



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6:00 p.m. on **Wednesday, February 26, 2020** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

REVISION 1

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*
- C. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.
- D. APPROVAL OF AGENDA *(for possible action)*

The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

- E. DISTRICT STAFF UPDATE *(for discussion only)*
 - 1. Interim District General Manager Indra Winquest – **pages 4 - 8**
- G. GENERAL BUSINESS *(for possible action)*
 - 1. Review, Discuss, and Possibly Authorize a Professional Services Agreement for the Effluent Export Project - Phase II – 2524SS1010 – Fund: Utility; Division: Sewer; Vendor: Jacobs Engineering, Inc. in the amount of \$256,300 for the Effluent Pond Lining, Surveying and Design Professional Services. (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 9 - 21**

PUBLIC COMMENTS WILL BE TAKEN AFTER THIS AGENDA ITEM G.1.

Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration

- 2. Review, Discuss, and Possibly Authorize a Professional Services Agreement for the Effluent Export Project - Phase II – 2524SS1010 – Fund: Utility; Division: Sewer; Vendor: HDR Engineering, Inc. in the amount of \$161,634 for design services for the Effluent Export Pipeline Priority Project (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 22 - 36**

PUBLIC COMMENTS WILL BE TAKEN AFTER THIS AGENDA ITEM G.2.

Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of February 26, 2020 - Page 2 – Revision 1

3. Fiscal Year 2020 IVGID Utility Rate Study (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 37 - 48**

[INFORMATIONAL NOTATION: This is NOT the independent consultant presentation authorized by the Board of Trustees at their February 12, 2020 Board of Trustees meeting]

- a. Review, discuss and take action to establish, the Fiscal Year 2020 IVGID Utility Rate Study, a one year average percent utility rate increase in the range of zero percent (0%) to fifteen percent (15%) of which the percentage in excess of five point five percent (5.5%) would go to the Unrestricted Net Position in the Utility Fund.
- b. Review, discuss and possibly set the date/time for April 14, 2020 at 6:00 p.m. for the public hearing on the proposed amendments to Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” that Includes the Utility Rate Increase and to publish the notice in accordance with the NRS 318.199.

PUBLIC COMMENTS WILL BE TAKEN AFTER THIS AGENDA ITEM G.3.

Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration

4. Review, discuss, and possibly provide direction regarding the desired format for Staff presentations of the Draft 2020/2021 Venue Operating Budgets scheduled for March 11, 2020 (Requesting Staff Member: Interim District General Manager Indra Winquest) – **pages 49 - 52**

H. REPORTS TO THE IVGID BOARD OF TRUSTEES*

1. District General Counsel: Law Firm of Hutchison & Steffen

I. BOARD OF TRUSTEES UPDATE (**NO DISCUSSION OR ACTION**) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

J. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

K. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (*for possible action*) – **page 53**

L. ADJOURNMENT (*for possible action*)



NOTICE OF MEETING

Agenda for the Board Meeting of February 26, 2020 - Page 3 – Revision 1

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, February 21, 2020 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of February 26, 2020) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley's Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID's Recreation Center
7. The Chateau at Incline Village

/s/ Susan A. Herron, CMC

Susan A. Herron, CMC

District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: *Tim Callicrate - Chairman, Matthew Dent, Sara Schmitz, Kendra Wong, and Peter Morris.*

Notes: *Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.*

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

**NRS 241.020(2) and (10): 2. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting ... 10. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to: (a) Disasters caused by fire, flood, earthquake or other natural causes; or (b) Any impairment of the health and safety of the public.*

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of February 26, 2020

DATE: February 19th, 2020

Capital Projects Update February 19, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

Tennis Center Renovation

The Board approved on June 19 for staff to begin the design of the tennis center renovation. The architectural, design and permitting services scope of work was approved at the August 14 BOT meeting with the removal of Bocce Courts. The key project objectives are renovation of the pro-shop buildings and surrounding site to renovate aging restrooms, expand the pro-shop by enclosing outdoor kitchenette area, expand and enhance the deck area, improve wayfinding and flow of traffic through the Tennis Center. The Board selected a design development alternative on November 13. Engineering staff has review 50% Design construction documents and returned comment to the Architect. Project permitting will occur in the coming months and the final design is tentatively scheduled to be presented to the Board on March 11th, prior to advertising for bids.

Effluent Export System - Pond Lining

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). This storage basin was designed to provide automated and passive back-up effluent storage in the event the Plant's 500,000 gallon effluent storage tank fills to capacity.

The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. District staff has obtained a project scope of work to prepare a bid package for all civil, mechanical and electrical engineering design work. The effluent pond lining project also includes upgrading the existing effluent pond pumping station to current pumping and electrical standards to pump the effluent back into the effluent export pipeline.

Effluent Export System – Segment 3 Priority Replacement 5100 lf

District staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The Board packet from that meeting contains the scope of projects for pipeline replacement and rehabilitation and effluent pond lining, possible project schedules, potential partnering options for funding and how we arrived at those decisions. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. The project timeline is to accomplish this over two or three construction seasons from 2021 to 2023. The two major scenarios presented to the Board on January 29 was what does the project look like with the effluent pipeline co-located with the Central Corridor SR-28 Multi-Use Path and what it looks like if the District proceeds without partnership. Whether co-location is chosen or not, the District can replace the 5,067 linear feet of export pipeline in SR-28 in 2021 to accomplish the project goals and priorities without impacting future decisions for co-locating. The 2021 priority will be to replace a total of 5067 linear feet of Segment 3 export pipeline in State Route 28 located in Carson County, south of the Secret Harbor Parking Lot. The pipeline replacement is split into two priority sections, 3957 lf and 1110 lf. Staff has obtained a scope of services to complete the design and permitting of the replacement/rehabilitation of 5067 lf of segment 3 effluent export pipeline.

Construction

WRRF Aeration System Improvements

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six-200,000-gallon aeration basins with two jet aeration clusters per basin. These clusters utilize pressurized air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms. The pressurized air is delivered by multistage centrifugal blowers that are metered by electronically operated valves in order to keep the correct balance of oxygen in the aeration basins at all times. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. Contractor is scheduled to mobilize to the site in mid-March and the project will continue until December 2020.

Water Reservoir Safety and Security Improvements

This project would replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices. The exterior access to the roof area is required to meet the needs of the District to monitor the water quality in the reservoirs and perform routine repairs to radio communication equipment. The ladders also need to be secured from access by the public. The reservoir ladders, fall protection, platforms, and protective railings will meet the current Occupational Safety and Health Administration (OSHA) safety standards. The Board awarded the contract to Resource Development Company on April 10, 2019. Construction began this summer and is expected to be substantially complete by June 30, 2020.

WPS 2-1 Incline – (Adjacent to Burnt Cedar Beach)

Water Pump Station 2-1 (WPS 2-1) is located at the Burnt Cedar Water Disinfection Plant (BCWDP) and pumps the disinfected potable water into the water distribution system to serve Incline Village and Crystal Bay. WPS 2-1 was largely constructed in 1972 with minor upgrades in 1995 and 2012. The electric motor control centers (MCCs) and switchgear at WPS 2-1 date to the original 1972 installation. This equipment does not meet modern OSHA requirements for Arc Flash safety and the MCCs and switchgear is at the end of its service life and no longer supported by the respective manufacturers. Jacobs Engineering completed the design. The Board awarded the contract on August 28, 2019 to San Joaquin Electric. Notice to proceed was issued on September 9 and project completion is April 2020. An onsite construction coordination meeting occurred on January 22, 2019. Currently, equipment cut-over is scheduled for the week of February 24th.

Mountain Course Clubhouse Renovation

On August 11, 2018 a fire occurred in the Mountain Course Clubhouse which led to the closing of the kitchen area. The Board approved renovation plans include a revised allocation of floor space, changes to access and substantial change to customer flow. A new ADA accessibility to the lower level for food service and construction of a new and expanded deck and the installation of new windows and doors. The Board approved the design on May 22, 2019 and authorized advertising for bids which then occurred on June 21, 2019. The Board awarded the construction contract to Houston Smith Construction at the August 14 BOT meeting. Project is currently in construction with grading, utilities, decking and paving complete. Framing, plumbing, mechanical and electrical work are more than 50% complete. Windows, doors, flooring and painting will follow that work.

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers. Engineering staff has completed design and project will bid this Spring with an anticipated start date of May 4, 2020.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and project will bid this Spring with an anticipated start date of May 4, 2020.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center remodel but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and project will bid this Spring with an anticipated start date of June 1, 2020.

Priority Projects & Items

Burnt Cedar Pool Project Update

Staff is in the final stages of creating an advisory committee that will include staff, board and members of the community. There will be several meetings to discuss the future of the project as well as to determine a range of possibilities for replacement of the pool. Staff is planning to bring back recommendations over the winter with the hope to send out an RFQ for potential firms interested in the design process in the spring of 2020. Staff will continue to update the board and community.

Update on Potential Dog Park Site

Staff met with staff from the USFS on January 27th to kick off discussions about entering into a special use permit for use of the 14 acre parcel across the street from Incline High School. Staff will be meeting with USFS staff for a site visit in mid-February. Staff will continue to provide updates on these discussions.

No Smoking Policy Development

In coordination with the North Lake Tahoe Fire Protection District, Staff is working on developing a potential "No Smoking" policy that could apply to all IVGID facilities and venues. There has been recent legislation that refers to smoking near vegetation and this has been a topic of discussion in the community for quite some time. Staff is planning to bring a formal resolution/policy to the Board of Trustees in March.

Diamond Peak Ski Season 2019/2020

As of February 17, the ski area season to date total skier visit count is at 79,191 with 72 days of operation, nearly identical to the same period last year with 77,559 and 67 days of operation. During Community Appreciation week beginning on February 3rd through the 9th we provided 1,539 free lift tickets to our residents as compared to last season during the appreciation week 2,660 lift tickets were provide in appreciation to our residents. The ski area has not seen any substantial snow since January 15th. Although there has been a lack of natural snow, the conditions on the groomed trails are excellent. We have heard lots of compliments from our pass holders on the quality of snow and the grooming of the trails. An update on the President's week holiday period will be included in following General Manager's status report.

Financial Transparency

The January 2020 Monthly District Financial reports are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency> and OpenGov has been updated.

District Net Operating sources over uses exceeded budget for the month due to Diamond Peak ancillary revenue continuing to exceed budget from lessons, rentals, and food & beverage while admissions were flat for the month. The internal services revenues continue to be under due to Staff vacancies causing reduced services. The extra miscellaneous revenue items are primarily due to insurance proceeds for the Mountain Course fire. Services and Supplies are under budget and due to temporary timing. Capital Expenditures noted are only for the General Fund and budgeted evenly over the fiscal year. While extra was spent on the approved server replacement, other projects have not started which is causing the temporary timing variance for Capital Expenditures.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
Interim General Manager

THROUGH: Joseph J. Pomroy, P.E.
Director of Public Works

FROM: Nathan Chorey, P.E.
Engineering Manager

SUBJECT: Review, Discuss, and Possibly Authorize a Professional Services Agreement for the Effluent Export Project - Phase II – 2524SS1010 – Fund: Utility; Division: Sewer; Vendor: Jacobs Engineering, Inc. in the amount of \$256,300 for the Effluent Pond Lining, Surveying and Design Professional Services.

STRATEGIC PLAN: Long Range Principle #5 – Assets and Infrastructure

DATE: February 14, 2020

I. RECOMMENDATION

That the Board of Trustees moves to:

1. Review, Discuss, and Possibly Authorize a Professional Services Agreement for the Effluent Export Project - Phase II – 2524SS1010 – Fund: Utility; Division: Sewer; Vendor: Jacobs Engineering, Inc. in the amount of \$256,300 for the Effluent Pond Lining, Surveying and Design Professional Services.
2. Authorize Staff to execute the contract documents.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

III. BACKGROUND

At the January 29, 2020 IVGID Board of Trustees Meeting, the Board made the following recommendation under Review, discuss and provide direction on the Effluent Export Project – Phase II – Fund: Utility; Division: Sewer; Project 2524SS1010.

Direct Staff to:

- Establish Effluent Export System Pond Lining Project
- Establish Effluent Export System Pipeline Project - Replace 5,067 linear feet of Segment 3 in SR-28
- Provide regular Effluent Export System Project Update in the General Manager Report

This memorandum is asking for Board authorization to enter into a design contract to accomplish the 1st bullet, Establish Effluent Export System Pond Lining Project.

The Incline Village General Improvement District (IVGID or District) operates a wastewater collection, treatment, and effluent export system that serves the communities of Incline Village and Crystal Bay, NV and the Nevada State Parks (Sand Harbor, Spooner and Memorial Point) located at Lake Tahoe. A component of this operation is the 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (WRRF). This storage basin was designed to provide automated and passive back-up effluent storage in the event the Plant's 500,000 gallon effluent storage tank fills to capacity. By lining the storage basin, it will allow for effluent storage during emergency situations and planned effluent pipeline repair and replacement construction projects. The lining will also eliminate the need to re-treat this effluent through the Plant, speeding recovery from the incident. Depending on the time of year and associated influent flows at the Plant, this final effluent storage basin can provide between 1.6 and 3.2 days of storage. The effluent storage basin also ensures there is adequate storage

capacity to accommodate a multiple day power outage that interrupts Plant operations.

As a condition of the District's current operating permit with the Nevada Department of Environmental Protection (NDEP), the District is no longer allowed to utilize the effluent storage basin for storage because it is unlined. This significantly hampers the District's ability to conduct planned maintenance of the effluent export system and puts the District at risk of a discharge of effluent to the waters of Lake Tahoe in the event of a significant emergency.

The following work has been completed to begin implementation of the Effluent Storage Basin improvements:

- Expansion of the access road around the wastewater treatment plant to improve ingress/egress to allow construction of improvements to the Effluent Storage Basin. This work included the purchase of an adjacent parcel.
- A technical memorandum, (predesign), with a consulting engineer to complete pre-design analysis that evaluated alternatives, made recommendations, completed preliminary design, and developed construction cost estimates to implement the above listed effluent storage recommendations.

The Water Resource Recovery Facility Effluent Storage Alternative Analysis Memorandum, September 2018, recommends the reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. The design services agreement will proceed with design on this preferred recommendation. The project scope of work follows this memorandum and includes all civil, mechanical and electrical engineering design work. The effluent pond lining project also includes upgrading the existing effluent pond pumping station to 2020 pumping and electrical standards to pump the effluent back into the effluent export pipeline.

The project is scheduled to complete design and permitting in 2020-21 with a scheduled advertisement for construction bids in February 2021. The design phase is scheduled for 30 weeks to complete. There will also be a need for 60-days of review by outside agencies such as NDEP. This totals a 10-month design phase schedule. Staff is seeking authorization on this agreement. Staff will wait to issue notice to proceed until April 1, 2020 or upon approval of a Project Cooperation

agreement with the US Army Corps of Engineers under Section 595, whichever comes first. Beginning April 1, 2020, staff will need to commence the design phase to provide adequate time for design and permitting by outside agencies so the project can be bid in February 2021 to meet a May 1, 2021 construction start date. Costs incurred prior to executing a Project Cooperation Agreement with the USACE are typically not reimbursable.

IV. BID RESULTS

This item is not subject to competitive bidding within the meaning of Nevada Revised Statute (NRS) 332.115 as described in subsection (b) Professional Services.

Additionally, per NRS 625.530, selection of a professional engineer or registered architect to perform work on public works projects (where the complete project costs exceed \$35,000) is to be made solely on the basis of the competence and qualifications of the engineer or architect and not on the basis of competitive fees.

Jacobs Engineering successfully completed the predesign phase of this project.

V. FINANCIAL IMPACT AND BUDGET

A total of \$2,000,000 is included in the 2019/2020 CIP budget under the Effluent Export Project Phase II. (see attached data sheet). The Effluent Pond Lining Project was also a line item included the Effluent Export Project Phase II in the 2017-18 CIP. (see attached data sheet). The design scope of services is budgeted for \$256,300. Engineering staff time will also be billed to the project to manage the design and bidding phase of the project.

VI. ALTERNATIVES

None proposed.

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

Task Order No. 40

Incline Village General Improvement District

Effluent Storage Pond Lining Surveying and Design

This is Amendment No. 40 to the AGREEMENT FOR PROFESSIONAL SERVICES between Incline Village General Improvement District (IVGID or OWNER) and CH2M HILL, Inc. (ENGINEER), dated July 31, 2009.

Background

IVGID has an existing effluent pond adjacent to the Water Resource Reclamation Facility (WRRF) that is occasionally utilized to temporarily store plant effluent for brief durations. The existing basin has a storage capacity of approximately 2 million gallons (MG) and is unlined. Lining of the pond will allow IVGID to reincorporate the pond into their waste water treatment plan since it will be compliant with current regulations. Based on the alternatives analysis completed by Jacobs in September 2018, IVGID would like to pursue lining the pond with reinforced concrete.

Scope of Engineering Services

ENGINEER will perform final design engineering services for a reinforced concrete liner of the existing effluent pond and site improvements. A portion of the pond will be allocated and designed to be a spoil decant area including means to remove material with mobile equipment. In conjunction with the lining of the pond, a new pump and associated piping, valving, and electrical components will be added to facilitate draining and conveying the stored effluent. It is assumed an open bucket in the existing motor control center room will be used for electrical components. To support design of the pond, a survey of the area will be completed utilizing a local surveying firm. The design will include new security fencing around the pond perimeter. New area lighting is not required.

ENGINEER will scope and contract survey services of licensed local firm to provide topographic mapping data and deliverables in the immediate area of the project to facilitate the design. This proposal assumes that there is sufficient near-by survey control that can be provided by IVGID and used for the survey.

ENGINEER will coordinate with IVGID for geotechnical investigation assistance including the digging of test pits in the area of the project. ENGINEER will be onsite during test pit excavation for witnessing and documenting findings. ENGINEER will generate a technical memorandum summarizing findings and resulting recommendations as a basis for the reinforced concrete pond liner and related Project components.

ENGINEER will provide two staff members to perform a single-day site visit to evaluate existing conditions and collect measurements pertaining to this design.

ENGINEER will provide IVGID with construction cost estimates based on the Preliminary and Final Design Documents.

ENGINEER will complete design services including the preparation of design drawings, technical specifications, and front-end specifications to prepare a set of Preliminary, Final, and Bid Documents.

A preliminary list of drawings includes:

- Cover
- Abbreviations
- General Civil
- General Structural
- General Mechanical
- General Electrical
- Overall Site Plan and Survey Control
- Civil Pond Area Plan 1
- Civil Pond Area Plan 2
- Civil Pond Sections 1
- Civil Pond Sections 2
- Civil Details 1
- Civil Details 2
- Structural Pond Plan
- Structural Pond Sections 1
- Structural Pond Sections 2
- Structural Details 1
- Structural Details 2
- Structural Details 3
- Mechanical Pump Station Plan
- Mechanical Pump Station Section
- Electrical Site Plan
- Electrical Single Line/Panel
- Standard Details 1
- Standard Details 2
- Standard Details 3

A preliminary list of technical specifications includes:

- Demolition
- Repair of Vertical and Overhead Concrete Surfaces
- Repair of Horizontal Concrete Surfaces
- Concrete Forming and Accessories
- Concrete Joints and Accessories
- Reinforcing Steel
- Cast-In-Place Concrete
- Nonshrink Grouting
- Metal Fabrications
- Metal Railings
- Joint Sealants
- Signage
- Basic Electrical Requirements
- Basic Electrical Materials and Methods
- Conductors
- Commissioning of Electrical Systems
- Low-Voltage AC Induction Motors
- Low-Voltage Motor Control
- Exterior Lighting
- Temporary Erosion and Sediment Control
- Site Clearing
- Subgrade Preparation
- Excavation
- Dewatering
- Fill and Backfill
- Trench Backfill
- Geotextile
- Riprap
- Shoring
- Aggregate Base Courses
- Asphalt Paving
- Curbs and Gutters
- Fencing
- Process Piping – General
- DS - Carbon Steel Pipe and Fittings (General Service)
- Process Piping Specialties
- Process Valves and Operators
- Instrumentation and Control for Process Systems
- Instrumentation and Control Components
- Vertical Turbine Pump

ENGINEER will provide on-call environmental and permitting support by supplying items such as figures and work descriptions as required to facilitate permitting agency reviews.

ENGINEER will assist IVGID with Bid Advertisement and Bid-Phase services such as responding to bidder's requests for clarification and/or information. One addendum will be issued, as required.

Deliverables

ENGINEER will prepare and submit the following deliverables in PDF format:

- Preliminary Design: Drawings, Specification Table of Contents, and critical Technical Specifications pertinent to permitting review.
- Final Design: Drawings, Frontend and Technical Specifications.
- Bid Documents: Drawings and Specifications signed and sealed by professional engineers registered in the State of Nevada.

Preliminary and final construction cost estimates in PDF format.

Assumptions

A predesign meeting will be held by IVGID with Nevada Division of Environmental Protection (NDEP) to validate criteria presented in alternative analysis is satisfactory prior to design efforts commencing.

A budgetary estimate of \$12,000 was assumed in the project pricing for contracting the survey work.

IVGID will review and provide comments on Preliminary Design deliverables for incorporation into the Final Design Documents. IVGID will also review and provide comments on Final Design deliverables for incorporation into the Bid Documents.

IVGID will contact and distribute design documents to the required outside agencies for review of preliminary design documents.

IVGID will issue the bid advertisement and manage bid documents using PlanetBids.

Additional Services

Additional services including geotechnical laboratory service contracting and coordination, construction phase services, anchorage calculations, record drawing production, and additional site visits if needed and as requested by IVGID, will be authorized under a different task/purchase order.

Compensation

Compensation by OWNER to ENGINEER will be as follows:

Cost Reimbursable Per Diem (Time and Expense)

For services enumerated in this Task Order, at the Per Diem Rates referenced below, plus Direct Expenses, plus a service charge of 10 percent of Direct Expenses and 10 percent of subcontracts and outside services, plus applicable sales, use, value added, business transfer, gross receipts, or other similar taxes.

Budget

A budgetary amount of **\$256,300**, excluding taxes, is hereby established for services under this Task Order. ENGINEER will make reasonable efforts to complete the work within the noted budgets and will keep OWNER informed of progress toward that end so that the budgets or work effort can be adjusted if found necessary. ENGINEER will give prompt notice to OWNER whenever ENGINEER observes or becomes aware of any significant development that affects the scope or timing of ENGINEER's services.

ENGINEER is not obligated to incur costs beyond the indicated budgets, as may be adjusted, and OWNER is not obligated to pay ENGINEER beyond these limits.

Cost by Discipline and Project Phase

Discipline	Preliminary	Final	Bid	Subtotal
Project Management and Admin	\$ 14,600	\$ 6,300	\$ 2,100	\$ 23,000
Civil Engineering	\$ 16,800	\$ 8,400	\$ 2,800	\$ 28,000
Structural Engineering	\$ 16,800	\$ 8,400	\$ 2,800	\$ 28,000
Mechanical Engineering	\$ 10,000	\$ 6,000	\$ 2,000	\$ 18,000
Electrical Engineering	\$ 3,600	\$ 1,800	\$ 600	\$ 6,000
Geotechnical Engineering	\$ 6,600	\$ 3,300	\$ 1,100	\$ 11,000
Computer Aided Design	\$ 48,600	\$ 24,300	\$ 8,100	\$ 81,000
Specification Processing	\$ 6,000	\$ 3,000	\$ 1,000	\$ 10,000
Quality Review	\$ 10,200	\$ 5,100	\$ 1,700	\$ 17,000
Cost Estimating	\$ 6,000	\$ -	\$ 4,000	\$ 10,000
Environmental Support	\$ 6,000	\$ 3,000	\$ 1,000	\$ 10,000
Surveying	\$ 13,200	\$ -	\$ -	\$ 13,200
Expenses	\$ 800	\$ -	\$ 300	\$ 1,100
Total				\$ 256,300

Per Diem Rates

Per Diem Rates are those hourly rates charged for work performed on the Project by ENGINEER's employees of the indicated classifications. These rates are subject to revision for other projects and annual calendar year adjustments; include all allowances for salary, overheads, and fees; but do not include allowances for Direct Expenses, subcontracts, and outside services.

Direct Expenses

Direct Expenses are those necessary costs and charges incurred for the Project including, but not limited to: (1) the direct costs of transportation, meals and lodging, mail, and supplies; (2) ENGINEER's current standard rate charges for reproduction services; and (3) ENGINEER's standard project charges for special health and safety requirements of OSHA.

Renegotiation of Compensation

The estimate is based on the assumptions listed in this Task Order and timely completion of the Project. If the Project progresses under different conditions than the assumptions listed in this

Attachment or if project timing deviates from the assumed schedule for causes beyond ENGINEER's control, ENGINEER reserves the right to request renegotiation of those portions of the fee affected by the time change.

Invoicing

Amount invoiced each month will be based on time and expenses expended to date. Invoices shall be accompanied by a listing of charges that make up the invoice total, including employee names, billing rates, and hours of project staff, plus direct expenses.

Schedule

The period of performance will be through February 26, 2021. Preliminary Design Documents will be delivered within sixteen weeks of authorization of this task order. Final Design Documents will be delivered within eight weeks of receiving IVGID and outside entity review comments on Preliminary Documents. Bid Documents will be delivered within six weeks of receiving IVGID comments on Final Design Documents. Cost estimate documents will follow the delivery of the design documents by approximately two weeks. Efforts will be made by the ENGINEER to complete the work in a timely manner. However, it is agreed that the ENGINEER cannot be responsible for delays occasioned by factors beyond ENGINEER's control, or factors which would not reasonably have been foreseen at the time this Task Order was executed.

IN WITNESS WHEREOF, the parties hereto have caused this Task Order 40 to be signed and intend to be legally bound thereby.

OWNER:
**INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT**

Agreed to:

By:

ENGINEER:
CH2M HILL, INC.

Agreed to:

By:

Joseph J. Pomroy, P.E.
Director of Public Works

Date: _____, 2020

Address for Giving Notice:

**INCLINE VILLAGE G.I.D.
893 Southwood Boulevard
Incline Village, Nevada 89451**

Brett Isbell, P.E.
Designated Manager

Date: January, 2020

Address for Giving Notice:

**CH2M HILL, INC.
50 West Liberty Street, Suite 205
Reno NV 89501**



Project Summary

Project Number:	2524SS1010	
Title:	Effluent Export Line - Phase II	
Asset Class:		
Division:	24 - Transmission	
Budget Year:	2018	
Scenario Name:	Main	Active: Yes
Budget Status:	Data Entry	
Locations:		
Project Something:	SS - Sewer System	

Project Description
<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.</p> <p>The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.</p> <p>The wastewater treatment plant operates two large pond/basins for emergency storage. The primary pond is the Upper Pond located directly south of the Wastewater Treatment Plant (WWTP). This man made basin is capable of holding approximately 2.8-million gallons. It is primarily used to store treated effluent during emergency periods when the effluent export system has been shut down for an extended period. The Nevada Division of Environmental Protection requires a lining of the upper Pond, that work will be covered under the Phase II.</p>
Project Internal Staff
The Engineering Department will manage all phases of this project.
Project Justification
<p>The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin. Phase 2 will also include upper pond improvements to meet NDEP regulations for storage of effluent.</p> <p>The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.</p>

Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2018				
Internal Services	100,000	0	100,000	
Pond Lining Costs	900,000	0	900,000	
Year Total	1,000,000	0	1,000,000	
2019				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2020				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2021				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2022				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2023				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
	11,000,000	0	11,000,000	
Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2012			Director of Asset Management	



Project Summary

Project Number:	2524SS1010
Title:	Effluent Export Project - Phase II
Project Type:	B - Major Projects - Existing Facilities
Division:	24 - Transmission
Budget Year:	2020
Finance Option:	
Asset Type:	SS - Sewer System
Active:	Yes

Project Description				
The District currently owns, operates and maintains a 21-mile pipeline that exports treated wastewater out of the Lake Tahoe Basin. The Effluent Export system also includes the un-lined pond and 500,000 gallon steel reservoir at the Water Resource Recovery Facility, the Spooner Effluent Pumping Station and numerous valves, fittings and appurtenances located along the pipeline.				
Project Internal Staff				
The Engineering Department will manage all phases of this project.				
Project Justification				
The Effluent Export Phase II Project will replace all of the remaining Segment 3 pipeline (13,700 linear feet) and portions or all of Segment 2 pipeline (17,300 linear feet) pending results of final condition assessment and design. Segment 3 experienced significant leaks in 2009 and 2014 of this bell and spigot pipe. Subsequent investigations confirmed progressive corrosion, which determined that wholesale replacement was required. Segment 2 is undergoing additional condition assessment efforts, as it was constructed of more robust welded steel and has not had a history of failures. This analysis is focused on identifying segments with extended life remaining and segments that need to be addressed in near term. Final design will dictate whether Segment 2 work will be of limited scope or complete replacement.				
Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2020				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2021				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2022				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2023				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2024				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
	10,000,000	0	10,000,000	
Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2019	Jun 30, 2024	Engineering Manager	

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
Interim General Manager

THROUGH: Joseph J. Pomroy, P.E.
Director of Public Works

FROM: Nathan Chorey, P.E.
Engineering Manager

SUBJECT: Review, Discuss, and Possibly Authorize a Professional Services Agreement for the Effluent Export Project - Phase II – 2524SS1010 – Fund: Utility; Division: Sewer; Vendor: HDR Engineering, Inc. in the amount of \$161,634 for design services for the Effluent Export Pipeline Priority Project

STRATEGIC PLAN: Long Range Principle #5 – Assets and Infrastructure

DATE: February 11, 2020

I. RECOMMENDATION

That the Board of Trustees moves to:

1. Review, Discuss, and Possibly Authorize a Professional Services Agreement for the Effluent Export Project - Phase II – 2524SS1010 – Fund: Utility; Division: Sewer; Vendor: HDR Engineering, Inc. in the amount of \$161,634 for design services for the Effluent Export Pipeline Priority Project.
2. Authorize Staff to execute the contract documents.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

III. **BACKGROUND**

At the January 29, 2020 IVGID Board of Trustees Meeting, the Board made the following recommendation under Review, discuss and provide direction on the Effluent Export Project – Phase II – Fund: Utility; Division: Sewer; Project 2524SS1010.

Direct Staff to:

- Establish Effluent Export System Pond Lining Project
- Establish Effluent Export System Pipeline Project - Replace 5,067 linear feet of Segment 3 in SR-28
- Provide regular Effluent Export System Project Update in the General Manager Report

This memorandum is asking for Board authorization to enter into a design contract to accomplish the 2nd bullet, Establish Effluent Export System Pipeline Project - Replace 5,067 linear feet of Segment 3 in SR-28.

IVGID is a public utility that provides water and wastewater service for a year round population of about 9,000 residents in the communities of Incline Village and Crystal Bay on the north shore of Lake Tahoe. In 1970, a 21 mile pipeline was installed as part of the regional effort to protect Lake Tahoe's water quality by requiring all wastewater effluent to be exported out of the basin.

The original pipe, now 50 years old, is reaching the end of its useful life and ongoing corrosion has caused failure at multiple locations. Early phases of this project investigated the whole pipeline and prioritized the replacement schedule to maintain this critical infrastructure. Within the Tahoe Basin this pipe was divided into three segments. Segment 1 is the low pressure supply pipe to the pump station near Sand Harbor. Segment 2 is the welded steel high pressure discharge pipe exiting the pump station. Segment 3 is the remaining low pressure jointed steel transmission pipeline within the Tahoe Basin running south to Spooner Summit.

Phase 1 work replaced all four miles of Segment 1 pipe within NDOT right-of-way as well as two miles of Segment 3 pipeline that crosses through State Park lands at Spooner Lake. Another critical component of these projects was the elimination of two small wastewater treatment plants located at Sand Harbor and Memorial Point State Parks which are located next to Lake Tahoe. The wastewater is now pumped directly to IVGID for treatment at the regional plant. IVGID's original Spooner Pumping station was also completely renovated with improved emergency pumping capacity.

Overall, IVGID has been diligently pursuing the replacement of the effluent export pipeline since 2003 in the Lake Tahoe Basin. Total capital expenditures to date have been \$22.8 million over the last 16 years to replace the aging effluent export system. IVGID has received \$15.4 million in funding from the WRDA Section 595 program through a Project Cooperation Agreement with the United State Army Corps of Engineers.

The IVGID Board of Trustees has approved four consecutive years of 10% sewer rate increases (2011, 2012, 2013 and 2014), a 45% total increase to sewer rates, to accumulate the funds for this critical infrastructure replacement. The District is now collecting from the rate payers an additional \$2 million per year to fund this project.

Effluent Export Pipeline Priority Project

District staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The Board packet from that meeting contains the scope of projects for pipeline replacement and rehabilitation and effluent pond lining, possible project schedules, potential partnering options for funding and the process to arrive at those decisions.

The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. The project timeline is to accomplish this over two or three construction seasons from 2021 to 2023. The two major scenarios presented to the Board on January 29 was what does the project look like with the effluent pipeline co-located with the Central Corridor SR-28 Multi-Use Path and what it looks like if the District proceeds without partnership. If the District entered into a partnering agreement with the Tahoe Transportation District for co-location, there would be 5067 linear feet of segment 3 export pipeline

that would still be installed in SR-28 because the proposed path makes substantial diversions from SR-28 that are not conducive to pipeline installation.

As discussed with the Board, whether co-location is chosen or not, the District can replace the 5,067 linear feet (lf) of export pipeline in SR-28 in 2021 to accomplish the project goals and priorities without impacting future decisions for co-locating. The 2021 priority will be to replace a total of 5,067 linear feet of Segment 3 export pipeline in State Route 28 located in Carson County, south of the Secret Harbor Parking Lot. The pipeline replacement is split into two priority sections, 3,957 lf and 1,110 lf.

The design scope of services for consideration will complete the design and permitting of the replacement/rehabilitation of 5,067 lf of segment 3 effluent export pipeline. HDR Engineering has been the design engineer of record for the Effluent Export Project since 2003. They have successfully accomplished planning, design and construction management of the projects. HDR Engineering in 2013 completed the predesign of the replacement of all remaining segment 2 and segment 3 in the Tahoe Basin including survey and base mapping and preliminary alignments.

The project is scheduled to complete design and permitting in 2020-21 with a scheduled advertisement for construction bids in February 2021. The design phase is schedule to take 9 to 10 months to complete. Staff is seeking Board authorization for this agreement. Staff will wait to issue notice to proceed until April 1, 2020 or upon approval of a Project Cooperation agreement with the US Army Corps of Engineers (USACE) under Section 595, whichever comes first. Beginning April 1, 2020, Staff will need to commence the design phase to provide adequate time for design and permitting by outside agencies so the project can be bid in February 2021 to meet a May 1, 2021 construction start date. It is expected that NDOT will only allow construction in the months of May, June, September and October based on traffic impacts and recent project constraints on SR-28. Costs incurred prior to executing a Project Cooperation Agreement with the USACE are typically not reimbursable.

IV. BID RESULTS

This item is not subject to competitive bidding within the meaning of Nevada Revised Statute (NRS) 332.115 as described in subsection (b) Professional Services.

Additionally, per NRS 625.530, selection of a professional engineer or registered architect to perform work on public works projects (where the complete project costs exceed \$35,000) is to be made solely on the basis of the competence and qualifications of the engineer or architect and not on the basis of competitive fees.

HDR Engineering has been the design engineer of record for the Effluent Export Project and has successfully completed multiple projects. HDR Engineering successfully completed the predesign phase of this project. HDR has completed base mapping, surveying and preliminary alignments for the replacement of Segment 2 and Segment 3 pipeline.

V. FINANCIAL IMPACT AND BUDGET

A total of \$2,000,000 is included in the 2019/2020 CIP budget under the Effluent Export Project Phase II. (see attached data sheet). The design scope of services is budgeted for \$161,634. Engineering Staff time will also be billed to the project to manage the design and bidding phase of the project.

VI. ALTERNATIVES

None proposed.

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

EFFLUENT EXPORT PIPELINE PLANNED PIPELINE REPLACEMENT 2021

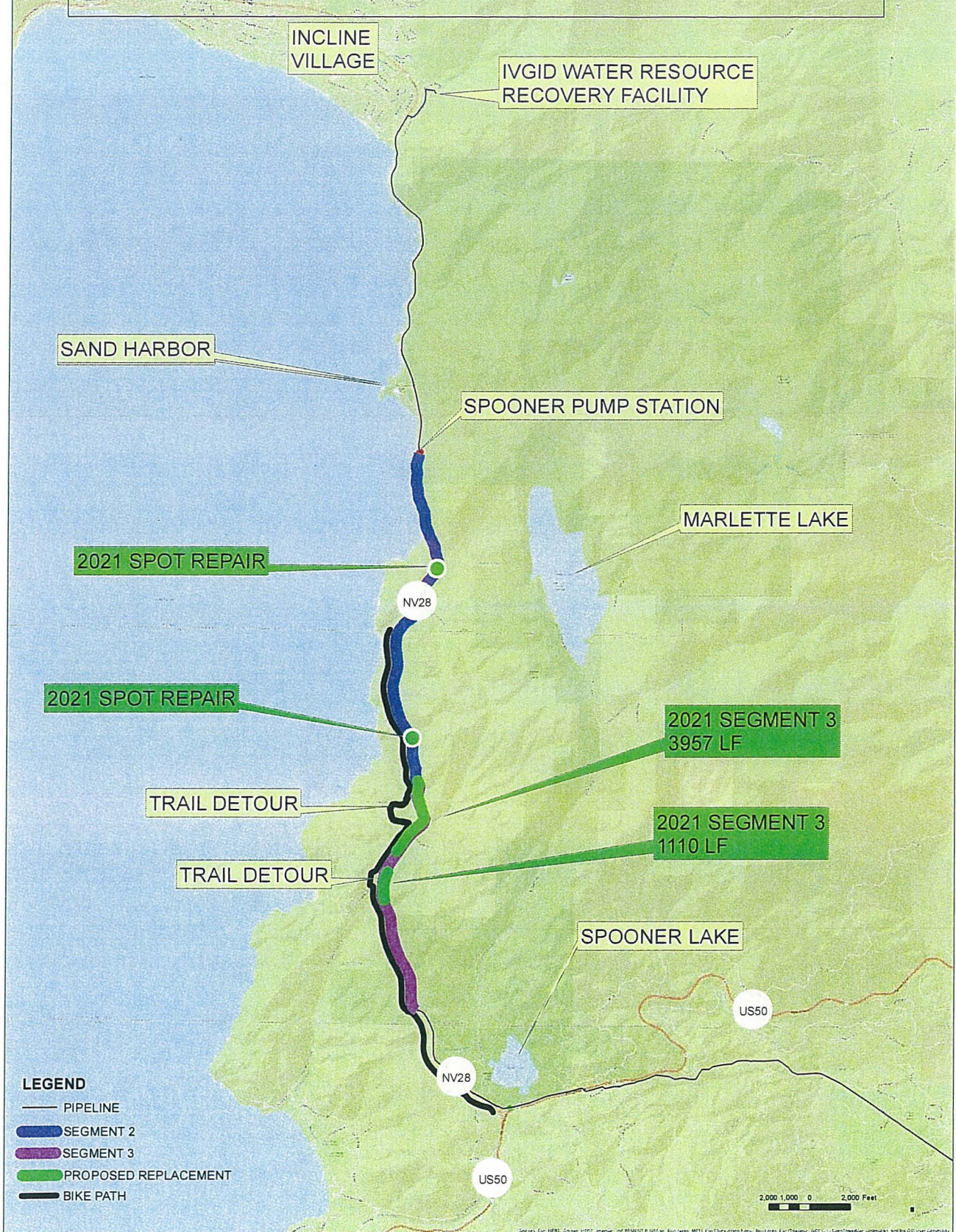


EXHIBIT A SCOPE OF WORK

Incline Village General Improvement District *Export Pipeline Replacement*

HDR will provide engineering design services for the following Export Pipeline segments:

- STA 373+14 to 412+71, 3,957 linear feet (LF)
- STA 422+00 to 433+00, 1,110 LF
- Two spot repairs at STA 253+89 and 361+22

Services will include evaluation of trenchless methods for pipeline rehabilitation and/or construction, Nevada Department of Transportation (NDOT) permitting, assistance with Tahoe Regional Planning Agency (TRPA) permitting, development of plans and specifications for construction, estimates of probable construction cost, and bid period services.

Task 1 – Project Management

The project management subtasks are briefly described below, and cover the design and bidding phases of the project.

Subtask 1.1 – Project Management

This subtask involves scheduling and communicating with staff, preparing monthly invoices, project filing, preparing a schedule, and coordinating the quality assurance effort.

Subtask 1.2 – Quality Control

HDR will institute and maintain a quality assurance/quality control (QA/QC) program for the work performed on this project. Senior technical staff, not involved in the project, will perform internal QA/QC of all project deliverables prior to submittal to the District.

Subtask 1.3 – Meetings.

HDR shall attend up to two meetings at the District's office during the design phase of the work. These meetings are expected to consist of the following:

- A two-hour kick-off meeting at the start of the work to discuss the project approach, schedule, scope, and District participation needs. Up to two HDR team members will attend the kick-off meeting.
- A review meeting, including with NDOT, following the submission and review of the 90% design submittal to discuss District and NDOT comments.

HDR shall also attend project progress conference calls with District staff to be held every two weeks throughout the duration of the project. These calls will be attended by HDR's project manager and other staff as needed.

Deliverables:

- *Monthly invoices*
- *QA/QC review comments will be incorporated into each submittal described below*
- *Meeting agenda and minutes*

Task 2 – Permitting

The permitting subtasks are briefly described below, and cover the design and bidding phases of the project.

Subtask 2.1 – NDOT Permitting

HDR shall coordinate with NDOT and shall prepare the Encroachment Permit Application and supporting documentation (e.g., drawings). Application shall be submitted and fees paid by the District.

Subtask 2.2 – TRPA Permitting

HDR shall provide as-needed assistance to the District and coordination with TRPA for obtaining necessary TRPA permitting. Since the extent of required TRPA permitting is not known at this time, an allowance of 24 hours has been included for this task.

Deliverables:

- *Completed NDOT Encroachment Permit Application and supporting documents*
- *As-needed documents and/or figures for TRPA permitting assistance*

Task 3 – Design

HDR shall prepare documents for bidding and construction of the work, including project drawings, technical specifications, and an Engineer's Opinion of Probable Construction Cost (OPCC). It is anticipated that current District standard Division 0 ("Front-end") documents will be provided by the District for inclusion in the Project Manual.

Subtask 3.1 – Basis of Design Submittal

HDR shall prepare an evaluation of trenchless rehabilitation technologies as an alternative to replacement of the export pipeline. HDR shall summarize this evaluation in a Draft Basis of Design technical memorandum (TM), which will also include preliminary drawings, special details, a list of technical specifications, and a preliminary OPCC. HDR shall submit the Draft

Basis of Design TM to the District for review, and, upon receipt of consolidated comments, prepare a Final Basis of Design TM.

Subtask 3.2 – 90% Design Submittal

HDR shall prepare a 90% Design Submittal consisting of a complete set of drawings, technical specifications, and OPCC, and shall submit the documents to the District for review.

Subtask 3.3 – Final Design Submittal

HDR shall prepare a Final Design Submittal consisting of a complete set of construction documents incorporating District comments on the 90% submittal, and ready to advertise for bids.

Assumptions:

- *Reproduction and distribution of bid sets for contractors shall be by IVGID.*

Deliverables:

- *Basis of Design Submittal:*
 - *One digital PDF file of the Draft and Final Basis of Design TMs, preliminary drawings, and OPCC*
- *90% Design Submittal:*
 - *Three hard-copy sets of half-size (11" x 17") drawings, technical specifications and OPCC*
 - *One digital PDF file of the drawings, technical specifications, and OPCC*
- *Final Design Submittal:*
 - *Three hard-copy sets of stamped and sealed half-size drawings, technical specifications, and OPCC*
 - *One reproduction-ready set of stamped and sealed full-size drawings, technical specifications, and OPCC*
 - *One digital PDF file of the final drawings, technical specifications, and OPCC*

Task 4 – Bid Period Services

HDR will attend the pre-bid meeting and support the District in answering questions or providing clarification as directed. The design team project manager will attend the pre-bid meeting.

HDR will assist IVGID in providing responses to written questions submitted by potential bidders. HDR will prepare up to one addendum as required. Plans and specifications will be modified as required.

Assumptions:

- *Reproduction and distribution of bid document addendum will be by the District*

Deliverables:

- *Up to one bid document addendum*

TASKS NOT INCLUDED IN THE SCOPE OF WORK

- Mapping, delineation, and geotechnical investigation of borrow sites
- Right-of-way permits for borrow sites or access routes
- Negotiations of right-of-way
- Staking services, records of survey, mapping, or monumentation of new rights-of-way, or easements
- Environmental delineation or survey (e.g., wetlands survey)
- Review and inspection of contractor's safety program, means, and methods
- Prevailing wage rate monitoring
- Warranty inspection
- Construction engineering services

Table 1 - Estimated Work Effort and Cost

Incline Village General Improvement District

2020 Export Pipeline Rehabilitation/Replacement

Task No.	Task Description	Principal/ QA/QC	Project Manager	Engr 1	Tranpo Engr	CADD Tech	Admin/ Clerical	Total HDR Labor Hours	Total HDR Labor (\$)	Total HDR Expenses (\$)	Total Cost (\$)
Task 1 - Project Management and Quality Assurance/Quality Control (QA/QC)											
1.1	Project Management		40				24	64	\$15,742	\$100	\$15,842
1.2	QA/QC Program	2	2	2				6	\$1,492		\$1,492
1.3	Meetings (up to 2)		28	20			4	52	\$12,305	\$500	\$12,805
	Subtotal Task 1	2	70	22	0	0	28	122	\$29,538	\$600	\$30,138
Task 2 - Permitting											
2.1	NDOT Permitting		8	24	6			38	\$7,521		\$7,521
2.2	TRPA Permitting		8	16				24	\$4,914		\$4,914
	Subtotal Task 2	0	16	40	6	0	0	62	\$12,435	\$0	\$12,435
Task 3 - Design											
3.1	Basis of Design	3	16	32	8	16	4	79	\$16,006	\$150	\$16,156
3.2	90% Design	19	29	131	43	147	8	378	\$72,287	\$200	\$72,487
3.3	Final Design	5	7	33	11	37	8	100	\$18,885	\$200	\$19,085
	Subtotal Task 3	27	53	196	62	200	20	557	\$107,177	\$550	\$107,727
Task 4 - Bid Period Services											
4.1	Prebid Meeting		8	8				16	\$3,706	\$250	\$3,956
4.2	Bid Period Assistance (up to 1 addenda)		8	16		12	2	38	\$7,377		\$7,377
	Subtotal Task 4	0	16	24	0	12	2	54	\$11,083	\$250	\$11,333
COLUMN TOTALS		29	155	282	68	212	50	795	\$160,234	\$1,400	\$161,634

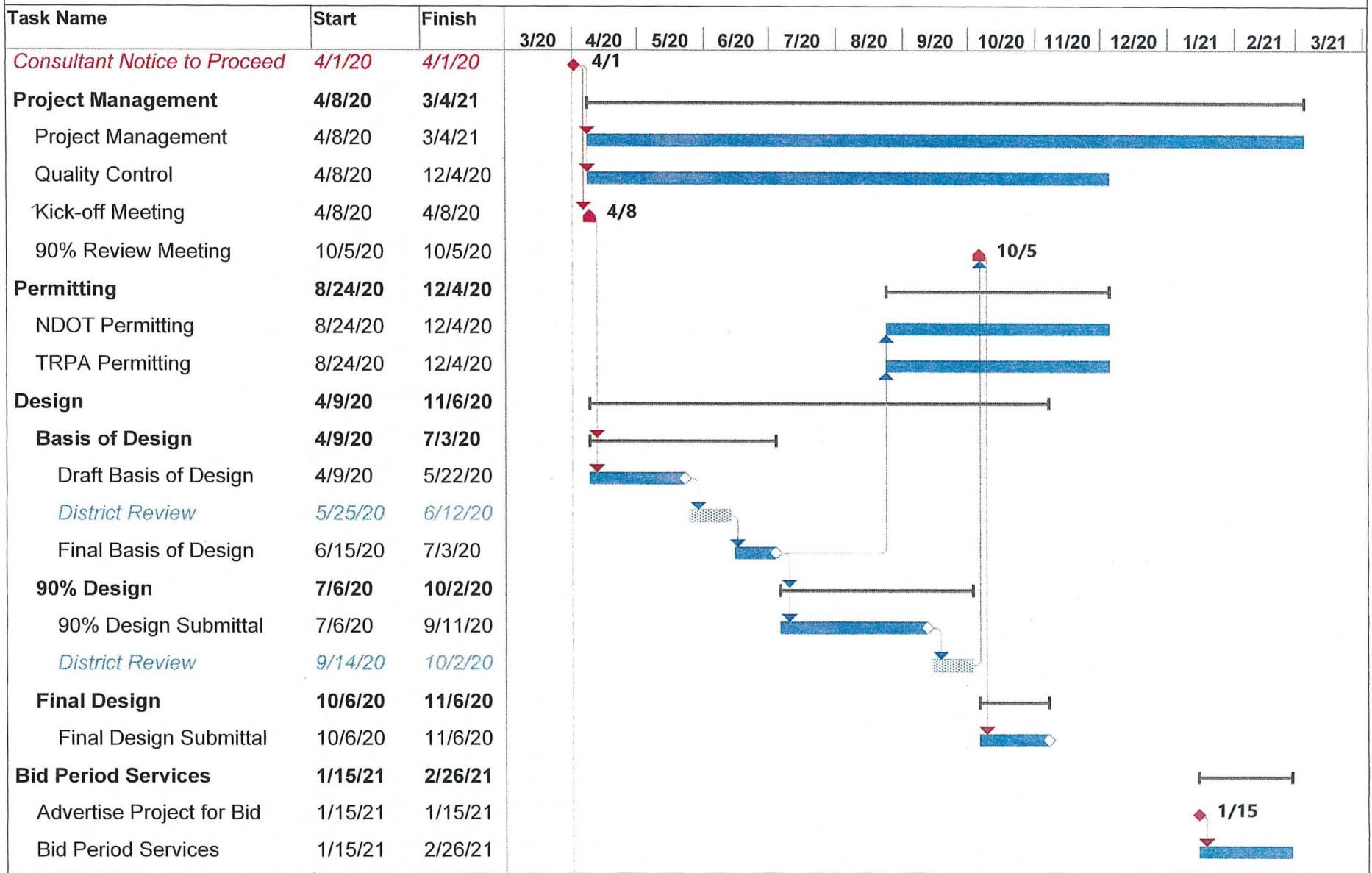
Table 2 - Preliminary List of Drawings

Incline Village General Improvement District

2020 Export Pipeline Rehabilitation/Replacement

No.	Sheet No.	Drawing Description
General		
1	G1	Cover Sheet
2	G2	Sheet List and Location Maps
3	G3	General Abbreviations
4	G4	General Legend and Symbols
5	G5	General Details - 1
6	G6	General Details - 2
7	G7	General Details - 3
8	G8	General Details - 4
Environmental		
9	EC1	Best Management Practices Notes and Details
10	EC2	Best Management Practices Details
Civil		
11	C1	Key Plan
12	C2	Plan and Profile - 1
13	C3	Plan and Profile - 2
14	C4	Plan and Profile - 3
15	C5	Plan and Profile - 4
16	C6	Plan and Profile - 5
Traffic Control		
17	T1	Traffic Control Key Plan
18	T2	Traffic Control Details
19	T3	Construction Staging/Traffic Control - 1
20	T4	Construction Staging/Traffic Control - 2
21	T5	Construction Staging/Traffic Control - 3
22	T6	Construction Staging/Traffic Control - 4
23	T7	Construction Staging/Traffic Control - 5

Figure 1 - Project Schedule



**Incline Village General Improvement District
Effluent Export Pipeline Replacement**

Task		Summary		Review Period	
Milestone	◆	Meeting	▲		

20-10209559



Project Summary

Project Number:	2524SS1010
Title:	Effluent Export Project - Phase II
Project Type:	B - Major Projects - Existing Facilities
Division:	24 - Transmission
Budget Year:	2020
Finance Option:	
Asset Type:	SS - Sewer System
Active:	Yes

Project Description				
The District currently owns, operates and maintains a 21-mile pipeline that exports treated wastewater out of the Lake Tahoe Basin. The Effluent Export system also includes the un-lined pond and 500,000 gallon steel reservoir at the Water Resource Recovery Facility, the Spooner Effluent Pumping Station and numerous valves, fittings and appurtenances located along the pipeline.				
Project Internal Staff				
The Engineering Department will manage all phases of this project.				
Project Justification				
The Effluent Export Phase II Project will replace all of the remaining Segment 3 pipeline (13,700 linear feet) and portions or all of Segment 2 pipeline (17,300 linear feet) pending results of final condition assessment and design. Segment 3 experienced significant leaks in 2009 and 2014 of this bell and spigot pipe. Subsequent investigations confirmed progressive corrosion, which determined that wholesale replacement was required. Segment 2 is undergoing additional condition assessment efforts, as it was constructed of more robust welded steel and has not had a history of failures. This analysis is focused on identifying segments with extended life remaining and segments that need to be addressed in near term. Final design will dictate whether Segment 2 work will be of limited scope or complete replacement.				
Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2020				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2021				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2022				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2023				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
2024				
Internal Services	100,000	0	100,000	
Project Design and Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
	10,000,000	0	10,000,000	
Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2019	Jun 30, 2024	Engineering Manager	

M E M O R A N D U M

TO: Board of Trustees

THROUGH: Indra Winquest
Interim General Manager

FROM: Joseph J. Pomroy, P.E.
Director of Public Works

SUBJECT: Review, discuss and take action to establish, the Fiscal Year 2020 IVGID Utility Rate Study, a one year average percent utility rate increase in the range of zero percent (0%) to fifteen percent (15%) of which the percentage in excess of five point five percent (5.5%) would go to the Unrestricted Net Position in the Utility Fund.

Review, discuss and possibly set the date/time for April 14, 2020 at 6:00 p.m. for the public hearing on the proposed amendments to Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” that Includes the Utility Rate Increase and to publish the notice in accordance with the NRS 318.199.

STRATEGIC PLAN: Long Range Principle #2 – Finance

DATE: February 13, 2020

I. RECOMMENDATION

1. Review, discuss and take action to establish, the Fiscal Year 2020 IVGID Utility Rate Study, a one year average percent utility rate increase in the range of zero percent (0%) to fifteen percent (15%) of which the percentage in excess of five point five percent (5.5%) would go to the Unrestricted Net Position in the Utility Fund.

2. That the Board of Trustees makes a motion to set the date/time of April 14, 2020 at 6:00 p.m. for a public hearing for the proposed amendments to IVGID Sewer Ordinance No. 2, entitled "An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District" and IVGID Water Ordinance No. 4, entitled "An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District" that includes the Utility Rate Increase and to publish the notice in accordance with the NRS 318.199.

II. DISTRICT STRATEGIC PLAN

The Utility Rate Study supports Long Range Principle #2, Finance; The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management. Under Objectives for 2018-20, it specifically states Prepare a five-year projection of financial results for each audited fund for operations, capital improvement and debt service as a part of budget deliberations.

III. FINANCIAL IMPACT AND BUDGET

2020 Five Year Rate Study

The Public Works Department conducts an annual rate study to calculate the appropriate rates for water and sewer service to meet revenue and expense demands while maintaining an appropriate Level of Fund balance and Working Capital. The rate study includes a five-year projection for revenues and expenses with an eye out for large capital projects outside of the five-year window. This annual effort insures rates are meeting the needs of the District and that adjustments can be made efficiently and effectively. The rate study is based on utility management strategies, industry best practices and District historical rates.

The 2020 Utility Rate study recommendation is to increase water rates by 4.2% and sewer rates by 6.4% for a total utility rate increase of 5.5% for the average residential customer. The utility rates are scheduled for an average 4.2% increase for the next five years to meet the projections presented in this memo.

In 2019-20, total water and sewer revenues for Public Works are budgeted to be \$12.29 million and are proposed to be \$13.03 million in 2020-21 under this rate study. The total revenue increases by 6.0% which is greater than the 5.5% rate increase. The average 5.5% rate increase is contributing total new revenues of \$595,000, \$315,000 in new operating revenue and \$280,000 in new capital

revenue. The utility fund has other revenue sources that are increasing including TWSA revenue, backflow revenue and work order and snow removal work order charges that totals \$145,000. There is a total increase in revenues of \$740,000 from all resources flow.

The utility rates are calculated from a rate model that determines the revenue needs to meet operating and capital expenses while maintaining the Fund Balance and Appropriate Level of Working Capital in accordance with District Policies and Practices. Once the revenue target is established, the water and sewer rates are adjusted to generate that revenue in the most equitable way possible. The revenue is also balanced among the various rate components to pay for fixed, variable and capital components.

The Appropriate Level of Fund Balance is set by Board Policy 7.1.0 and Board Practice 7.2.0 and is currently a projected minimum value of \$1.96 million. The net position for the utility fund on June 30, 2019 from page 30 of the Comprehensive Annual Financial Report is \$12,442,309. The Utility Fund meets the projected minimum value of Level of Fund Balance per the Board Policy and Practice.

The District also has Budgeting and Fiscal Management Appropriate Level of Working Capital Policy 19.1.0 and Practice 19.2.0. The definition of amounts for Working Capital is measured as follows:

- Operations – 45 to 90 days of operating expenses. Operating expense excludes depreciation and interest
- Utilities Debt Service – up to one year's payments of interest expense, since current maturities of long term debt are already considered in determining working capital, when classified as a current liability.
- Capital Expenditure – up to 1 year of a 3 year average depreciation

Table 1 presents two scenarios for working capital based on the budget year end 2019-20. All numbers have been rounded to \$1,000 for clarity.

Table 1 – Working Capital Worksheet

Item	Budget YE 2019-20	Working Capital with 45 Days of Operating Expenses	Working Capital with 90 Days of Operating Expenses
Operational Expense 2019-20	\$7,402,000	\$913,000	\$1,826,000
Utilities Debt Service 1 Year	\$120,000	\$120,000	\$120,000
1 year average depreciation	\$3,055,000	\$3,055,000	\$3,055,000
Sum		\$4,088,000	\$5,001,000

The Utility Fund working capital on June 30, 2019 is \$6,391,000 from page 30 of the Comprehensive Annual Financial Report, (calculated as total current assets minus total current liabilities) and is greater than the value set by the Working Capital Policy and Practice.

Proposed Utility Rates

The following table compares the current and the proposed residential water rate. The rates below include a \$1.05 total defensible space charge to each user. The base rate for water is increasing by \$1.31 per month. The water consumption and tier rates have been thoroughly analyzed in previous years to confirm the cost basis for those rate components per thousand gallons of usage. Water consumption is the variable rate component. Public Service Recreation accounts are not subject to the excess water charges, tier rates 1 & 2, as defined in the Water Ordinance section 2.40.

Residential Water Rate Comparison

Current 2019 Rate Component	2019 Rate	Proposed 2020 Rate Component	2020 Rate	Change
Base Rate	\$ 11.97	Base Rate	\$ 12.45	\$0.48
Capital Improvements	\$ 15.10	Capital Improvements	\$ 15.75	\$0.65
Customer Account Fee	\$ 3.97	Customer Account Fee	\$ 4.15	\$0.18
Defensible Space	\$ 1.05	Defensible Space	\$ 1.05	-
Monthly Base Water Bill	\$ 32.09	Monthly Base Water Bill	\$ 33.40	\$1.31
Consumption	\$ 1.55	Consumption	\$ 1.62	\$0.07
1st Tier	\$ 0.93	1st Tier	\$ 1.00	\$0.07
2nd Tier	\$ 1.34	2nd Tier	\$ 1.40	\$0.06

The following table compares the current and the proposed residential sewer rate. The base rate for sewer is increasing by \$3.69 per month and the sewer use rate is increasing by \$0.15 per thousand gallons of water use. The sewer use is capped in the summer months for residential customers

Residential Sewer Rate Comparison

Current 2019 Rate Component	2019 Rate	Proposed 2020 Rate Component	2020 Rate	Change
Base Rate	\$ 19.54	Base Rate	\$ 21.00	\$ 1.46
Capital Improvements	\$ 31.45	Capital Improvements	\$ 33.50	\$ 2.05
Customer Account Fee	\$ 3.97	Customer Account Fee	\$ 4.15	\$ 0.18
Monthly Sewer Bill	\$ 54.96	Monthly Sewer Bill	\$ 58.65	\$ 3.69
Sewer Use Rate	\$ 3.20	Sewer Use Rate	\$ 3.35	\$ 0.15

Staff has investigated the equity of the water rate structure for the various customer classes utilizing financial, flow data and demand factors from 2018. Equity is calculated by determining the proportion of fixed and variable demand on the water (size of water meter, water consumption) by each customer class compared to the fixed and variable water revenue collected from each customer class. The current rate structure exhibits equity amongst the major user classes. The two tables below show the statistics for this analysis. The first table, Variable Water Revenue versus Water Use compares how much water consumption, Tier 1 and Tier 2 revenue was received from each customer class as a percent of the total compared to the percent of water measured through the water meter for 2018.

Variable Water Revenue versus Water Use

Customer Class	Variable Water Revenue (Consumption, Tier 1 & 2)	Water Use
Commercial	15%	13%
Residential	71%	69%
IVGID Facilities	14%	18%

The second table, below, Fixed Water Revenue versus Fixed Water Demand, compares the fixed revenue received from each customer class as percent of the total compared to the demand that customer class places on the water system as determined by the meter size. This is called equivalent dwelling units. The two tables show that there is equity in the rate structure for variable and fixed rate components of the water rates.

Fixed Water Revenue versus Fixed Water Demand

Customer Class	Fixed Water Revenue (Revenue, Base, CIP, Admin, Def Space)	Fixed Water Demand (equivalent dwelling units)
Commercial	9.2%	9.5%
Residential	86.8%	86.2%
IVGID Facilities	4.0%	4.3%

Operating Revenues and Expenses

The operating revenue is the portion of revenue generated from the water and sewer rates that is not the CIP charge. The operating revenue is increasing by an average of 4.7% per year for five years and is a blend of rate increases and sales of water and sewer. The information below presents the net income for operating, excluding the capital revenue and the depreciation expense. The rate study goal is to keep a balance between operating expenses and revenues over the five-year period while overall contributing to fund balance. The rate model is revisited annually and recalibrated with actual financial results from the completed fiscal year. Any budget savings stay in the utility fund to offset future rate increases. The estimates are currently straight line based on current expenses and revenues for years 2 through 5.

The operating expenses are the staff costs, services and supplies, utilities, insurance, legal and audit fees, central services expense and the defensible space costs but it does not include depreciation. The 2020-21 values are the proposed Utility Fund budget which will be presented at a future Board Meeting. Final budget numbers are approved in May by the Board of Trustees. We are budgeting increases in wages and benefits at 4.7%, service and supplies at 9.1% and utility expenses at 0.3%. There is a \$31,000 service and supply expense item that is offset by a corresponding grant revenue for Microplastic outreach and education in TWSA, a \$25,000 line item for professional consultant has been added to the TWSA budget; (both offset by corresponding revenue), and \$25,000 has been added for effluent export repairs. If the \$81,000 items listed above are excluded, the service and supply increase is 4.6%. The overall operating expenses are

increasing 3.7%. The five-year rate study is presented below for operating revenues and expenses.

Operating Revenues and Expenses – Water and Sewer

5-Year Plan	2020-21	2021-22	2022-23	2023-24	2024-25	5-Yr Sum
Operating Revenue	7,825,000	8,168,000	8,526,000	8,900,000	9,291,000	\$42,710,000
Operating Expense	(7,794,000)	(8,039,000)	(8,312,000)	(8,594,000)	(8,867,000)	(\$41,606,000)
					Subtotal	\$1,104,000

Capital Revenues and Expenses

The capital revenue is the summation of monthly capital fees collected in the utility rates, connection fees, and interest income and increases by approximately 3.1% per year averaged over 5 years.

The capital expense is the capital improvement projects net of grants and includes debt service. This is the draft five-year capital plan that is being developed as part of the budget process. The five-year capital expenses and revenues are presented in the following table.

Capital Revenues and Expenses – Water and Sewer

5-Year Plan	2020-21	2021-22	2022-23	2023-24	2024-25	5-Yr Sum
Capital Revenue	5,351,000	5,535,000	5,677,000	5,824,000	5,974,000	28,361,000
Capital Expense	(5,830,000)	(5,033,000)	(5,302,000)	(4,469,000)	(5,132,000)	(25,766,000)
					Subtotal	\$2,595,000

It is important to remember that the capital expenses are budget estimates with further refinement to occur in the CIP budgeting process. The goal of the rate study is to collect sufficient revenues to fund capital expenses over the following five years.

The Effluent Export System presentation to the Board of Trustees on January 29, 2019 showed the June 30, 2019, unrestricted net position minus Export System Project carry forward, minus capital carry forward and minus the Vac-Con truck purchase at \$870,455. It is projected that this number will increase to \$1,300,000 at the end of 2019-20 fiscal year. The five year rate study is projecting net contribution to fund balance in the amount of \$3,699,000. This would place the ending fund balance in 2025 at \$4,999,000.

2020 Five Year Rate Study	5-Year Total
Operating and Capital Revenues	\$71,071,000
Operating and Capital Expenses	67,372,000
Net increase in reserves	\$3,699,000

Schedule

The schedule for rate adoption is proposed as follows.

Utility Rate Study	Date
Set Date for Public Hearing to Adopt New Utility Rates	February 26, 2020
Notice of Public Hearing Published in Newspaper	March 13, 2020
Courtesy Ad for Public Hearing Published in Newspaper	April 10, 2020
Conduct Public Hearing and Adopt New Utility Rates	April 14, 2020
New Utility Rates become effective pending approval	May 19, 2020

IV. BACKGROUND

Residential Utility Rate Summary

The following table provides the average monthly water and sewer utility bill for our average residential user (72,000 gallons water use per year) in the District’s service area from 2015 to the proposed 2020 rates.

Year	Monthly Water Charge	Monthly Sewer Charge	Total Monthly Water and Sewer Charge
2015	\$36.15	\$57.96	\$94.11
2016	\$37.15	\$60.24	\$97.39
2017	\$38.47	\$62.22	\$100.69
2018	\$39.79	\$63.88	\$103.67
2019	\$41.35	\$66.44	\$107.78
Proposed 2020	\$43.06	\$70.67	\$113.74

The average residential rate has increased \$19.63 per month from \$94.11 in 2015 to the proposed \$113.74 in 2020. There has been an increase of \$6.50 per month to pay for capital improvements and \$13.13 to pay for operating cost increases which equals the total rate increase of \$19.63 per month over the last five years. The following table presents the five year total and annual average rate increases for the median residential customer.

	Monthly Water Charge	Monthly Sewer Charge	Total Monthly Water & Sewer Charge
Total % Change 2015-2020	19.1%	21.9%	20.8%
Annual % Change over 5 yrs.	3.6%	4.0%	3.9%

Calculating from the proposed 2020 rates back to 2015, five years, the residential family median user would see an average rate increase of 3.6% per year. The capital rate has increased by 2.9% and the operating rate has increased by 4.7% per year for that 5 year period.

At the Board of Trustees meeting on February 12, 2020, the Board of Trustees requested two options on the rate increase; below is that requested information:

The statistics for the rate increase for 2020 compared to 2019 are as follows.

- Overall Water and Sewer Rate Increase – 5.5%
- Water Rate Increase 4.2%
 - Water Operations Rate Increase – 4.1%
 - Water Capital Rate Increase – 4.3%
- Sewer Rate Increase 6.4%
 - Sewer Operations Rate Increase – 6.2%
 - Sewer Capital Rate Increase – 6.5%
- Water and Sewer Operations Rate Increase – 5.3%
- Water and Sewer Capital Rate Increase – 5.8%

This rate study proposes the following: In 2019-20, total water and sewer revenues for Public Works are budgeted to be \$12.29 million and are proposed to be \$13.03 million in 2020-21 under this rate study. The total revenue increases by 6.0% which is greater than the 5.5% rate increase. The average 5.5% rate increase is contributing total new revenues of \$595,000, \$315,000 in new operating revenue and \$280,000 in new capital revenue. The Utility Fund has other revenue sources that are increasing including TWSA revenue, backflow revenue and work order and snow removal work order charges that totals \$145,000. There is a total increase in revenues of \$740,000 from all resources flow.

Therefore, if the Board keeps the rates at current rates, then there will be an increase in revenue of \$145,000 from other revenue sources and the total revenue projection for 2020-21 for the Utility Fund would \$12.44 million. The budgeted expenses would be adjusted downward to minimize impacts to current Utility Fund balance. This would involve delaying capital projects and looking for operational cost savings not already identified. We expect the labor costs and the majority of service and supply costs and the electrical and other utility costs to come in at budgeted levels.

As a note, an average of \$1.00 on the utility rates generates \$100,000 per year. If the Board desired to begin building on the District's unrestricted Utility Reserve net fund balance, the Board can direct Staff to add a new line item to the water bill, at

some increment. The following table provides **EXAMPLES** of, using the above formula, the dollar amount equivalent as it relates to a percentage increase.

Utility Rate Increase (above Staff's recommended 5.5%)	Dollars Generated (approximately)
6.5%	\$100,000
8.0%	\$250,000
10.25%	\$475,000
12.75%	\$725,000
15%	\$950,000

IV. ALTERNATIVES

The rate structure used by the District has been in place since the installation of water meters over 25 years ago.

V. COMMENTS

The applicable Nevada Revised Statute is as follows.

NRS 318.199 Rates, tolls and charges for sewerage or water services or products: Schedules; public hearings; adoption of resolution; action to set aside resolution.

1. The board of trustees of any district organized or reorganized under this chapter and authorized to furnish sanitary sewer facilities pursuant to NRS 318.140 or to furnish water facilities pursuant to NRS 318.144 shall establish schedules showing all rates, tolls or charges for services performed or products furnished.
2. Whenever the board of trustees proposes to change any individual or joint rate, toll, charge, service or product, or any individual or joint practice which will affect any rate, toll, charge, service or product, the board of trustees shall hold public hearings after 30 days' notice has been given to all users of the service or product within the district.
3. Notice shall be given by publication in a newspaper published in the county and if no such newspaper is published, then a newspaper published in this state which has a general circulation in the county. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear and the type used in the headline of such notice shall not be smaller than 18 point.

4. All users of the service or product shall be afforded a reasonable opportunity to submit data, views or arguments orally or in writing at the place, date and time specified in the notice, or at any subsequent place or time to which the hearing may be adjourned.
5. If, after public hearing, the board of trustees determines that the proposed action is required, the board shall adopt a resolution establishing the new or changed rates, tolls, charges, services to be performed or products to be furnished.
6. Within 30 days immediately following the effective date of such resolution, any person who has protested it may commence an action in any court of competent jurisdiction to set aside the resolution.
7. Within 30 days after the effective date of the resolution, the secretary of the district shall file a copy of the new schedules in the office of the district. The schedules shall be made available to any user of the service or product.

(Added to NRS by 1977, 541)

VI. **BUSINESS IMPACT**

This item is a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, but it does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business, and therefore does not require a Business Impact Statement.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim District General Manager

SUBJECT: Review, discuss, and possibly provide direction regarding the desired format for Staff presentations of the Draft 2020/2021 Venue Operating Budgets scheduled for March 11, 2020.

STRATEGIC PLAN REFERENCE(S): Long Range Principal #1 – Resources & Environment
Long Range Principal #2 – Finance
Long Range Principal #4 – Service
Long Range Principal #6 - Communication

DATE: February 20, 2020

I. RECOMMENDATION

That the Board of Trustees review, discuss and provide direction regarding the desired format to receive Staff presentations of the draft 2020/2021 Venue Operating Budgets scheduled for March 11, 2020.

II. DISTRICT STRATEGIC PLAN

Long Range Principal #1 - Resources and Environment

- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction

Long Range Principal #2 - Finance

- Develop and maintain a long term plan to sustain financial resources

Long Range Principal #4 - Service

- Provide well defined customer centric service levels consistent with community expectations

Long Range Principal #6 - Communication

- Promote transparency in all areas including finance, operations and public meetings

III. BACKGROUND

On February 21, 2018, Staff introduced to the Board of Trustees the detailed concepts of the Pyramid Methodology Cost Recovery Model. The presentation provided the concepts of the model as they relate to IVGID Community Services. Furthermore, Staff notified the Board of Trustees that it would begin the integration and implementation process by formally applying the core principles to IVGID Community Services operations.

The primary goal of IVGID Community Services remains to establish strategies related to cost recovery, allocation of resources, identifying core services, and establish organizational sustainability through a logical and thoughtful philosophy that supports the core values, vision, and mission of the District and the community of Incline Village/Crystal Bay. The creation of a cost recovery philosophy and policy is a key component to maintaining financial control, equitably pricing offerings, and identifying core programs, facilities, and services for an agency.

IVGID Community Services, in particular, have been pressed to carefully analyze the services they offer, determine the costs of providing those services, and conclude which services are most deserving of Recreation Facility Fee based subsidies and which should the end-user bear the burden of funding through fees.

IV. FINANCIAL IMPACT AND BUDGET

None expected at this time.

V. ALTERNATIVES

Not applicable.

VI. COMMENTS

Over the past several budget cycles, Staff has given presentations that include combinations of Executive Summaries, Financial Data, Service Levels, production of the annual operating budgets. Based on feedback from the Board and community, Staff is recommending that that we focus our efforts on the venue budget highlights, items of note, and the financial data as it relates to the operations of the District. Staff would recommend the following as an example:

- Review & possible discussion of executive summaries by venue
- Review and possible discussion of venue budget highlights & items of note
- Review with venue managers of venue and venue sub funds 2020/2021 draft Sources & Uses Data Sheets for the General Fund, Community Services & Utilities
- Final discussion, feedback and possible direction

Potential Venue Presentations:

- Utilities/Public Works
- General Fund
- Golf Courses
- Parks & Recreation (Parks, Tennis & Recreation Center & Community Programming)
- Beaches
- Diamond Peak
- Marketing
- Facilities
- Food & Beverage

Staff is committed to working with the Board of Trustees on a format that provides an opportunity for review and open discussion as well as exploring any recommended changes to accounting strategies, methods, and principles.

IVGID 2020-2021 District Budget Calendar

(all dates are subject to change)

8-27-19	Strategic Plan for 2020-2022 started by Senior Team
9-6-19	Working 2020-2021 Budget is Open in Innoprise
9-12-19	Capital Projects Data Sheets and Process Started
10-24-19	Staff Budget kickoff
11-1-19	Target substantially completed with Ski Operating Budget
10-19 to 1-20	Staff prepares draft operating budget
10-19 to 2-20	Staff prepares updated Capital Improvement Project Summary for first 5 Years of proposed Data Sheets
11-7-19	Managers' report progress to date to GM
12-5-19	Managers' report progress to date to GM
Potential Workshop.....	Potential Board of Trustees approval of Strategic Plan Item in April/May 2020
12-13-19	Cutoff for identifying new CIP or Personnel Requests to the GM
1-28-20	Senior Team previews Long Term Capital Funding
2-12-20	Trustees set Budget and Rec Roll Hearing date as May 27, 2020
2-26-20	IVGID Utility Rate Study
2-26-20	Overall Operating Budget Preview and Strategy Introduction
3-6-20	2020/2021 preliminary operating information released on OpenGov.com
3-11-20	Board overview of Operating Budget
3-13-20	Release CIP 5 Year Summary Online (with Data Sheets)
By Appointment	Capital Improvement Projects Tour
3-25-20	Board review of 2020-2021 Capital Improvement Proposed Budget & Funding
4-14-20	Consider and Approve "Tentative" Budget Filing and Preliminary Rec Roll
4-14-20	Utility Rates (Ordinances 2 and 4) Public Hearing and Approval of Revised Ordinances
5-27-20	Public Hearing on final proposed Rec Roll and 2020-2021 Fiscal Year Budget
6-1-20	File Final Budget Form 4404LGF with State of NV
6-30-20	Distribute Operating and CIP Budget Books
7-29-20	Review and Approve District Indebtedness Report including the Five Year Capital Improvement Project Summary and State Forms
8-15-20	Deadline to publish Form 4409 Summary Budget

DATE	DAY OF THE WEEK	TIME	LOCATION	TYPE OF MEETING - 2020	COMPLETED MEMORANDUMS WITH ALL BACK UP MATERIALS FOR AGENDA ITEMS FROM BOARD MEMBERS DUE DATES	ITEMS SLATED FOR CONSIDERATION
03/04	Wednesday	TBD	Boardroom	Audit Committee Meeting	02/21/2020	
03/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	02/28/2020	Overview of Operating Budget Approval of Resident Ski Passes (Consent Calendar) Designation of District's Auditor (see 12/11 memorandums) Accept Tennis Final Design Guest Access Ticket Restricting \$XXXX to the Effluent Export Pipeline Project from the Unrestricted Net Position in the Utility Fund (Callicrate)
03/25	Wednesday	6 p.m.	Boardroom	Regular Board Meeting	03/13/2020	Review of 2020/2021 Capital Improvement Proposed Budget and Funding Contract Award for Ski Rental Equipment (Consent Calendar)
04/14	Tuesday	6 p.m.	Chateau	Regular Board Meeting	04/03/2020	Consider and approve "tentative" budget filing and preliminary Rec Roll (must happen before 04/15) Utility Rates (Ordinances 2 and 4) Public Hearing and Approval of Revised Ordinances Water Reservoir Safety Construction Contract Award
05/06	Wednesday	6 p.m.	Chateau	Regular Board Meeting	04/24/2020	
05/27	Wednesday	6 p.m.	Chateau	Regular Board Meeting	05/15/2020	Public Hearing on final proposed Rec Roll and 2020/2021 Fiscal Year Budget*
06/10	Wednesday	6 p.m.	Chateau	Regular Board Meeting	05/29/2020	
06/24	Wednesday	6 p.m.	Chateau	Regular Board Meeting	06/12/2020	
07/08	Wednesday	6 p.m.	Chateau – CONFLICT	Regular Board Meeting	06/26/2020	7/15 or 7/22 are available at the Chateau
07/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	07/17/2020	Review and approve District Indebtedness Report including the Five Year Capital Improvement Project Summary and State Forms Arc Flash Project
08/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	07/31/2020	
08/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	08/14/2020	
09/09	Wednesday	6 p.m.	Chateau - CONFLICT	Regular Board Meeting	08/28/2020	09/23 is available at the Chateau
09/30	Wednesday	6 p.m.	Chateau – CONFLICT	Regular Board Meeting	09/18/2020	09/23 is available at the Chateau
10/14	Wednesday	6 p.m.	Chateau	Regular Board Meeting	10/02/2020	
10/28	Wednesday	6 p.m.	Chateau	Regular Board Meeting	10/16/2020	
11/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	10/30/2020	
11/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	11/13/2020	Typically cancelled
12/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	11/27/2020	
12/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	12/18/2020	Typically cancelled

Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar

RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware

TRPA EIS Contract at Diamond Peak

WCSD Joint Agreement

Split Ordinance (allow 45 days ahead of action)

*Budget approval is required after the third Monday however whatever date is selected, a 10-day notice must be given. Must accomplished no later than June 1, 2020.