

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

November 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

Kristopher Dahir, Bob Lucey, Mike Cate, Scott Evans (via phone), Tim Rowe and Dave Solaro were present for roll call. David Bobzien, Carlene Bybee, Jeanne Herman and Ben Hutchins were absent.

1.03 Public Comment

No public comment.

1.04 Action to Adopt the Agenda

On motion by Bob Lucey, seconded by Kristopher Dahir, **the Capital Funding Protection committee approved the agenda as presented.** (Yea: Bob Lucey, Mike Cate, Kristopher Dahir, Scott Evans (via phone), Tim Rowe and Dave Solaro). Final Resolution: Motion Carries 6-0

2 Discussion, Presentation, and Action Items

2.01 Discussion and Possible Approval of the Minutes from the October 17, 2018 Capital Funding Protection Committee meeting (For Possible Action)

On motion by Dave Solaro and seconded by Tim Rowe, **the Capital Funding Protection Committee approved the minutes of the July 19, 2018 meeting.** (Yea: Bob Lucey, Mike Cate, Kristopher Dahir, Scott Evans (via phone), Tim Rowe and Dave Solaro). Final Resolution: Motion Carries 6-0

2.02 Presentation and Discussion providing an update on the status of the hiring process for the Chief Internal Auditor position and the hiring or contracting with a Construction Internal Auditor (For Discussion Only)

Pete Etchart, Washoe County School District Chief Operating Officer, provided an update regarding the hiring of a new WCSD Chief Internal Auditor. WCSD had a series of interview panels for the position. The process started with an initial interview group comprised of internal staff along with external community members including a representative of the Internal Audit Committee. The top candidates were then interviewed by the full Internal Audit Committee. The selection process culminated with a public interview at the Board of Trustees meeting on November 27, 2018. By a 5-1 vote, employment was offered to Mr. Kirk Starkey. WCSD is currently awaiting word to see if he has accepted the offer of employment. Mr. Starkey is currently the Internal Audit Manager for Solano County, California. His background includes being with the Nevada Division of Internal Audits for 5 years and the Nevada Gaming Control Board Auditor for 8 years. Mr. Starkey is a Certified Public Accountant, and has a Law degree from Golden Gate University and an Accounting degree from UNLV.

Public Comment: No public comment

2.03 Presentation, Discussion, and Possible Action to Recommend and Forward to the Board of Trustees of the Washoe County School District the 2018 Capital Improvement Program Annual Evaluation Report. (For Possible Action)

Adam Searcy, Washoe County School District Chief Facilities Management Officer, presented the Capital Improvement Program Annual Evaluation Report. Capital Projects is committed to the annual report and the transparency it provides to the public. WCSD has a program known as FCIS, Facility Condition Information System which is a database of assets where the facilities department categorizes, inspects and documents on an annual basis. It is on this foundation where Capital Projects is able to understand and know what they have, where it is, how old it is, what condition it is in, what it will cost to replace, and when it will be necessary to replace. It forms the foundation of the Capital Renewal Programs. A video was presented to show Capital Projects activities from this last year.

The 2018 Capital Renewal Allocation is a list of projects across a variety of categories developed on the basis of worst first. The condition ratings are what drive the priorities of the projects. Overall, the 2018 Capital Renewal Program is approximately 70% complete and over 95% of the program is underway. Capital Projects endeavors to deliver these budgets specifically within the approved allocations. Any outstanding balance can and is reallocated but only to projects that have been approved by the CFPC and the WCSD Board of Trustees.

The 2019 projects data is utilizing the same format. The projects have been under design for most of 2018. Most of the projects are still in design and will be bid through the coming months and constructed throughout calendar year 2019.

Kristopher Dahir, Is there a point where we are getting to the place where we feel like we are catching up?

Adam Searcy, WCSD Capital Projects is going in the right direction. Moving into the 2016 election, there was a lot of discussion about the backlog of deferred maintenance. That will take many years to catch up. The proposed Capital Renewal allocation for 2020 is larger than what it has been in past years. That is in large part to begin to tip the scale towards a reduction of that backlog. The bottom line is that Capital Projects is not losing ground but it will take multiple years to see meaningful progress in reducing the backlog.

As Capital Projects is using this data driven process to develop this program of projects occasionally project conflicts occur and you'll see some projects that are deferred. Many were logistically infeasible for that specific time period and were delayed.

On motion by Kristopher Dahir and seconded by Dave Solaro, **to accept and acknowledge the presentation be forwarded to the Board of Trustees** (Yea: Bob Lucey, Mike Cate, Kristopher Dahir, Scott Evans (via phone), Tim Rowe and Dave Solaro). Final Resolution: Motion Carries 6-0

2.04 Presentation and Discussion regarding a Major Projects Construction and Land Acquisition Update of Current, Planned, and Proposed Projects including at Existing Schools throughout Washoe County School District, Elementary Schools in the areas of Northwest Reno, Southeast Reno, North Valleys/Cold Springs, and Spanish Springs; Middle Schools in the areas of Sun Valley, Spanish Springs, and Arrowcreek; High Schools in the areas of Butler Ranch, Wildcreek Golf Course, Central Sparks, and Cold Springs; and Support Services in locations still to be determined. (For Information and Discussion Only)

Adam Searcy, WCSD Chief Facilities Management, presented the following updates:

Expansion of Nutrition Services Center –scheduled to go out to bid shortly and will move into construction shortly.

Arrowcreek MS – Since the last CFPC meeting, Capital Projects has submitted for a permit and the project is currently out to bid. Hoping to move in to construction as soon as February 2019.

Wildcreek HS – No significant update. Capital Projects is continuing with design and is entering the design development phase. Regarding the Truckee Meadows Regional Planning Agency's Regional Planning Governing Board meeting on the power line corridor relocation, the committee is rehearing that item on Dec 6, 2018.

Kristopher Dahir, when will WCSD purchase the land?

Neil Rombardo, if you are asking about permitting, ownership of the land isn't relevant. However, WCSD hopes to get the Notice of Intent to Sell heard at the December WCSD Board Meeting and then enter into the agreement with Washoe County either in late December or early January.

Adam Searcy, a parcel map has been recorded, subdividing the existing property.

CORE School Investments – Capital Projects is continuing the feasibility study for Swope MS and McQueen HS for ways to expand and improve those schools. Capital Projects has also added O'Brien MS to the feasibility study.

Bob Lucey, where is WCSD with regional governing on the power pole alignment for Wildcreek?

Adam Searcy, WCSD has applied through the City of Sparks to relocate a transmission line that bisects the Wild Creek area Golf Course, this is subject to a corridor that needs to be relocated formally through the Truckee Meadows Regional Planning Agency. WCSD proceeded through that process and in late October was denied by the Regional Planning Governing Board. Through conversations and interactions with Regional Planning, they have re-agenized that same item for December 6th, 2018.

Cold Springs Area currently has one Elementary School, Nancy Gomes which is severely over crowded and one Middle School, Cold Spring MS which houses 5th graders in addition to 6-8. WCSD is working with the community to identify a new Elementary School site in Cold Springs.

Bohach Elementary School is anticipated to go out to bid in January/February 2019, and on is on schedule for a 2020 opening of the school.

2.05 Presentation, Discussion, and Possible Action to Approve the Allocation of \$40,630,000 to the Summer 2020 'A' Capital Renewal Program to include projects throughout the Washoe County School District pursuant to the Attached List of Program Projects and Associated Costs for Each Project (see Attachment A & B) and Recommend Approval to the Board of Trustees. (For Possible Action)

Adam Searcy, WCSD Chief Facilities Management, introduced Dan Adink from McKinstry. McKinstry is the organization that has been helping WCSD with the energy performance contracts.

Dan Adink, McKinstry is wrapping up the Phase 1 energy performance contract and presented the proposed scope of work for Phase II of the energy performance contract. Referenced handouts to review the matrix.

Tim Rowe, asked about #5 on the matrix that pertains to Hug HS.

Dan Adink, the planned future upgrades for Hug HS do not include the specific identified bathrooms and the irrigation systems, therefore it is a good idea to upgrade those systems today.

Regarding the need for the athletic fields, Pete Etchart stated that current students at AACT do not have the opportunity to participate in sports at the school. With the creation of the Career & Technical Academy at Hug HS, WCSD envisions allowing those students to play High School sports. WCSD plans to utilize the existing Fields and Gymnasium.

Bob Lucey, that speaks to the irrigation, regarding the Bathrooms, will there be improvements with the actual footprint?

Dan Adink, The flush valves will be replaced, not the toilet and urinals.

Kristopher Dahir, NV Energy came in and did the thermostat for one of WCSD's schools. Seems we are spending a lot of money on something that people are willing to do.

Adam Searcy, there is at the bottom of the matrix the audit fee which is reimbursed by NV Energy. Should any of the projects be executed, it will be reimbursed by NV Energy and in fact has been reimbursed for Phase I.

Dan Adnik, specific to the thermostats, the technology offered by NV Energy is stand alone and not compatible with the districts existing system which is an Alerton DVC System provided by BCS. It is a similar technology but the one proposed to be provided is compatible with the WCSD's central direct digital control system that controls the rest of the HVAC systems. NV Energy will offer based on the energy savings a five cent per kilowatt hour rebate, not covering the entire cost of the thermostat but covering some of it.

Pete Etchart, WCSD has an Alerton system that controls all of the schools remotely. WCSD staff comes in every morning and the Facilities Maintenance staff looks at every single school to make sure it is operating and running. It would be very cost ineffective for WCSD to actually have stand-alone systems at all of our schools. One of the cost efficiencies we have is that we can remotely access and control all of our schools. WCSD is getting some benefit from NV Energy for the system we have in place and

WCSD feels it is imperative we have all of them in order to monitor and alter the heating and cooling in our systems.

Tim Rowe, referred to the matrix and asked if it is going to take 16 years to recover \$12,000,000.00? What is the life of these changings and will we ever recover the \$12,000,000.00 to the point that it makes sense to do this?

Dan Adink, the very first column is called FCIS value. McKinstry in collaboration with the district has optimized the scopes of work for each measure so that they overlap with future needs of WCSD. You are looking at the next eight years, \$11,700,000.00 of items already on the FCIS list that will not need to be done. In reality if you look at it over the course of 25 years, the net present value is roughly for phase I and phase II is \$44,000,000.00. The lighting upgrades which are the bulk of this, the average anticipated life span of the lamps that would be installed would be about 50,000 hours. At 2,000 a year on average that is about 25 years.

Bob Lucey, Technology is advancing rapidly, will these systems be adequate enough into the next 16-years that WCSD won't have to change to a new system?

Dan Adnik, gave the example that the lamps in the Board Room are about 28-watts each. What McKinstry intends to install is 11-15 watts depending on the space. If there were a technology that would cut that in half to 6-watts, that would only represent a quarter of the savings that WCSD is going to achieve. If you look at the opportunity cost of waiting financially, because there might be a newer technology later on, WCSD may lose out on \$40,000,000. worth of savings over the next 25-years by waiting.

Adam Searcy, this represents approximately \$1,000,000. with phase I of utility costs savings to the School District in year one. That will be replicated three times twice for each phase I and phase II, those are cost savings to the General Fund that are being felt and are felt immediately that can be reinvested into the classrooms. The qualitative impacts and WCSD's ability to significantly improve the learning environment on a broad scale across the School District with these projects. The qualitative benefits further support moving forward with these projects.

Dan Adink, above and beyond the energy and maybe even more importantly what this project will do is that it will touch every single classroom, every single space, every single student in WCSD schools in meaningful upgrades to their learning and academic environment. The quality of the learning environment has been tied via research directly to academic performance. One of the benefits of this is that in schools that may not see the immediate benefit of new construction, this will provide some equity to all of the students in the School District. It will provide meaningful upgrades that will provide School District staff time, better light quality, mercury in the classrooms will be eliminated and reduce glare on white boards.

Adam Searcy, reviewed the handout outlining the highlights of the 2020 renewal allocation for WCSD. In regards to the safety and security category of projects. It has been a big topic of conversation nationwide, in our region, and with the WCSD Safe and Healthy Schools Commission. Capital Projects is increasing the proposed allocation for this particular category of projects significantly from years past. WCSD will largely direct the funds towards the completion of single points of entry in all of the WCSD Elementary Schools. Regarding the "Warm" part of "Safe, Warm and Dry", \$4,500,000. Will be allocated towards HVAC projects. The "Dry" part is for roofing repairs and upgrades. Ever increasing construction prices continue to be a significant challenge in our region.

Bob Lucey, in regards to the roofing, is there any type of Insurance? What kind of guarantees are we getting on these roofs?

Adam Searcy, there is a significant warranty provided on a few different elements of the roofs. The standard warranty requirement is 20-years. Interim Repairs and coatings can sometimes extend the useful life before a full replacement is necessary.

Kristopher Dahir, can you speak to what the \$60,000 vehicle cost item is for?

Adam Searcy, the vehicle(s) will be used for primarily construction managers or other design staff that need to travel to various school sites or construction projects.

Mike Cate, pointed out that before WC-1 happened, an idea of doing energy savings and taking the savings and putting it back into where you can bond that money over to create more bond dollars in order to do more work on the schools. At that time it was shot down because WCSD wanted to put the money in the General Fund which is where it is going now. Mike Cate believes since the money is coming out of WC-1 and it should go back into WC-1.

On motion by Kristopher Dahir and seconded by Bob Lucey, **the Allocation of \$40,630,000 to the Summer 2020 'A' Capital Renewal Program to include projects throughout the Washoe County School District pursuant to the Attached List of Program Projects and Associated Costs for Each Project.**

(Yea: Bob Lucey, Mike Cate, Kristopher Dahir, Scott Evans (via phone), Tim Rowe and Dave Solaro). Final Resolution: Motion Carries 6-0

3 CLOSING ITEMS

3.01 Announcement of Next Meeting:

Thursday, February 7, 2019, 4:00pm at the Admin Board Room.

3.02 Public Comment

3.03 Adjourn Meeting

There being no more business, the meeting was adjourned at 5:25 pm

Mike Cate, Chair