



Meeting Date: 2/6/2019
Agenda Item: # _____

Mission Statement

To provide our growing dynamic community excellent municipal services to make Fernley a great place to live, work, and play.

Together, we enhance the desirability, safety, friendliness, aesthetics and quality of life in our city.

FERNLEY CITY COUNCIL MEETING - STAFF REPORT

REPORT TO: Mayor & City Council

REPORT FROM: Dave Whalen, Public Works Director

REPORT THRU: Daphne Hooper, City Manager

REVIEWED BY: Brent Kolvet, Deputy City Attorney

REVIEWED BY: Denise Lewis, Finance Director

AGENDA ITEM: Possible approval to amend the current contract for a Water Resource Plan (WRP) awarded to Farr West Engineering to provide for an increase in the amount to be paid for Task 8 of the original contract from \$10,890 to \$20,890 and an overall increase in the contract from \$120,500 to \$130,500.

ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

RECOMMENDED ACTION BY CITY COUNCIL

“I move to amend the current contract for a Water Resource Plan (WRP) awarded to Farr West Engineering to provide for an increase in the amount to be paid for Task 8 of the original contract from \$10,890 to \$20,890 and an overall increase in the contract from \$120,500 to \$130,500.”

Key Points:

1. Water resources are critical to the City of Fernley’s future.
2. A Water Resource Plan (WRP) plan will officially document and provide policy related to the City’s ability to provide a sustainable water supply to its customers in periods of above and below average precipitation.
3. Farr West was approached to provide a proposal for the (WRP) for surface water conveyance. Farr West was selected from the City’s current Qualified Professionals List (QPL) for water resources engineering. Several engineering firms were interviewed by staff and Farr West was observed to be the most qualified.
4. \$120,500 was identified in the current budget for the continuation (second phase) of the WRP process. Work in the first phase of the WRP was done in FY 2017/18. See attached scope of work for amendment request costs.
5. Farr West will prepare and submit to the City technical memorandums as each step of the process is completed for compilation into a single document for publication as the Water Resource Plan.

POLICY REFERENCE

<i>Nevada Statutes:</i>	<i>NRS 271- LOCAL IMPROVEMENTS NRS 338 - PUBLIC WORKS</i>
<i>Fernley Municipal Code:</i>	N/A
<i>Policies & Procedure Manual:</i>	N/A
<i>Community Assessment:</i>	N/A
<i>Other:</i>	N/A

SUPPORTING INFORMATION

City Council set water management as a top priority in the Water Enterprise Fund for the last several years. Water resources are critical to the City of Fernley's future. Staff will work on developing a basic Water Resource Plan (WRP) during FY 2017/2018 focusing on limited resources in managing the water resource program. This plan will officially document and provide policy related to the City's ability to provide a sustainable water supply to its customers in periods of above and below average precipitation. The plan will begin during FY 2017/2018 and additional services outlined in the proposal are addressed in Fiscal Year 2018/2019.

Funding was requested and approved for allocation in the FY 2018/2019 budget development using "in-lieu-of fees". These "In-lieu-of fees" were set aside with the express purpose to expand the use of surface water within the City of Fernley as further described below. A WRP will provide policy related to the City's ability to provide sustainable water supply to customers. This plan will address source water reliability, management of water resources, future water resources, and water rights.

In December 2016, the City Council adopted Ordinance 2016-020, placing an expiration date of January 1, 2018 for the ability to pay a fee in lieu of dedication. In the past, the City allowed developers to pay a fee rather than dedicate an actual water right. The City would then serve such developments using its inventory of existing rights. The fee was placed in an account and used for the acquisition of additional replacement of water rights or for projects designed to expand/enhance the quantity and quality of water available to and within the municipal water system. Due to concerns about the depletion of the City's water rights inventory, in 2004 the City Council made certain changes to the Municipal Code designed to phase out the right of residential development to pay these "in-lieu-of" fees.

Studies conducted in 2013 showed the City had enough water and current infrastructure to fulfill outstanding obligations. It is critical that the City plan and prepare to have water available for future development, encourage new development, but not over-allocate the City's available water resources. Over the last several years, there have been numerous items that have and will continue to affect water resources at the City of Fernley, including the implementation of the Truckee River Operating Agreement (TROA) and the finalization of the upstream storage contract. The City continues to review the water resources needed for the City and will be provided in greater detail in the Water Resource Plan being developed.

Farr West was approached to provide the proposal for the WRP and was selected from the City's Qualified Professionals List (QPL) for water resources engineering. Staff interviewed several professional engineering firms and found Farr West to be the most qualified to perform this work for the City's WRP project. The WRP was scoped by Farr West Engineering and modeled after the Truckee Meadows Water Authority WRP.

This contract is a continuation (second phase) of the WRP process. Work in the first phase of the WRP was done in FY 2017-18. \$120,500 was identified in the FY 2018-19 budget using "in-lieu-of fees" to

complete the WRP. Farr West will prepare and submit to the City technical memorandums as each step of the process is completed for compilation into a single document for publication as the Water Resource Plan.

In May of 2018, Farr West was directed to halt water rights research and analysis under Task 3: TM 1- Water Rights until the City had updated or collected additional water rights records. Due to this delay extending beyond the end of Fiscal Year 17/18 (June 30, 2018), approximately \$12,000 of the original Task 3 budget (\$14,000) was unavailable for future project use. Additionally, the City requested that Farr West include a recommendation of a surface water dedication rate as part of Technical Memorandum 1.

Farr West proceeded in good faith to complete the water rights analysis and memorandum which is currently 80 percent complete. Farr West estimates that the services remaining will total approximately \$12,100 in services for the following tasks:

- Deed Research
- Final Water Rights Dedication Table
- Surface Water Dedication Rate Scenarios
- Draft TM1
- Final TM1

Services billed in FY17/18 totaled \$8,773.00 against the original budget of \$25,000.00.

Description of Modifications:

Farr West is requesting that the City amend the budgeted amount of Task 8: Owner Directed Services by \$10,000 to bring the total from \$10,890 to \$20,890.

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |

If Budgeted, Which Line Item/Account?
510-810-698

FISCAL SYNOPSIS:

Funds were budgeted during the FY 2017/18 planning process to begin the Water Resource Plan. Funds were approved in the FY 2018/19 budget from “in-lieu-of fees” for the continuation and completion of the WRP. Amendment includes an additional cost of \$10,000, for a FY Budget total of \$130,500.

PRIOR COUNCIL ACTION

- December 6, 2017, FCC approved City Council priorities for FY 2018-2019
- February 7, 2018, FCC approved Phase 1 of the WRP
- May 21, 2018, FCC approved FY 2018-2019 Budget
- June 20, 2018 FCC approved Phase 2 of the WRP

ATTACHED INFORMATION

- Contract for Farr West Engineering Water Rights Services
- Attachment A – Amendment to Owner-Engineer Agreement
- Attachment B – Scope of Work