

**MINUTES OF THE February 15, 2023  
MEETING OF THE  
WASHOE COUNTY SCHOOL DISTRICT  
CAPITAL FUNDING PROTECTION COMMITTEE**

**1.01 Call to Order**

The meeting of the Capital Funding Protection Committee of the Board of Trustees was called to order at 4:00 p.m. at the Washoe County School District Central Administration Building, 425 East Ninth Street in Reno Nevada.

**1.02 Roll Call**

Devon Resse, Charlene Bybee, Paul Anderson, Alexis Hill, Justin Ivory, Andrew Diss, Chris Cobb, Dave Solaro and Miguel Martinez all present. Jeanne Herman and Elise Bunkowski were absent.

**1.03 Public Comment**

No Public comment

**2. Items for Presentation, Discussion, and/ or Possible Action**

**2.01 Approval of the minutes of the December 8, 2022, meeting of the Capital Funding Protection Committee FOR POSSIBLE ACTION)**

Devon Reese motion to approve, Paul Anderson seconds, All in favor. Motion passes.

**2.02 Information and Discussion on the anticipated cadence and workload for future meetings of the Capital Funding Protection Committee for the 2022-23 School Year (FOR INFORMATION AND DISCUSSION ONLY)**

April 6, 2023

1. Update on Facility Modernization Plan
2. Update on Central Transportation Yard Improvements
3. Possible action on Debbie Smith CTE Academy High School
4. Possible action on FY24-28 5-year CIP
5. Update on External Review of Agreed Upon Procedures

June 2, 2023

1. Possible action on FY24 Capital Renewal Plan
2. Possible action on Central Transportation Yard Improvements

- 3. Possible action on Vaughn Middle School Rebuild
- 4. Update on Facility Modernization Plan

August 3, 2023

- 1. Committee-Year Annual Updates: Membership & Elections
- 2. Update on Stonebrook Area Elementary School
- 3. Update on Facility Modernization Plan

September 28, 2023 - (one week earlier than typical due to WCSD Fall Break)

- 1. Update on Stonebrook Area Elementary School
- 2. Update on Vaughn Middle School Rebuild
- 3. Update on Facility Modernization Plan

December 7, 2023

- 1. Annual Accountability Report
- 2. Funding Allocations stemming from Facility Modernization Plan
- 3. Possible action on Vaughn Middle School Rebuild

**2.03 Presentation, Discussion and Possible Action to Recommend the Washoe County School District Board of Trustees accepts the 2022 Capital Improvement Program Annual Accountability Report, which includes a summary of the current status of completion, budgets, and expenditures for previously approved construction renovation, and repair projects in the Washoe County School District (FOR POSSIBLE ACTION)**

Teresa Poulsen, Director of Planning for the Washoe County School District presented the Data Gallery which contains the Capital Renewal Program, Energy Efficiency and the WCSD Building Home page. The Building Home page contains the quarterly reports from Summer of 202 through the Fall of 2022. The Energy Efficiency is managed by Jason Geddes the Sustainability Manager, this page shows the utilities usage such as the cost of gas, water, and power throughout the whole district. The solar use at AACT and the saving that it shows is a good source of energy efficiency.

Paul Anderson asked if the Geothermal Power Data is included on the website?

Teresa responded that it was not, but they can look in to incorporating it to the report.

The Washoe County School District and the McKinstry Energy initiated a three-year energy retrofit project to save some energy, these included retrofits HVAC, control irrigation, controls water savers on plumbing fixtures, which brought the utility costs down, having saved about \$1.6M since 2018. Looking at the Capital Renewal which means major maintenance projects, prioritizing so many projects such as flooring,

roofing, carpet, concrete, etc. These projects get prioritized by the assessment department going out on annual basis to inspect all the schools and the systems within, also coordinate with the maintenance department, and it gets compiled and gathered into the facility condition index system. Example given from Agnes Risley Elementary School:

Here are the remaining Projects not yet scheduled at Agnes Risley Elementary.	# of Items	# of Photos	Total Cost
Immediate Needs	45	45	\$4,058,541
⊞ Expired and Unserviceable	18	18	\$2,851,125
⊞ Expired but Serviceable	27	27	\$1,207,416
Serviceable Future Needs	17	16	\$622,426
⊞ 3-4 Years	9	9	\$436,725
⊞ 5-6 Years	2	2	\$2,544
⊞ 7-8 Years	3	3	\$133,748
⊞ 9-10 Years	3	2	\$49,409
<b>Total:</b>	<b>62</b>	<b>61</b>	<b>\$4,680,967</b>

Jan 27, 2023

## Past Project Bidding Results:

22-130-Q-05-AA - Remove and replace two (2) outdoor drinking fountains, six (6) water closets and six (6) lavatories. Remove and replace indoor drinking fountain with electric water cooler with bottle filler. Modify existing and provide new domestic water. - Advertised: 5/26/2022 12:00:00 AM

Bidder	Bid Result	Amount	Notes
Savage and Son, Inc.	Awarded	\$61,786.00	63509
River city plumbing	Other	\$64,356.00	
NDI Plumbing Inc	Other	\$75,750.00	

Charlene Byebee asked for some examples of expired and unserviceable at a \$2.8M cost.

Teresa- I don't have the list but I am assuming there is probably a lot of HVAC type projects, could be electrical and a wide range of things, the total of everything equals \$2M.

Charlene Byebee- When you say unserviceable, there's a replacement probably they can't be service, probably can't find parts because this serviceable would be obviously would be the repaired one.

Teresa- yes.

The status numbers of the Capital Renewal Program, which shows the past three allocation years of budgets that were given each fiscal year. It shows the percentage spend based on funds that were allocated for the FY 2020 through FY 2022

Project Percentage of Completion based on \$\$					
Allocation Year and Date	Program Amount	2020	2021	2022	Total
FY 2020- June-19	\$37M	50%	30%	10%	90%
FY 2021- June-20	\$25M		66%	21%	87%
FY 2022- June-21	\$40M			77%	77%

Chris Cobb- "The remaining funds, those get to roll over in the future fiscal do have to help with the Debbie Smith or these other issues?"

Teresa- "Exactly, they can roll over into other maintenance funds, not so sure major projects can be used."

Tami Zimmerman, Chief of Facilities- "They just get rolled over into our maintenance into the Capital Renewal and the next one on the list would take off money and keep moving down the list."

The Change Orders are all contracts less than \$100K include a Force Account not to exceed 15% of Base Bid. The Major Projects Program has recently completed the New Hug High School 2022, O'Brien Middle School 2022, and the Swope Expansion/remodel 2022. There are current construction projects opening for the Fall of 2023; JWood Raw Elementary, Debbie Smith CTE demolition 2022, and construction Spring 2023. The upcoming construction projects are Central Transportation Modernization (in design), contingent

upon funding approval. Stonebrook Elementary (in design) contingent upon enrollment needs and funding approval. All this is since WC1 was approved and the amount is now \$806M.

In conclusion Capital Projects designed, managed, and constructed approximately 406 projects in 2022 including 2 new schools, \$193M community investments. Facility Modernization Plan will give us the path to our new school projects upcoming, along with this we have a plumbing assessment with some software platforms that will help us improve the projects. There is an evaluation of a project management software that will create consistencies and efficiencies within the Capital Projects Department.

Chris Cobb- "With the upcoming Central Transportation and Stonebrook, are you looking at CMAR (Construction Manager at Risk) or hard bid?"

Teresa- Hard bid.

Charlene Byebee- "Stonebrook Elementary, we are on pause pending enrollments, so when we will know, on count day in September?"

Tami Zimmerman- "Infinite Campus will give us information before that and the first day of school even though we know out there they'll be enrolled and they typically don't we will look at that, as well as the different scope at Stonebrook because it's not a pad ready site to see what that time frame means because that's work that has to be done that didn't have to be done at JWood Raw, so we are comparing those to see when we really need to start that and when we need to make that decision in order to get it open for that opening time frame."

Charlene Byebee- "Remind me again when our target is if we get the green light, and we know we've got to go every two years?"

Tami- "It's two-years approximately, we typically start them in December/January with grading and if that makes 18 months but if we start in August or September and get that out to bid in October, we get a few more months to get that pad ready, because it is a little more of an added scope from what we had before. We will see what that says once that comes into Infinite Campus and what we look at with the area out there as well as the time frame.

Chari Dave Solaro- "The good work of transparency that you have done with the FCIS program and really understand the condition of the schools, you guys have been beat up in the past but I think the information that is available for our entire community to understand the quality of the schools as they exist that you know what needs to be repaired and that you've got a process to go through I think it's admirable and I say it as a facility manager from Washoe County knowing what it takes, so thank you!"

Paul Anderson recommends the approval of the 2022 Capital Improvement Program Accountability Report and pass along to Washoe County School District Board of Trustees. Devon Reese Seconds. Motion passes unanimously.

## **2.04 Presentation and Discussion on the current project schedule and budgeted costs associated with the future Debbie Smith Career and Technical Education Academy High School (FOR INFORMATION AND DISCUSSION ONLY)**

Chief Facilities Management Officer Tami Zimmerman- Feb of 2022 Capital Funding Protection Committee approved \$125M, In May of 2022 Q & D administered bid process, bid period was March through mid-April of 2022. The draft GMP received early May at \$142.8M (excluding owner contingency), including owner contingency: \$112m vs \$147M, making it \$35M over the budget. A recommended option 2 in June 2020- Pursue a phased Delivery. Allows construction to begin in 2022, allows for value engineering and other opportunities, allows for larger financial adjustments to be made to accommodate the escalated costs of this project. It required a re-bidding of all scopes of work, market conditions may worsen, and delays of full opening to August 2025. Advantages of option 2- phase bidding schedule- proposed GMP Contract in May of 2022 included over \$7.5m in CMAR escalation and contingency- in addition of what bidders priced into their numbers. WCSD worked collaboratively with Q & D Construction on contract escalation language. Bidding of early procurement items, phasing schedule works to limit risk, contractors have had time to increase their bid limits to allow more competition. The bidding and construction phases:

- **Demolition**

- Hard bid by WCSD in fall of 2022- awarded at \$7.8M
- Previously bid in June of 2022 at \$15M

- **Site and Utility Package**

- Q & D CMAR bid in January of 2023 with award in March of 2023
- CMAR estimate of \$31.5M

- **New Building and Existing Building Renovations**

- Q & D CMAR bid in April of 2023 with award in July of 2023
- CMAR estimate to be finalized March of 2023

- **Landscaping**

- Hard bid by WCSD in fall of 2024
- CMAR estimate of \$2.5M

Additional funding will be asked for to take care of the escalation that may be occurring, needs to be planned and budgeted for, with the plan on putting in some more own contingency and the unforeseen gets taken care of. The augmentation will be about \$26 to \$29M.

Paul Anderson- "With your augmentation does that impact anything else you see that you had on the plate?"

Tami- "Potential projects, it could I feel very confident in our CIP plan that we're remodeling right now that we can still do what we want to do."

Devon Reese- "I have consistently during my time on this committee been critical of the district's facility planning from the standpoint of its needs, the district has been incredibly good about using the WC1 to create new opportunities for our students, I am worried that we are not thinking long term about our staff, the folks in this facility that we're sitting in now. Long term, is there a plan to do with the needs of the district from a district facility plan?"

Tami- "We are not ignoring the need for a new boardroom, that setting was just not the right setting for it, when you are trying to manage a high school and then have board meetings, high schools have activities at all hours and then board meetings, it just doesn't mesh well together. That is the reason for not needing it at that site, its not that we don't need one, as in the future we are thinking about that we do worry about the people in this facility and the boardroom, it will come in time."

Devon Reese- "Vaughn and some our schools in the Wells District are going to ultimately going to see some changes as the VA moves their location, I want to put on the radar screen, if the VA is pitching out of that location there we have some great school sites there in that neighborhood maybe its time to think out loud about that site as potentially the home f a new District facility, that facility is aging and needs to be torn down but the commitment to that neighborhood could be very incredible, have a lot going on there."

Justin Ivory-"I'd like to circle back to the escalation because you say some of the contractors actually didn't submit for the escalation, some of the subcontractors?"

Tami-"Some of the subcontractors, the subcontracts for our GMP one that were the selected subcontractors did not submit for escalation with in their pricing, they had an option to but they also can take advantage of stored materials which then helps them and so some of them that was kind of the feedback we had is they were going to store materials on site and help them in that fashion."

Justin-"Another thing I want to make sure is in our escalation clause it works both ways right, so when they give you that sealed envelope if you have to open that sealed envelope if the numbers have gone down they have to give you money back, is that correct?"

Tami-"That is correct, it's very hard to calibrate that with CIP, but we are going to do our darndest to actually count and make it fair."

## **2.05 Information and Discussion on the proposed City of Reno Stormwater Impact Fee Ordinance (FOR INFORMATIN AND DISCUSSION ONLY)**

Adam Searcy- Chief of Operations presented an impact statement from the District, active business impact statement process that the City of Reno is currently engaged in related to this ordinance, the District is working in close partnership with City staff and leadership to identify not only the impact the school district discusses how this ordinance might be best suited to address the school district's unique position within the community. The Capital Revenues are exclusively available for capital projects or facility investments not available for use on ongoing operating expenses so this would be very analogous to a sewer, monthly sewer bill or a monthly utility bill of any kind which won't be able to be fulfilled or spent by any Capital Funds.

Andrew Diss- "Does the Washoe County School District currently pay a similar stormwater fee or tax to Washoe County of the City of Sparks, and how much is that if they do?"

Adam- "Both the City of Sparks and Washoe County have stormwater impact fees they're very different in their format and they're very different in their scale to what's proposed by the City of Reno. We do pay, we aren't exempt in within the confines of the way it constructed the county and City of Sparks the school district participates in those fees as well."

Andrews Diss- "Do you think given your legal analysis of that recent court case you cited that possibly you could be exempt if it meets the definition of a tax rather than a fee, so there could be some suture savings to the district?"

Adam- " I couldn't speculate beyond what was cited in that letter to be candid."

Andrew Diss- " Some of your suggestions I think are good ones the CPI concerns I think are really valid there should at least be a cap, I would suggest another change and that would just be the pushback implementation urge the city to at least 2024, a lot of fiscal budgets already closed and under this currently drafted proposal from the city it would start July 1<sup>st</sup> of this year and so doing it in the middle of a budget cycle is concerning that the money is already allocated in other places. For me there's two things I see a double standard being proposed by the city when it comes to the rights of way the city has exempted itself from having to pay the new fee on rights that are maintained by the city but the school district maintains rights of way, a lot of individual parcels maintains rights of way and I think if the city is going to exempt itself it should offer that exemption to other parcels that also have to maintain rights of way. Number one concern is where on the crediting process the school district can teach about water conservation and storm water as part of its curriculum and then it receives an abatement of what it has to pay on those fees, that looks like a municipal governing body is dictating to our school district what is being taught in schools and I am not comfortable with that at all. Teaching them about storm water is pretty benign but what it does is it sets a precedence where the city could come back with another fee in the future and says the only way you can get out of paying this fee is if you teach this certain course to students and it could be a course that's totally inappropriate for students to learn about, but the city is forcing the



school district into a choice of whether to teach this course or pay the new fee. We have two councilmen from the City of Reno, and I know this is going to come in front of them.

## **2.06 Presentation and Discussion Update on the Agreed Upon Procedures External Review of Professional Services of the Capital Improvement Program (FOR INFORMATION AND DISCUSSION ONLY)**

Kirk Starkey, Chief of Internal Auditor- Presented a request from the committee of an audit of the policies, procedures, and processes that the Capital Projects Department uses to manage the construction professional service providers such as Architects, Engineers and Design Firms. Work with a couple members of the committee to scope out the project its objectives and desired and proposed procedures, then proposed project particulars to the districts audit committee who also approved the project and also presented it to the Board, where they agreed to authorize the necessary monies for the third party to preform the work. In mid-October an RFQ was sent out for a quote for firms who offer extensive experience and expertise in performing industry specific reviews. The four firms were productivity BDO, Baker Tilly, and StoneTurn. Late November, there was a proposal received from each firm which were good, after discussions with the firms the selection was of BDO to perform the work. The firm provides accounting and advisory services and a range of business and Industry including education and construction. This specific project consists of experienced construction, auditors and subject matter experts with engineering backgrounds. The contract is set up to not exceed \$80,000, includes any travel costs that maybe necessary to come to the area, with no travel the cost will decrease. The contract is with the firm's legal department and has, they are extensively backlogged, will have it as soon as possible, as approved by their legal department we can get the contract processed and placed we will begin shortly after.

Justin Ivory requested the criteria.

Kirk will provide the information and let him know the only difference from the once presented in April would be that they had presented were four to five and it upped to five or six.

## **3. Closing Items**

### **3.01 Public Comment**

No Public comment

### **3.02 Announcement of Next Meeting April 6, 2023, at Administration Building, Board Room**

**3.03 Adjourn Meeting Time: 4:47 PM**