff, at an estimated cost of \$5,560, for a total project cost of \$112,359.65.

The second quote (Attachment 3) was provided by South Shore Marine Construction, Inc. of Huntington Beach, CA, for an amount of \$89,200 plus an additional \$9,800 for installation, for a total of \$99,000. This vendor was provided with pictures of the existing undamaged sections of the platform so it could verify that its fishing platform materials could be installed to match the remaining sections. The vendor confirmed that its materials could be installed to match with the existing ones, but because its installation would be “less straight forward” than if purchased from Hallsten Corporation, staff requested the additional quote component for installation.

In order to minimize future risk of damaging the fishing platform, staff revised its operational procedures to include the removal of the fishing platform during low water scenarios in order to avoid leaving it sitting on soil and vulnerable to potential heavy inflows.

There is an approximate five-month lead time from both manufacturers in the procurement process. Once received, it would take approximately two weeks to install the new sections.

Staff explored an alternate location for installing the fishing platform replacement, but difficulty for program users to access other areas further west of its current location, and the potential for increased chances of the platform sitting on dry soil if it were to be located further east, make the current location the most ideal for the fishing platform.

Given that South Shore Marine Construction, Inc. provided the most cost-effective quote, including installation, and its materials can match the remaining sections of the platform, staff recommend purchasing the replacement sections from this vendor.

FISCAL IMPACT

The FY 2023-24 Budget did not include funding for the Replacement of the Fishing Platform at the Loveland Reservoir Recreational Program over the amount budgeted for the \$25,000 deductible payment. The \$25,000 insurance deductible has been paid to JPIA from FY 2023-24 Budget Operating Expense line item 10-80-820-5113 Loveland Reservoir Materials & Services. The remaining balance to purchase and install the fishing platform, not covered by the insurance payment, would be \$2,461.36 if purchased from South Shore Marine Construction, Inc. and installed by this vendor. The unfunded balance could be funded with a transfer from the FY 2023-24 Budget Operation Expense Contingency Fund to budget line item 10-80-820-5113.

| Replacement of the Fishing Platform at the Loveland Reservoir Recreational Program | |
|--|-----------------|
| Total project cost – South Shore Marine Construction, Inc. | \$ 99,000.00 |
| Less Insurance Payment | <96,538.64> |
| Unfunded cost to complete project | <\$ 2,461.36> |
| Transfer from FY 2023-24 Expense Contingency Fund to Expense line item 10-80-820-5113 Loveland Reservoir Materials & Services ⁽¹⁾ | <u>2,461.36</u> |
| Projected project balance | <u>\$0</u> |
| Authority's portion of project funding: | |
| Insurance Deductible ⁽²⁾ | \$25,000.00 |
| Funds required over insurance payment | <u>2,461.36</u> |
| Total Authority project funding | \$27,461.36 |
| (1) JPIA will reimburse the recoverable depreciation of \$14,867.70 if repairs to the fishing platform are made by January 16, 2025. | |
| (2) The FY 2023-24 Expense Contingency Fund current available balance is \$127,880.00. | |

NEXT STEPS

1. Authorize the purchase and installation of a fishing platform replacement for the Loveland Reservoir Recreation Program from South Shore Marine Construction, Inc. of Huntington Beach, CA for an amount of \$99,000.
2. Direct staff to obtain additional quotes for the purchase and installation of a fishing platform replacement for the Loveland Reservoir Recreation Program.
3. Do not replace the fishing platform and cash the insurance payment.
4. Other direction as determined by the Governing Board

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SUPPORTING INFORMATION

Attachments

1. Pictures of Fishing Platform
2. Quote from Hallsten Corporation
3. Quote from South Shore Marine Construction
4. Staff's Presentation

Strategic Plan

Strategic Plan Goal No. 4 – Customer Service, Citizen Engagement and Community Relations: Provide high-quality customer service based on customer feedback and serve the community through education, outreach, and partnerships.

- Objective CS8: Support limited recreational activities around Sweetwater Authority reservoirs such as fishing and trails, that are compatible with Authority operations, protect water quality, and minimize cost impacts to ratepayers.
 - Task 002.00: Loveland Trails Repairs Plan

Past Board Actions

June 28, 2023 The Board adopted Resolution 23-13 adopting the FY 2023-24 Budget

June 28, 2023 The Board approved the FY 2023-24 Strategic Plan Detailed Work Plan as presented