

Agenda Item 8D



STAFF REPORT

TO: Board of Directors

PREPARED BY: Steven Palmer, PE, CSDM, General Manager *SP*

SUBJECT: Approve a Water Facilities Development Agreement with Sugar Bowl Corporation for the Gondola Replacement Waterline Project

RECOMMENDATION

Approve the terms of the Water Facilities Development Agreement with Sugar Bowl Corporation for the Gondola Replacement Waterline Project, subject to final review and approval as to form by District Legal Counsel, and authorize the General Manager to execute the final Agreement.

BACKGROUND

The Sugar Bowl Corporation (Developer) is currently working on a Gondola Replacement Project adjacent to Donner Pass Road, which necessitates the relocation of the District's existing waterline. This waterline runs south from Donner Pass Road to supply water to customers on Old Donner Summit Road and throughout the Sugar Bowl development area. A site location exhibit is included as Attachment 1.

Currently, the waterline crosses the Developer's property without an easement, as well as crossing property owned by the Union Pacific Railroad (Railroad). The Gondola Replacement Project involves demolishing the existing building and reconstructing a new one in the same location. Since the existing waterline is located beneath the current building, it must be relocated to allow the demolition and reconstruction process. The proposed route for the relocated waterline also requires work on Railroad property and the relocation of the existing waterline easement on that property.

An application to relocate the waterline and the Railroad easement has been submitted to the Railroad, but a response has not yet been received. The Developer wishes to move forward with the Gondola Replacement and the waterline relocation before receiving approval from the Railroad. To enable this, the Developer and the District General Manager have negotiated the attached draft Water Facilities Development Agreement (Attachment 2). This agreement allows the construction of a Temporary Waterline, enabling the gondola replacement to proceed immediately, and it outlines funding and a timeline for constructing the New Permanent Waterline. A conceptual drawing illustrating the existing waterline, Temporary Waterline, and New Permanent Waterline is included as Attachment 3.

DISCUSSION

The draft Water Facilities Development Agreement outlines the design, construction, and transfer of waterline improvements to the District, and includes the following provisions:

Temporary Waterline Project

The Developer will construct a new Temporary Waterline on their property. This Temporary Waterline will be constructed such that it can be used as a permanent waterline. Construction

may begin immediately upon the effective date of the Agreement, but must commence no later than three (3) months from that date, with completion required within four (4) months of the start date. The Developer must obtain all necessary permits prior to construction and provide the District with at least 48 hours' notice before work begins. The District will inspect the work to ensure it complies with the approved plans, permits, and terms of the Agreement.

New Permanent Waterline

The New Permanent Waterline will be constructed partially on the Developer's property and partially on the Railroad property. Approval from the Railroad is required for work conducted on their property. Once the Railroad approval is obtained, the District will provide written notice to the Developer to initiate construction. The Developer agrees to start construction within twelve (12) months and complete the project within twenty-four (24) months.

To guarantee the successful construction of the New Permanent Waterline, the Developer will provide the District with security equal to one hundred twenty percent (120%) of the estimated project cost. Acceptable forms of security include a cash deposit, surety bond, irrevocable letter of credit, or any other security approved by the District.

Conversion of Temporary Waterline to Permanent Waterline

If Railroad approval is not obtained in a form acceptable to the District, the District will accept the Temporary Waterline as the permanent waterline. In this case, the Developer will be relieved of the obligation to construct the New Permanent Waterline Project and will provide an easement to the District for the Temporary Waterline.

Warranty

The Developer is responsible for all maintenance and repairs of the improvements until they are accepted by the District. Additionally, the Developer will guarantee the improvements for one (1) year following acceptance.

Insurance and Indemnity

The Developer's contractor must provide the District with certificates of insurance before commencing work. This includes commercial general liability (\$1,000,000 per occurrence / \$2,000,000 aggregate), automobile liability (\$1,000,000), and workers' compensation coverage, with the District named as an additional insured. The Agreement includes mutual indemnification provisions, whereby each Party indemnifies the other for liabilities arising from their respective acts or omissions, in accordance with comparative negligence principles.

Attorneys' Fees Reimbursement

The Developer agrees to reimburse the District for reasonable attorneys' fees and costs incurred in negotiating and administering the Agreement, to be paid within thirty (30) days of receiving an invoice.

ANALYSIS

The Agreement is currently in draft form and is subject to final review and approval by the District's Legal Counsel and General Manager, as well as the Developer, prior to execution. Staff recommends that the Board approve the terms of the Agreement as presented and authorize the General Manager to execute the final Agreement once the review is complete.

FISCAL IMPACT

Developer will construct and transfer the waterline improvements to the District at no cost to the District. The District may incur attorneys' fees in connection with negotiating and administering the Agreement; however, those costs are fully reimbursable by Developer under the terms of the Agreement.

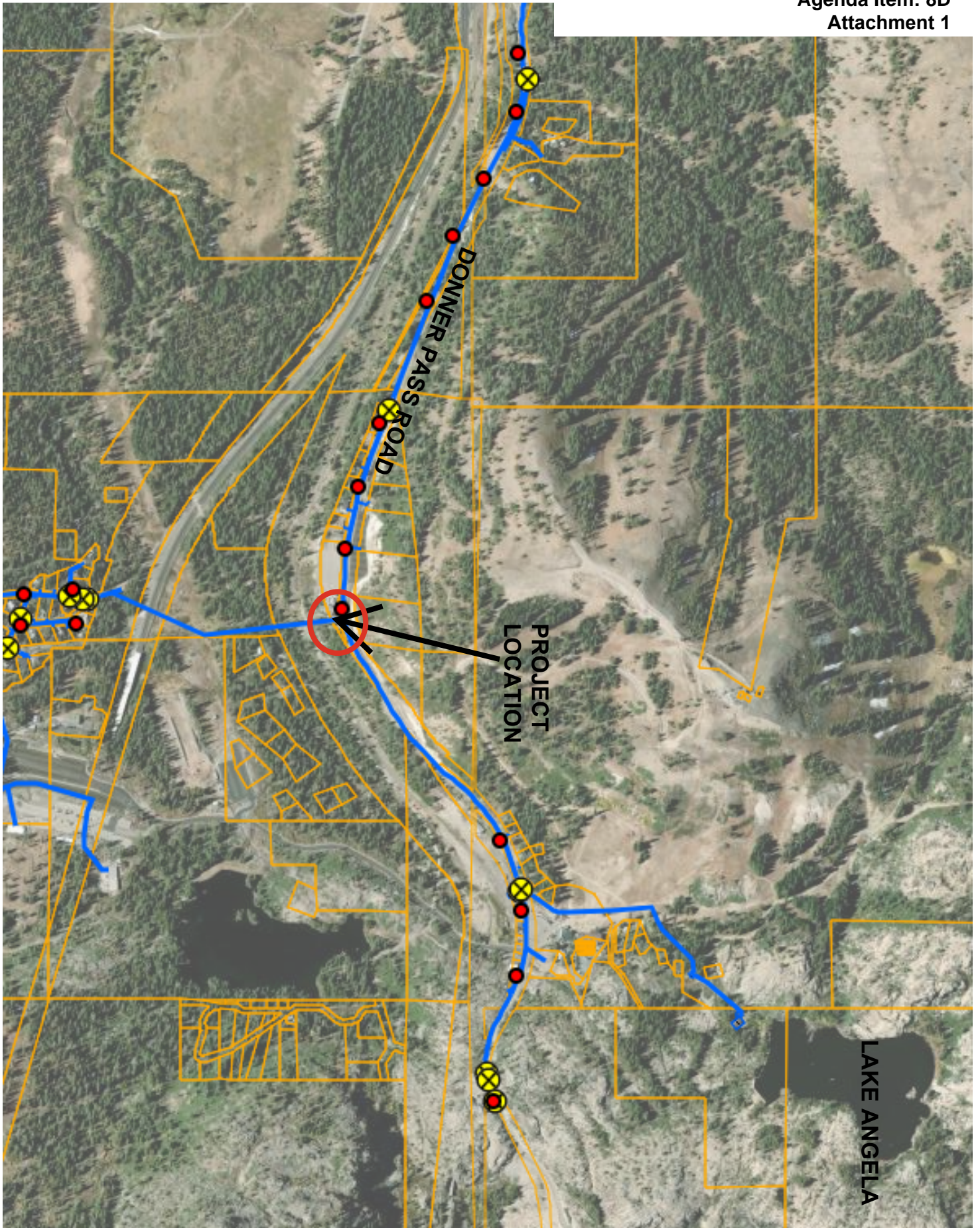
CEQA ASSESSMENT

A CEQA assessment will be completed by the Developer as part of the project design process, as appropriate. Approval of this Agreement is not itself a CEQA project.

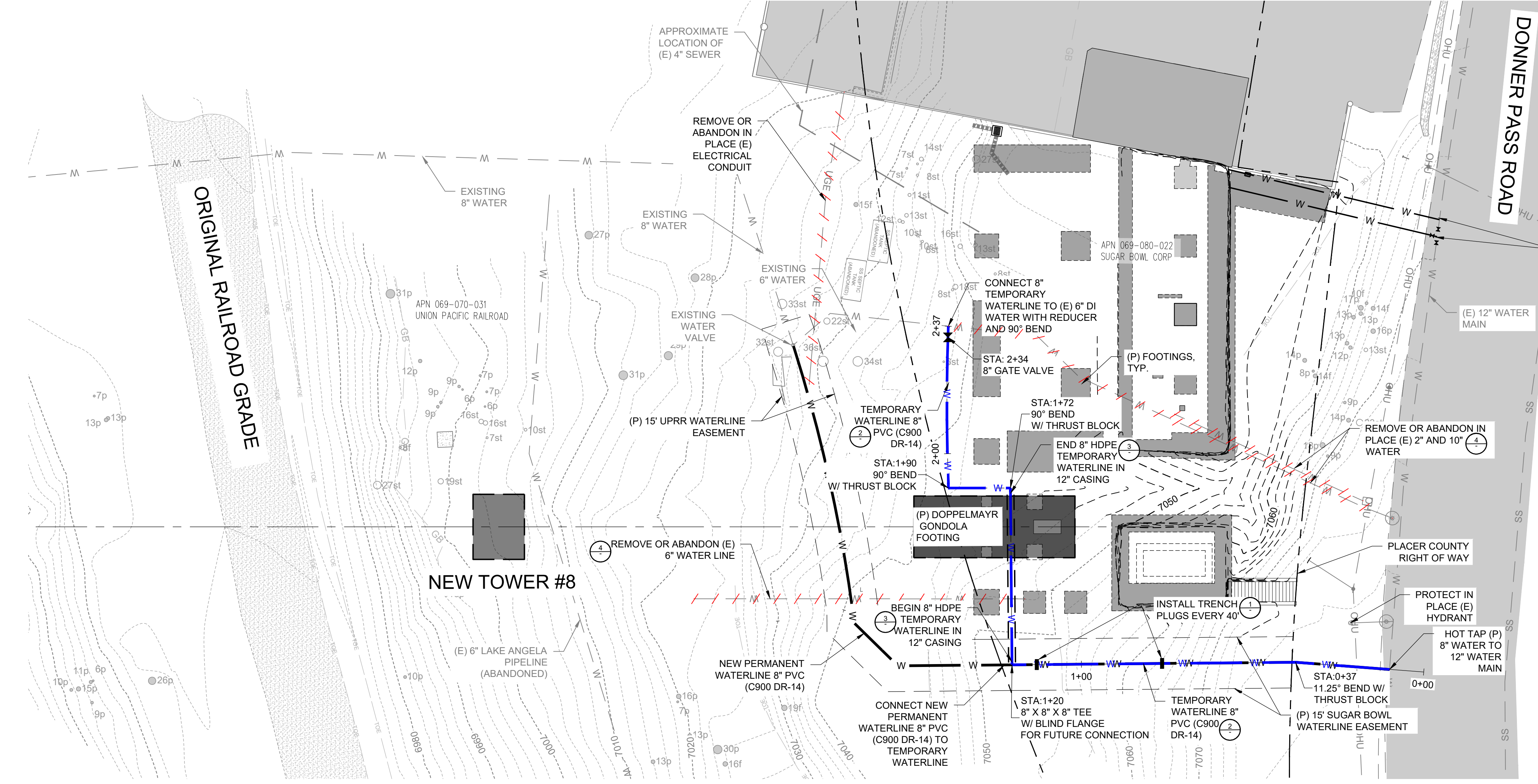
ATTACHMENTS

1. Site Location Exhibit
2. Draft Reimbursement Agreement
3. Conceptual Waterline Relocation Drawing

Attachment 1



Attachment 2



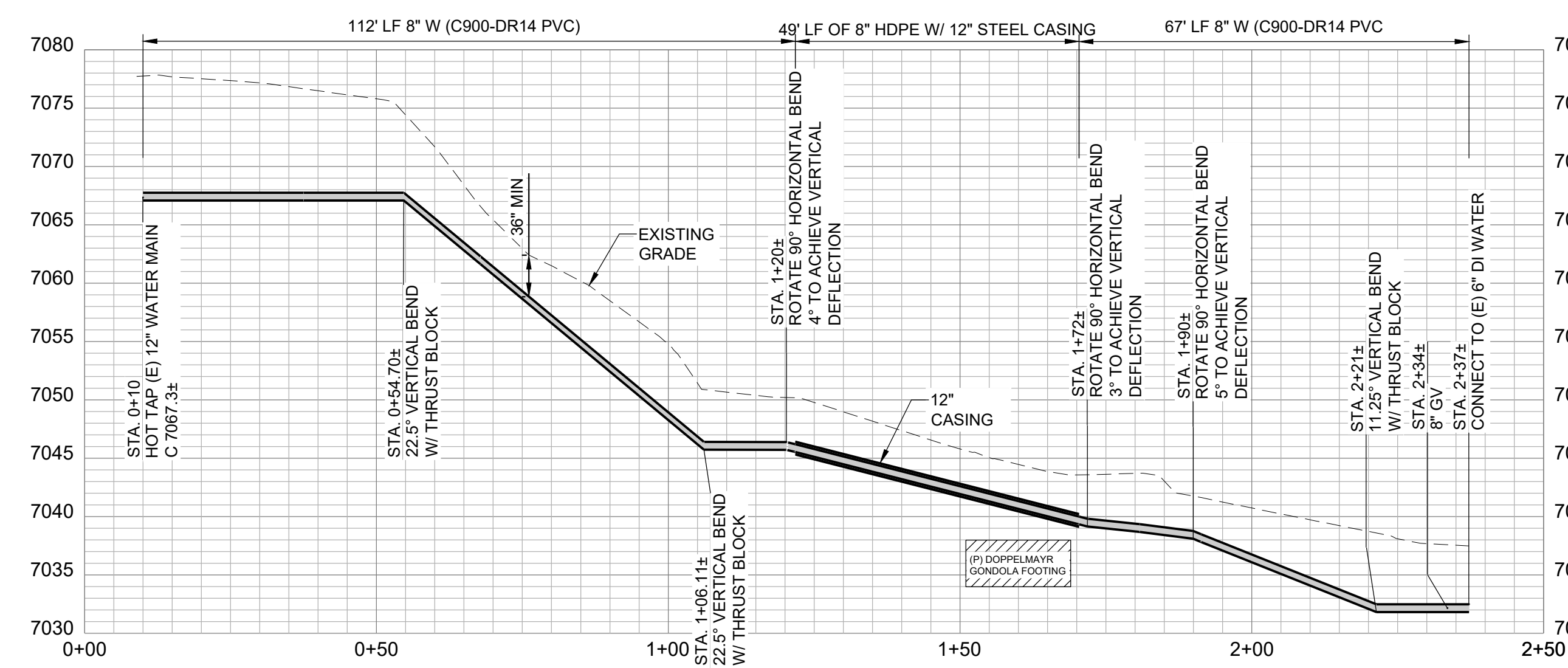
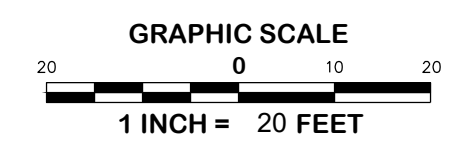
GENERAL NOTES

1. LOCATIONS SHOWN FOR EXISTING WATER LINES ARE BASED ON POT-HOLING DATA AND/OR HISTORIC UTILITY CONSTRUCTION DRAWINGS.
2. A MINIMUM OF 36 INCHES OF COVER REQUIRED OVER TEMPORARY WATERLINE.
3. ONCE PERMANENT WATERLINE IS INSTALLED, TEMPORARY WATERLINE TO BE ABANDONED IN PLACE.

LEGEND	
	SUGAR BOWL PROPERTY LINE
	EXISTING WATERLINE
	NEW PERMANENT WATERLINE
	TEMPORARY WATERLINE
	ABANDON IN PLACE OR REMOVE
	TRENCH PLUG
	GATE VALVE

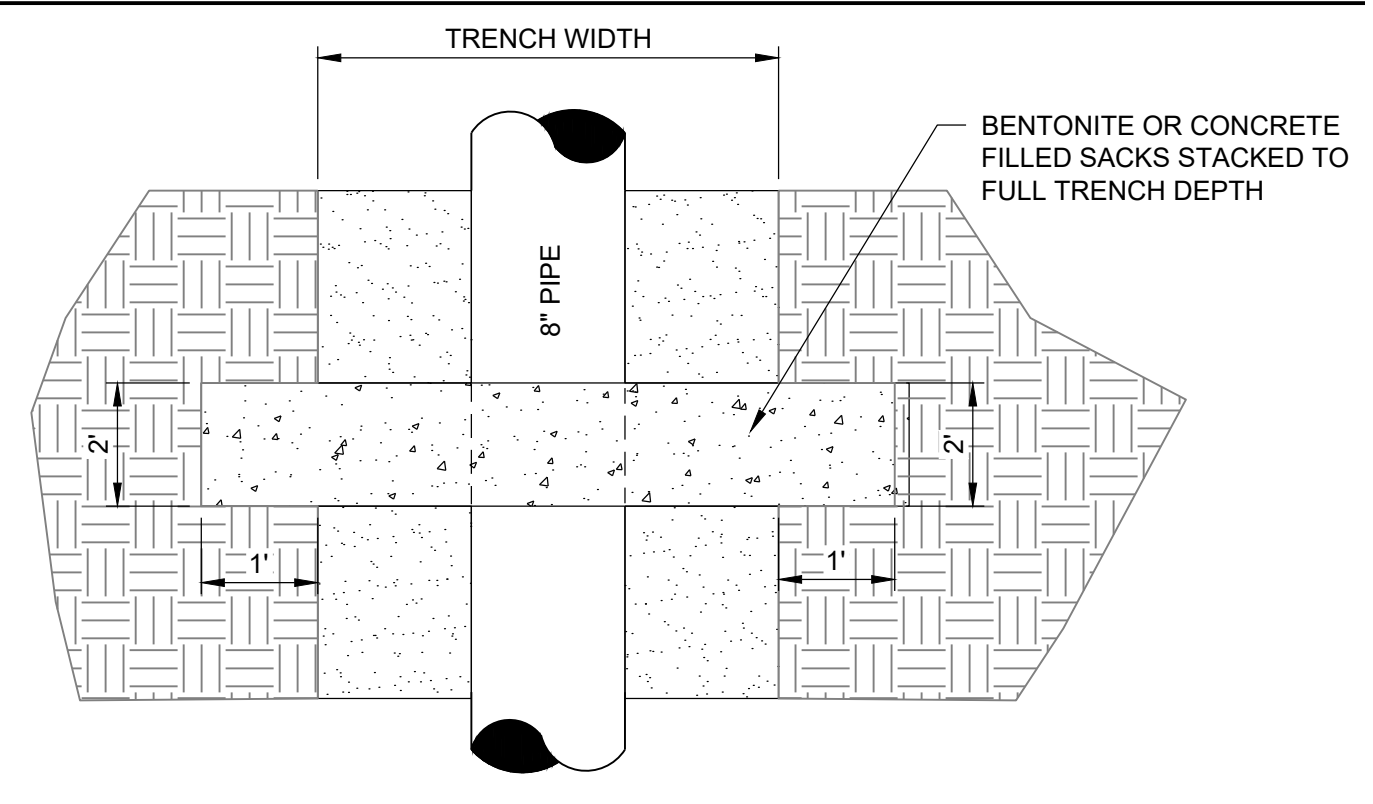
TEMPORARY AND NEW PERMANENT WATERLINE PLAN

SCALE: 1" = 20'

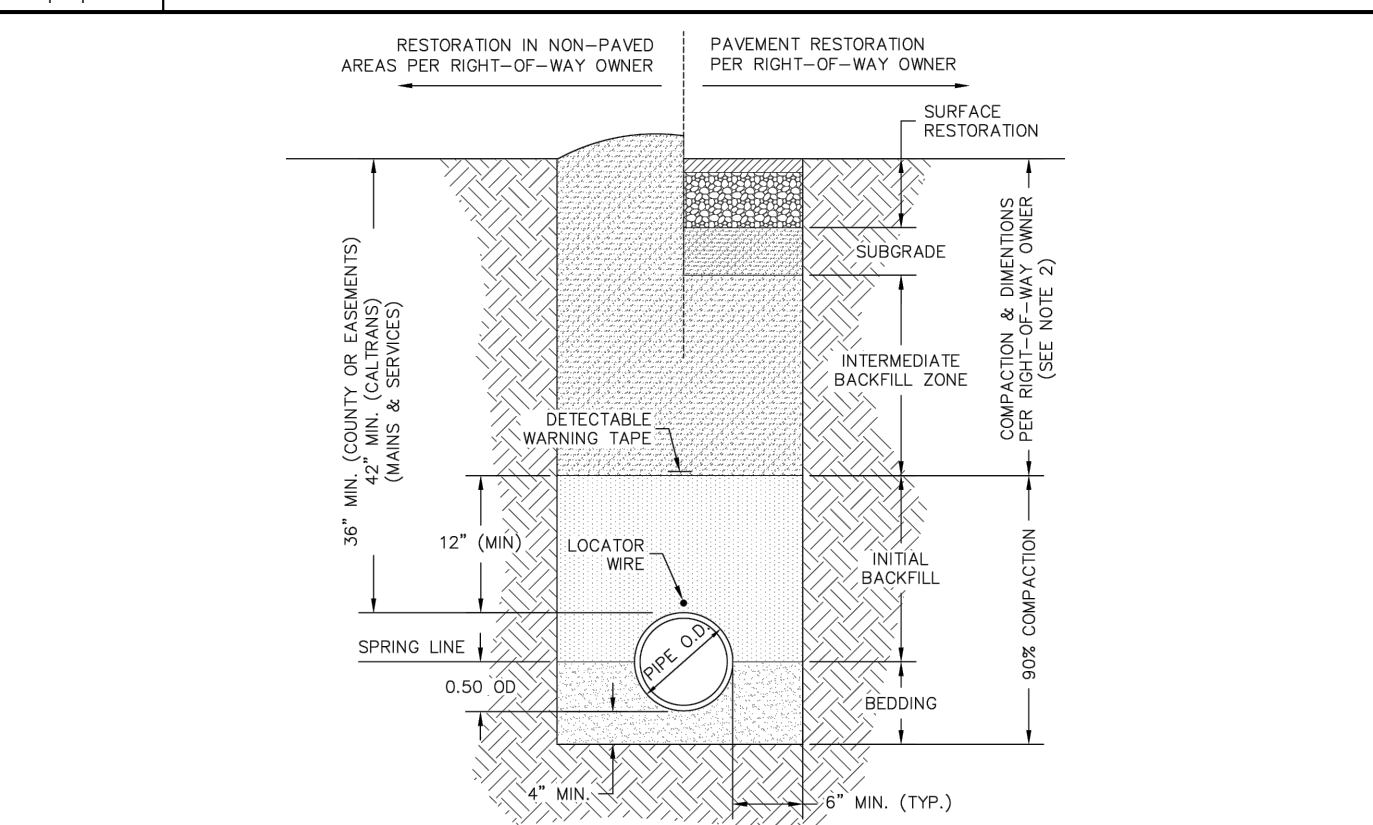


TEMPORARY WATERLINE PROFILE

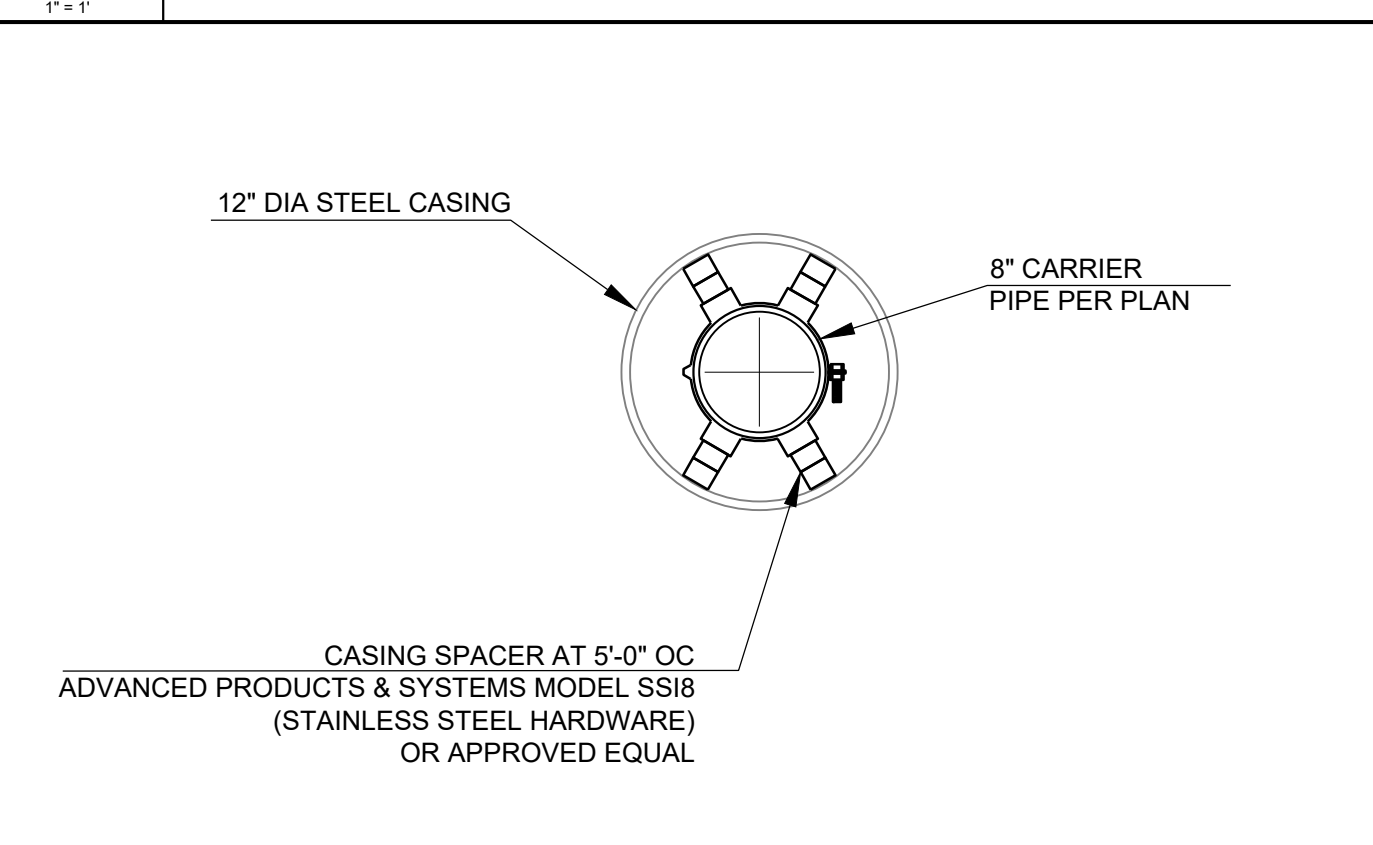
SCALE: H 1" = 20'
V 1" = 10'



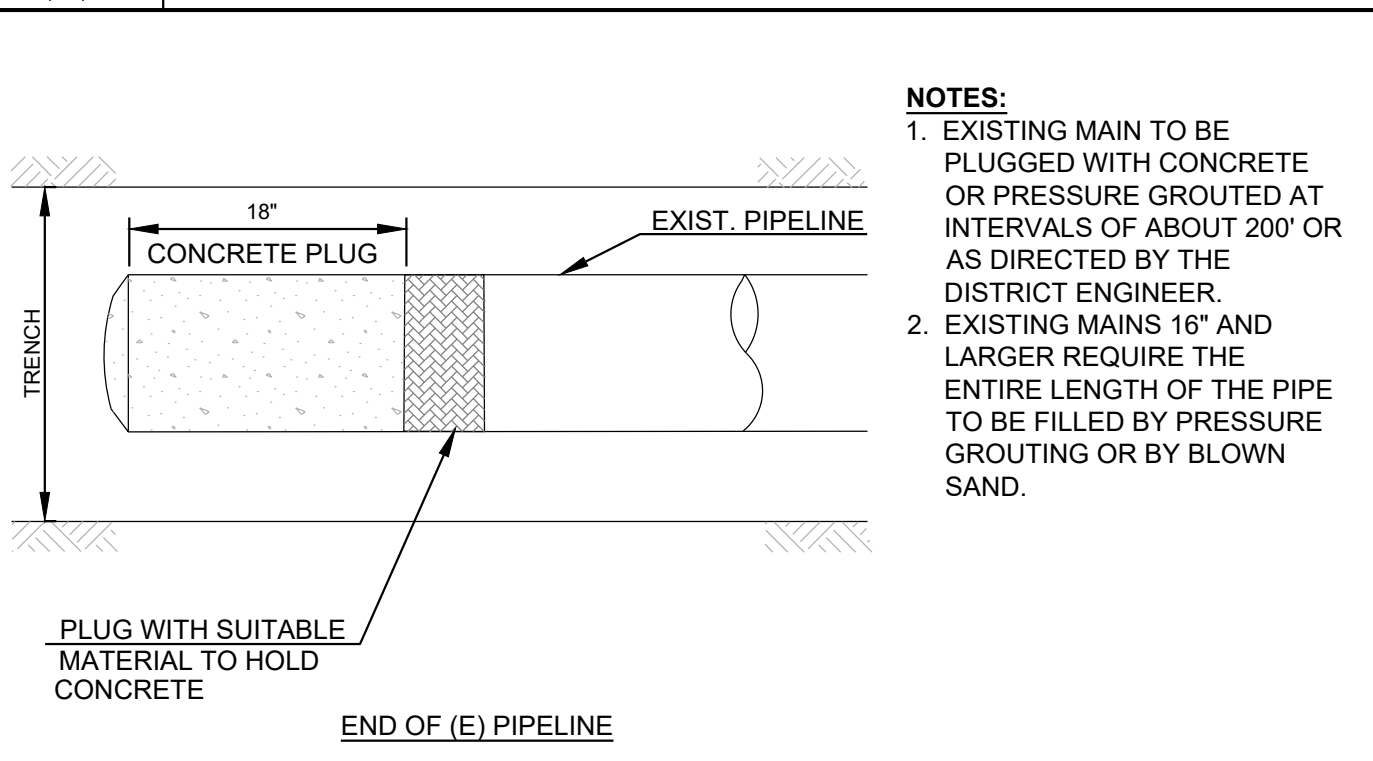
1 TRENCH PLUG (PLAN VIEW)



2 WATERLINE TRENCH



3 CASING SECTION



4 PIPE ABANDONMENT

AUERBACH ENGINEERING CORP



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KEY PLAN

SUGAR BOWL RESORT
GONDOLA REPLACEMENT PROJECT
HIGHWAY DRIVE
TERMINAL BUILDING
NORDEN, CALIFORNIA

ISSUE
ISSUED FOR PERMIT

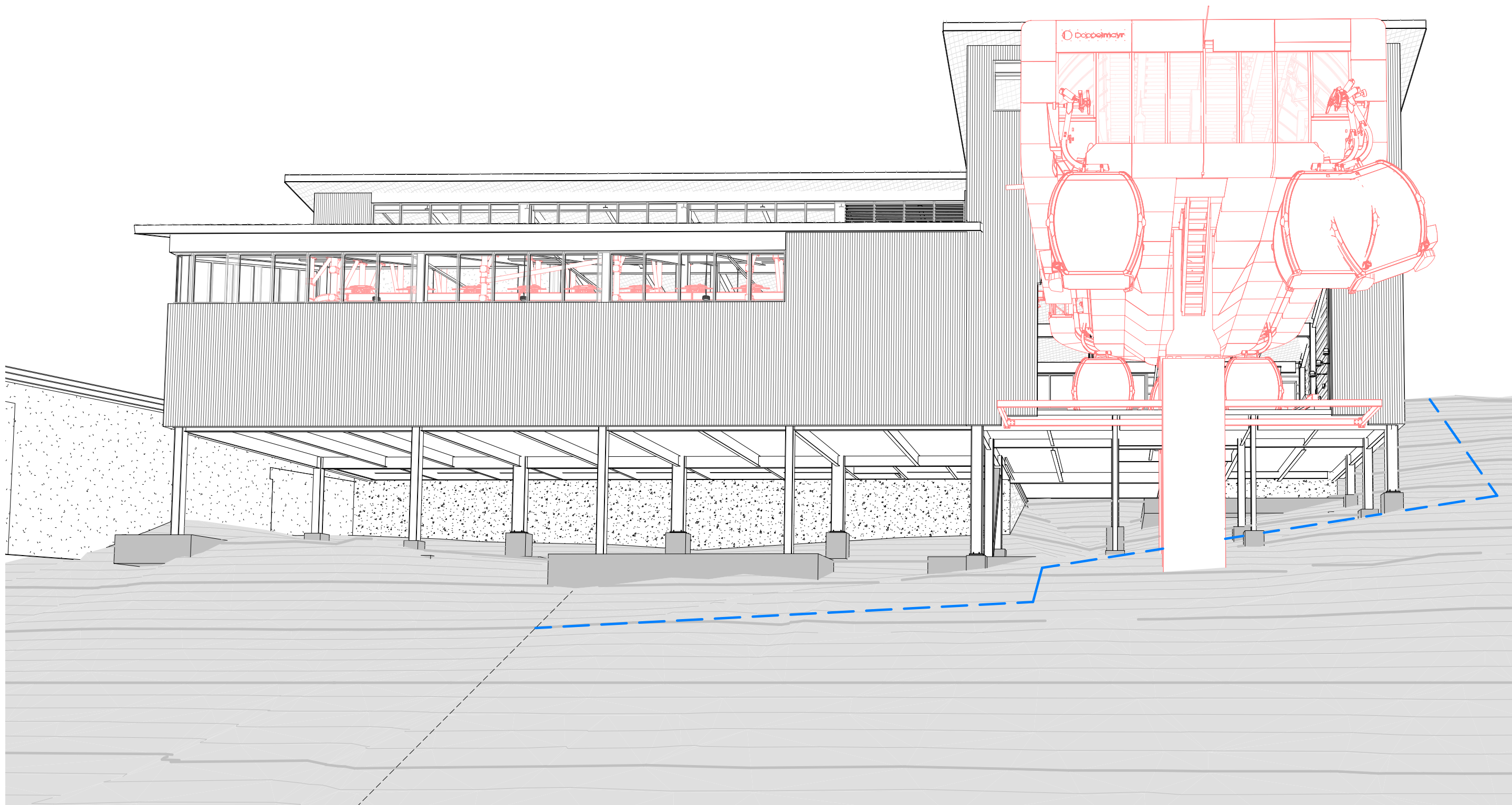
RELEASE DATE
10/01/2025

REVISIONS

PROJECT NO. 77.06
MADE BY CN/KD
REVIEWED BY WA

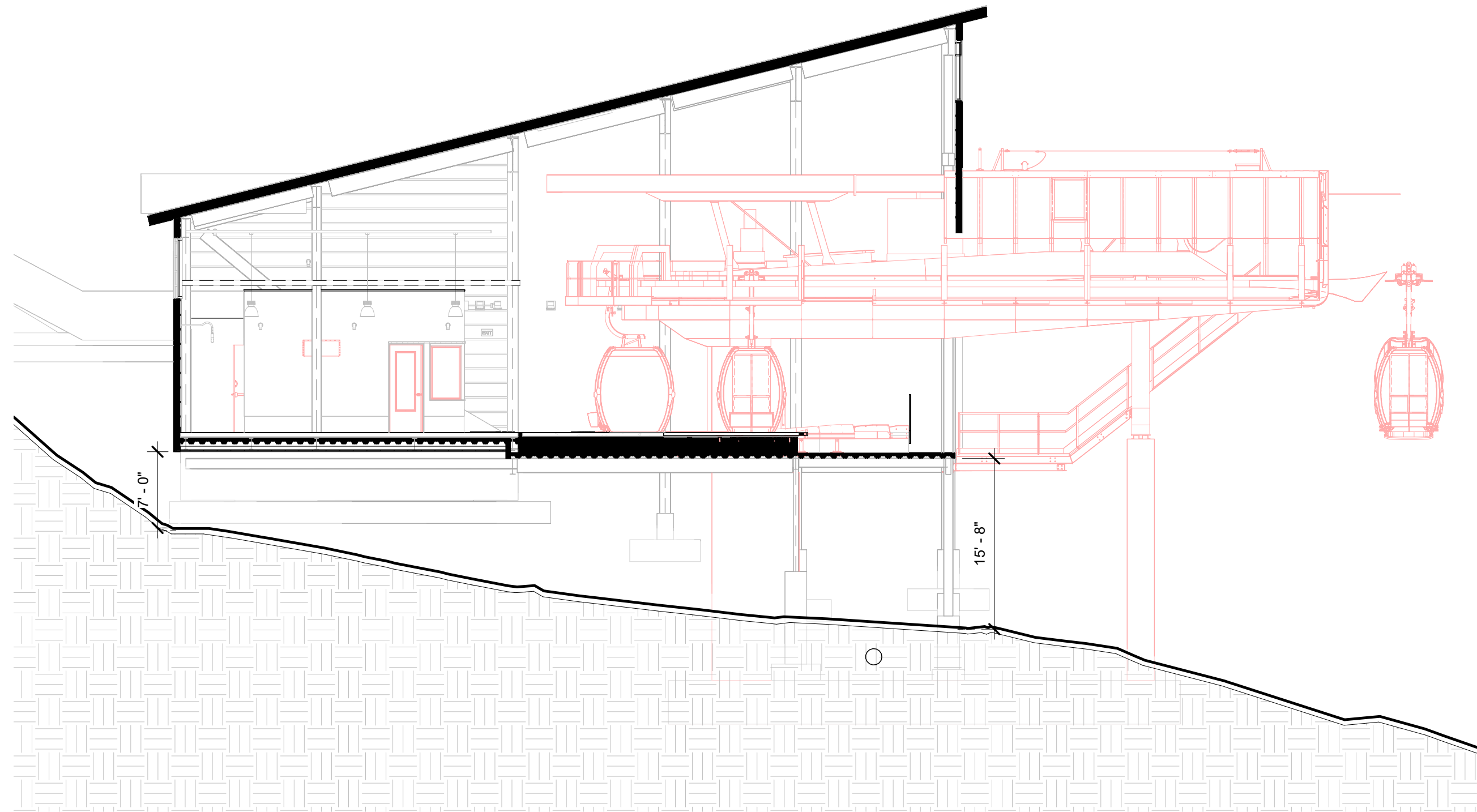
EXHIBIT XX
TEMPORARY AND NEW PERMANENT WATERLINE PLAN

HC3.02



80

BUILDING VIEW @ PROPOSED WATER LINE



1 BUILDING SECTION (LOOKING EAST)
1" = 10'-0"

BUILDING SECTION @ PROPOSED WATER LINE