

**Minutes of the Meeting of the
Capital Funding Protection Committee
of the Washoe County School District Board of Trustees**

March 29, 2018

1 OPENING ITEMS

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 Administration Building, 425 East Ninth Street, Reno, Nevada

1.02 Roll Call

David Bobzien, Paul McKenzie, Carlene Bybee, Kristopher Dahir, Bob Lucey, Mike Cate, Tim Rowe and Ted Ohm were present for roll call. Jeanne Herman, Scott Evans and Dave Solaro were absent.

1.03 Public Comment

Jeff Church provided public comment school security, NRS 387.335 use of Capital Projects fund for vehicles, salary supplantation (sic), high cost of schools, lack of full audit of Capital Projects budget in on-line history, fact checker, the tale of Beaumont, CA. Mr. Church provided two handouts to the committee.

Mr. Church's number one concern is lack of an audit and oversight. The number one goal for Mr. Church is to have an expert oversee runaway spending. There has been no financial or construction audit of the Capital Projects funds in on-line history. There are spot and CAFR audits.

Mr. Church addressed the salary supplantation (sic) topic, which was said to be impossible and believes it is now happening. It also appears people are receiving salary increases at more than double the inflation rate while we have a \$30 million deficit. He also address Beaumont CA. He states he is not accusing anyone in Washoe County of any criminal with malfeasance, however, citizens' of Beaumont were ignored when they complained about corruption. The end result, 5 criminal convictions one still pending for corruption. It happened in Washoe County in 2008 with the Washoe County Water Official Paul Orphan and millions of dollars of our taxpayer money.

1.04 Action to Adopt the Agenda

On motion by Paul McKenzie, seconded by Kristopher Dahir, **the Capital Funding Protection committee approved the agenda as presented.** (Yea: David Bobzien, Paul McKenzie, Carlene Bybee, Kristopher Dahir, Bob Lucey, Mike Cate, Tim Rowe and Ted Ohm). Final Resolution: Motion Carries 8-0

2 Discussion, Presentation, and Action Items

2.01 Discussion and Possible Approval of the Minutes from the June 29, 2017 Capital Funding Protection Committee meeting

On motion by Paul McKenzie and seconded by Charlene Bybee, **the Capital Funding Protection Committee approved the minutes of the June 29, 2017 meeting.** (Yea: David Bobzien, Paul McKenzie, Carlene Bybee, Kristopher Dahir, Bob Lucey, Mike Cate, Tim Rowe and Ted Ohm). Final Resolution: Motion Carries 8-0

2.02 Discussion and Possible Approval of the Minutes from the December 7, 2017 Capital Funding Protection Committee meeting

Pete Etchart – Chief Operations Officer, the minutes are unavailable at this time and will be presented at the next meeting.

2.03 Presentation and Possible Action to Recommend that the Board of Trustees approve the Capital Funding Protection Committee Bylaws.

Samantha Frederickson, Board Services Department, said it is standard that all committees have bylaws. The Capital Funding Protection Committee and the Oversight Panel for School Facilities have not yet adopted bylaws so it will be the same set of bylaws. It is standard broiler plate, basically the same bylaws for all committees so unless you have questions the process is for you all to approve and then the Board of Trustees has to approve them as well.

Paul McKenzie referenced page 2, 3b where it talks about recommendations from the committee to the Board of Trustees. It states the Superintendent is able to make alternate recommendations. Mr. McKenzie stated that was not his understanding. The way it reads, we could make a recommendation and the Superintendent could re-write it and send it to the board for approval.

Pete Etchart explained that recommendations from the committee go to the Board of Trustees with no alternative recommendations. If the Board of Trustees does not

agree, then the recommendation is returned to the committee and go back and forth until an agreement is reached. We will need to edit and eliminate 3b.

It was moved by Paul McKenzie, seconded by Tim Rowe, that on page 2 under Reporting Structure, item 1 be edited to read: Recommendations shall be made to the Board of Trustees and eliminate 2b, 3b and 4b.

A discussion ensued regarding the Superintendents role in making recommendations to the Board of Trustees. The Capital Funding Protection Committee (CFPC) requested the Reporting Structure in the bylaws be reviewed and edited regarding the Superintendents role concerning the committee recommendations to the Board of Trustees.

2.04 Presentation and Discussion regarding a Major Projects Construction Update of Current, Planned, and Proposed Projects including Elementary Schools in the areas of Northwest Reno, Southeast Reno, North Valleys/Cold Springs, and Spanish Springs; Middle Schools in the proposed areas of Sun Valley, Spanish Springs, and Arrowcreek; High Schools in the proposed areas of Butler Ranch, Wildcreek Golf Course, Central Sparks, and Cold Springs; and Support Services in locations still to be determined

Adam Searcy, Deputy Facilities Management Officer. Adam Searcy provided an update on School Repairs – Capital Renewal. A copy of the presentation was provided to the Committee. The update is based off of specific projects from WC1. An updated will be provided on each one, highlighting on ones the specific ones that require action from the Committee.

Capital Renewal Program - An annual report was presented to CFPC in December 2016 and December 2017. Action is requested for additional funding allocation to be addressed on the next agenda item and will be primarily used to accelerate the single point of entry projects. Over looked element of CP roughly 90% of the work the team does every day. Things are going well with the renewal program.

Damonte Ranch HS - the first major capacity project after approval of WC1. The project is complete. Students and Staff will be moving in after spring break.

Nick Poulakidas ES (South Meadows ES) - delivering CMAR through Q&D Construction. The contract for site improvements is under way, bids are being opened for the building improvements, and the school is scheduled to be opened August 2019.

Desert Skies MS (Sun Valley MS) - delivering CMAR through CORE Construction. Mass grading & retaining walls are underway, under budget and on schedule. Building and Site Improvements was awarded on March 13, 2018 and the contractors are currently mobilizing. It is also on schedule to be opened August 2019.

Sky Ranch MS (Spanish Springs MS) - also being delivered by CORE Construction. GMP1 is substantially complete and mass grading has been completed. Awarded GMP2 for building, site Improvements and is currently underway.

Adam Searcy stated the GMP was brought back to the Board of Trustees after funding allocation from the Capital Funding Protection Committee. The Board was pleased with the results. A lot of effort was placed into developing high quality construction documents and recruiting qualified bidders. We received excellent bids by percent of dollars. Local sub contracts were awarded 91% of the bids and bids were well below the forecasted budget.

Expand Nutrition Services - Phase 1: is for dry storage and office expansion. We recently advertised and opened bids earlier this month. The bids came in under budget and we expect to get underway next month. Phase 2: We are in the schematic phase being delivered by Clark/Sullivan Construction using CMAR this is a little more complicated due to the kitchen and addition of a second story. It is underway and we anticipate coming back in the summer of 2018 for a funding allocation once we have the design finalized. Award anticipated this winter and completion in summer of 2019.

Arrow Creek MS - Currently under design and anticipated to be built on what is currently a parcel owned by the Forest Service. Since the Committee last met in December, Capital Projects has continued to advance through the acquisition process with the Forest Service. The progress is slow and steady. Multiple public meetings have been held, the District also went through the entire Forest Service environmental assessment and environmental investigations. Today, March 29, 2018, the Forest Service is making a decision notice, recommending that the land be transferred to the School District. The Forest Service calls it a "finding of no significant impact" and will publish it. Ultimately at the conclusion of the process it is anticipated that Washoe County School District will own the property out right in the June or July time frame of summer 2018. The school design will be based exactly off of Desert Skis and Sky Ranch MS, to begin construction before the end of 2018. Goal is to open by August 2020.

Last time the Committee met they received approval to proceed though schematic design only. In the last several months much has been learned about the site. It is in an elevated seismic region of the Truckee Meadows. The structural engineers indicate that we need to remain 50 feet off the fault lines in order to place any occupied structures. The site was then reconfigured. There will be significant grading and retaining walls similar to the Sun Valley site. There will be slightly increased additional costs for bracing and slightly upsized structural numbers to ensure the building is safe and built to code.

Mr. Cate asked if the additional issues have been addressed, all the concerns of the residents and what are the additional costs due to build on the increasingly slope and is it significant enough that a secondary site might be considered? Adam Searcy replied that all concerns and comments were taken into consideration and addressed in the design and will be continuing to address in the actual design process.

Wild Creek HS – March of 2017 the Committee approved funding for Educational Specifications and Design portion of the project. December 2017 a joint meeting was held with the RSCVA and Washoe County Board of Commissioners where direction was given to proceed into final negotiations for land acquisition for Wild Creek HS. Currently in schematic design phase. Anticipate coming back to the Committee summer of 2018 for schematic design approval request and possible funding allocation later this year. December 2017 presented to the joint meeting was a land acquisition proposal deal structure where the School District would purchase the land and water rights necessary for the school from Washoe County. The RSCVA would have their debt associated with the property extinguished and retain the original purchase price of the property. Washoe County would retain the balance of the sale proceeds and water rights sufficient to operate the golf course and the balance of the land. The direction given was for staff to proceed with design sufficient to finalize this deal. Reviewed the handouts, possible locations for the school placement, design and possible completion dates. Fall 2022 is necessary to achieve the quality that is expected. Requesting action on to engage with the process on the power line relocation that is needed. Looking to enter into an agreement with Nevada Energy to do the design and relocation of the Power Line and will agree to reimburse them on a prescheduled duration.

Hug Repurposing – No action associated during the Committee Meeting but still intending on delivering it one year after Wild Creek HS opens.

CORE School Investments – The Committee has previously allocated funding for this element of Capital Program. Currently has not acted upon it but will take steps in 2018 to analyze existing older schools and determine what might be done to retrofit them to alleviate any inequities between newer schools and older schools, increase capacity and ultimately update some of the existing schools.

Expand Transportation Yard – Great success in achieving some cost effective and balanced improvements to all three of our main transportation yards. Specifically the relocation of the mobile ground shop located at the central yard. In 2.05 there is a \$500,000 allocation request associated with the completion of the relocation of the mobile ground shop. The mobile grounds maintenance building is currently located at the central bus yard and was flooded last winter. A partial allocation was requested to demolish and rebuild the facility at a different location pending the other portion of the costs coming from FEMA. Turns out the School District must front a 100% of the costs and FEMA will reimburse later. This moves about an acres worth of property out of the

central transportation yard and onto a different site and frees up the acre for additional bus parking.

North Valleys area ES – Intent is to still develop this Elementary School within the proposed development off of Sky Vista near the North Valleys Regional Park. We will use the same design that we are currently constructing at Nick Poulakidas ES. Unfortunately, that development is being held up for a variety of reasons in Lemmon Valley and it is currently on hold. Other options will be sought to relieve overcrowding in the short term. It is still the plan but the timeline is unknown.

Spanish Springs area ES – This Elementary School will be the sister school to the Sky Ranch MS. The proposed site is already owned by Washoe County School District. Capital Projects is a full go on this Elementary School. There is a prototype design under construction. Action is being requested in 2.05 for a full design allocation expected in April 2018 and deliver the school in August 2020.

There is a whole host of to be determined projects as growth and development dictates. Rio Wrangler site down in the South Meadows area, the plan is to acquire that land in full in April of 2018. Doing some site master planning on a few other sites.

Public Comment

Mr. Church says he just came from a fund meeting and no FEMA funding reimbursement is guaranteed. Mr. Church asked if vehicles were included under the NRS. Mr. Church requests to know the costs of the High, Middle and Elementary Schools. His research shows it should cost \$200 a square foot and believes Damonte Ranch High School was \$450 a square foot. Mr. Church quoted the Reno Gazette Journal, saying the costs of a new high school is between \$180-190 million. Mr. Church also stated salaries are being supplanted and the pay raises are much higher than the cost of inflation.

2.05 Presentation, Discussion, and Possible Action to Recommend that the Board of Trustees Approve the Allocation of \$9,310,000 of Previously Unallocated Capital Funds received from Bond Premiums associated with previous Bond Sales to the following: \$1,560,000 to the Summer 2019 'B' Capital Renewal Program (see Attachment A) and \$7,750,000 to the 2017/2018 'E' Major Projects Program (see Attachment B).

Joe Gabica, Chief Facilities Management Officer, will speak regarding the old schools. The Capital Renewal Plan is the same plan that was presented in December 2017. The only difference is we've added the last two columns out on the right side. Phase A was approved December 2017 and tonight we are requesting phase B. It is money for Construction for some safety items at the Bus Transportation Facilities as well as moving forward with some of the single point of entries. That's why the \$800,000 is

there. Joe Gabica references the handout and states these are the same projects that the Committee has seen before and he is asking to move into construction on some of them and that is what the Phase B costs are for.

Pete Etchart referred to the handout, WCSD Capital Improvement Program (2017-2025_ WC-1 Projects. As funds are being allocated the funds are coming from unallocated funds from previous bond sales. No new bond allocation is being requested. The top handout in the middle column is in green is what is being requested. On the right in purple is the total allocation that have been done since starting the WC-1 projects. This handout is a summary. The 1.65 million for school repairs and the Wild Creek area High School is 800 thousand for the power line design and relocation and 2.2 million for the Spanish Springs ES design. Moving down the handout there are site acquisition funds the 4.25 million is predominately for the purchase of the Wild Creek property. Parcel map should be completed by June or July of 2018 and then will move forward to consummate the deal. The grounds building replacement requires the costs to be fronted and for a future reimbursement. All the funding must be put down now so an additional 500 thousand is being requested. All expenditures added up is 9.31 million that will come from previous bond allocations, the bond premium. Received was 13.4 million from the last bond allocation of the 200 million dollars so we are not allocating all of that bond premium at this time and will be back with allocating the rest of that bond premium.

Charlene Bybee asked Joe Gabica about the school repairs on the older schools and wanted to know if funding being requested is for the single point entry and some locks at Reed HS? Joe Gabica replied there is already money for the locks and there are 6 schools left to finish the classroom locks and have the funding already which has been allocated in prior allocations both through the Safe and Healthy Schools Commission and this body of the Board. This funds being requested is predominately for the single point entries. We have monies to take care already of the nine single points that we were planning to do this summer. This 800k is to augment to do the other 15 that we are accelerating. We have sufficient monies left over from the CCTV allocation that if we combine it with this, we think we can get all 15 done. If not we will be back next time requesting more funding to finish them up.

A Committee Member asked if funds are necessary for the acquisition of the US Forest Service land. Adam Searcy replied the service charge \$10.00 an acre and the district will acquire 60 acres.

A Committee Member asked for Joe Gabica to please explain how to get the funding from FEMA. Joe Gabica said he would have to get the Risk Manager to explain since she is the one that worked it out between FEMA and the School District's Insurance carrier. \$300,000 is expected, possibly from the Insurance Carrier for loss prevention. Kleppe Lane Transportation yard has been flooded four times so rather than rebuilding it the Insurance Carrier has asked could be done to move it. That is where the

discussions started. Joe Gabica believes most of the money is coming from the Insurance Carrier, though FEMA is also involved.

Announcement was made by Pete Etchart - This is Joe Gabica's last public meeting, he is retiring after 35 years and has been involved with the building of 40 schools within the District. Congratulations were given.

A Board member expressed concern over the cost of the school off Arrow Creek. States there is private property that would have been cheaper and a lot less burdensome to develop as the Wild Creek site than the site we have. He does not like seeing money spent to buy the site until there is a true analysis of the site and what it will cost to build on it. It is not issues that can't be overcome but at what point is it that the obstacles become more than should be spent when two miles north of it there is a piece of BLM Ground that the school would fit on without a 4 1/2 million dollar investment of WC-1 funds.

Public Comment

Jeff Church inquired about the Bonding and Roll Over. Jeff Church would like to know if WC-1 is allocated/maintained under a whole separate accounting thing than say the property tax revenue. Jeff Church was shocked to be told that the two Oversight Committees for WC-1 don't exist and aren't going to exist. That the community was misled because as Jeff Church understands it as a lay person is money that is pledged and bonded against sales tax, not property tax and therefore is exempt from all the NRS requirements that were promised during the WC-1 elections. What is appropriate for the Oversight Committee vs this Committee.

On motion by Dave Solero to recommend the Board of Trustees approve the \$9,310,000 of previously unallocated capital funds received from bond premiums associated with the previous bond sales to the following: \$1,560,000 million to the summer 2019 B Capital Renewal Program and \$7,750,000 to the 2017-1028 E major projects program, seconded by Bob Lucey (Yea: David Bobzien, Paul McKenzie, Carlene Bybee, Kristopher Dahir, Bob Lucey, Mike Cate, Tim Rowe and Ted Ohm). Final Resolution: Motion Carries 8-0

2.06 Presentation, Discussion, and Possible Action to Recommend that the Board of Trustees Approve completion of the design of the Arrowcreek Middle School, contingent upon Washoe County School District receiving the 'United States Forest Service Issuance of Final Environmental Assessment and Decision Notice' for the property located at the Northwest corner of Arrowcreek Parkway and Thomas Creek Road.

Adam Searcy – Deputy Facilities Management Officer for Washoe County School District, crafted the agenda item language without knowing precisely when those major public milestones related to the acquisition would occur. They did in fact occur today, therefore there is no additional information to present. The request is that the recommendation be made to the School Board to proceed through the entirety of the design contract for Arrow Creek MS.

The request is for the design which was previously presented for \$3,100,000 for the full design contract and the motion made in December was to only proceed through schematic design portion of it. There is no costs estimate precisely on the level impact that it will bring, we are asking for approval to proceed into design only and competitively bid this. There is some conversation to be had that the market competition through this second and third iteration of this school will actually improve the pricing, perhaps offset some of the costs associated with the increased structural elements and things of that nature. Ultimately it's believed the school will come in at or below what we've paid for these two middle schools that are under construction right now.

A discussion ensued regarding the costs, seismic issues, site specific issues, retaining walls, structural elements, property acquisition from the US Forest Service and lack of information to move forward with full design.

Joe Gabica – Architectural Engineering sub consultant packages are broken into phases, schematic design, design development, construction documents, bidding and then construction. At the end of design development we will have some better answers for you. The structural engineers have had a chance to review the soils engineering to be able to look at the seismic zones, come up with the steel shapes needed to hold up the building and get an idea how much extra it will cost. Which may answers the Committees questions. The design development is before full construction documents and is usually about 20% into construction documents. We are through schematic and we need to go ahead or wait which would potentially hold up the opening of the school for a year. Joe Gabica proposes to go through design development which would be approximately 25% of the \$3,100,000 contract to that point. Then we can stop and do a design development cost estimate, compare and bring forward back to the Committee.

2:10:14 On motion by Paul McKenzie we authorize the expenditure and move it through design development, bring back to the Committee and give a preliminary cost estimate on what the project will cost forward before we proceed with future design. Seconded by Kristopher Dahir (Yea: David Bobzien, Paul McKenzie, Carlene Bybee, Kristopher Dahir, Bob Lucey, Mike Cate, Tim Rowe and Ted Ohm). Final Resolution: Motion Carries 8-0

3 CLOSING ITEMS

3.01 Announcement of Next Meeting

Pete Etchart – save the date for Monday, May 7th, 4:00pm, location to be determined.

3.02 Public Comment

No Public Comment

3.03 Adjourn Meeting

There being no more business, the meeting was adjourned at 6:13 pm

Mike Cate, Chair