

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
District General Manager

FROM: Nathan Chorey, P.E.
Engineering Manager

SUBJECT: Review, discuss and possibly approve a Professional Services Contract for Utilities Management Review and Asset Assessment; Vendor: Raftelis; Amount: \$74,175, plus 10% contingency

DATE: January 6, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Authorize a Professional Services Contract for a Utilities Management Review and Asset Assessment; Vendor: Raftelis in the amount of \$74,175; Fund 200 (Utilities).
2. Authorize Staff to approve change orders for additional work not anticipated at this time of up to 10% of the Professional Services Contract; up to the amount of \$7,418.
3. Authorize Staff to execute the contract documents.

II. BACKGROUND

- At the August 12, 2020 Board of Trustees meeting reviewed and discussed the goals and objectives to be included in preparing a scope of work for a Utility Study (See Meeting Minutes excerpt from 8/12/20).
 - Trustee Dent made a motion to confirm the goals and objectives - Goal and Objective #3 - Performance Management and Asset Management Analysis are to be included in preparing a scope of work. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion and Trustees Morris and Wong voted opposed to the motion; the motion was passed.
 - Trustee Dent made a motion to direct Staff to proceed with a Request for Qualifications for Professional Services, through public advertising, for the set goals and objectives #3 – Performance Management and Asset Management Analysis. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion

and Trustees Morris and Wong voted opposed to the motion; the motion was passed.

- On November 6, 2020 a Utilities Management Review and Asset Assessment Request for Proposals was publicly advertised.
- On December 2, 2020, we received proposals from two qualified firms.
- On December 14, 2020, District General Manager Winquest, Director of Finance Navazio, Engineering Manager Chorey, Trustee Dent, and Audit Committee At-Large Member Tulloch interviewed the two firms.
 - Based on presentation, response to questions, references, and previous experience; Raftelis was selected.

The Utilities Management Review and Asset Assessment includes evaluation of IVGID Public Works' organizational structure and staffing, review of operational efficiency, and review of financial and capital investment. Their findings will be documented in a final written report. The full scope of work is attached for reference.

Staff is requesting authority to authorize change orders up to 10% of the Professional Services Contract for tasks not included in the original scope of work. Additional tasks may include (but are not limited to) additional time on site to gather data or a presentation to the Board of Trustees.

III. 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.

IV. FINANCIAL IMPACT AND BUDGET

The recommendation included in this agenda item would result in expenditure of up to \$81,593 in support of the proposed contract. Funding is provided in the adopted FY2020/21 budget for this purpose within the Utility Fund (Fund 200).

V. ALTERNATIVES

None proposed.

VI. 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.

Attachments:

Raftelis Short Form Agreement which includes:

- ✓ Raftelis Scope of Work
- ✓ Proposed Work Schedule
- ✓ Cost Proposal

Meeting Minutes excerpt from 8/12/20 Board of Trustees Meeting

SHORT FORM AGREEMENT
Between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
and
RAFTELIS FINANCIAL CONSULTANTS, INC.
for
PROFESSIONAL SERVICES

This Agreement is made as of Date between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "OWNER," and **RAFTELIS FINANCIAL CONSULTANTS, INC.**, hereinafter referred to as "CONSULTANT." OWNER intends to complete the Project(s) as described in Attachment A, Consultant's Scope of Work and Proposed Work Schedule, and as amended from time to time, hereinafter referred to as the "Project."

1.0 BASIC SERVICES

The CONSULTANT shall perform the following tasks and additional services as may be included from time to time by Additional Services Addendums (ASAs) to this Agreement in accordance with Paragraph 4.2, Additional Services:

Basic Services are as described in Attachment A, essentially consisting of a Utilities Management Review and Asset Assessment.

All documentation, drawings, reports and invoices submitted for this project will include IVGID Purchase Order Number (TBD).

2.0 OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of CONSULTANT:

- 2.1** Designate in writing a person to act as OWNER's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define OWNER's policies and decisions with respect to CONSULTANT's services for the PROJECT.
- 2.2** Assist CONSULTANT by placing at CONSULTANT's disposal existing data, plans, reports and other information known to, in possession of, or under control of OWNER which are relevant to the execution of CONSULTANT's duties on the PROJECT. Also, provide all criteria and full information as to OWNER's requirements for the Project, including design criteria, objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

3.0 PERIODS OF SERVICE

3.1 General. The provisions of Section 3 and the various rates of compensation for CONSULTANT's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Services contained herein. CONSULTANT's obligation to render services hereunder will extend for a period which may reasonably be required for the performance of CONSULTANT's services and required extensions thereto. If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of CONSULTANT, all rates, measures, and amounts of compensation provided herein shall be subject to equitable adjustment.

3.2 CONSULTANT agrees to exercise diligence in the performance of its services consistent with the agreed upon schedule, which is based upon an anticipated completion date of no later than June 30, 2021, subject, however, to the exercise of the generally accepted standard of care for performance of services.

4.0 PAYMENT TO CONSULTANT

4.1 Methods of Payment for Services and Expenses of CONSULTANT

4.1.1 Compensation Terms Defined

"Reimbursable Expenses" shall mean the actual expenses incurred directly or indirectly in connection with the Project, including, but not limited to subconsultants or subconsultant costs, transportation and subsistence incidental thereto, obtaining bids or proposals from CONSULTANT(s), toll telephone calls, express mail and telegrams, reproduction of Reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1. In addition, Reimbursable Expenses will also include expenses incurred for main frame computer time and other highly specialized equipment, including photographic production.

4.1.2 Basis and Amount of Compensation for Basic Services. Compensation shall be as indicated in Attachment A, with a total amount of **Seventy-Four Thousand One Hundred Seventy-Five Dollars (\$74,175.00), to be billed as a fixed fee based on percentage complete measured against the estimated time schedule set forth in Attachment A. In no event shall compensation for any Activity identified in Attachment A exceed the amount set forth in the attachment. The fixed fee shall include Reimbursable Expenses, and CONSULTANT shall not request or receive any additional payments for such expenses.**

4.2 Basis and Amount of Compensation for Additional Services

Compensation for additional services shall be on the basis agreed upon at the time of request for additional services. The estimated amount of additional services will be determined at the time the additional services are requested.

4.3 Intervals of Payments

Payments to CONSULTANT for Basic and Additional Services rendered and Reimbursable Expenses incurred shall be made once every month by OWNER. CONSULTANT's invoices will be submitted once every month and will be based upon total services completed at the time of billing. OWNER shall make prompt payments in response to CONSULTANT's invoices.

4.4 Other Provisions Concerning Payments

4.4.1 If OWNER fails to make any payment due CONSULTANT for services and expenses within 30 days after receipt of CONSULTANT's statement, the amounts due CONSULTANT will be increased at the rate of one percent (1%) per month from date of OWNER's receipt of invoice.

4.4.2 If the Project is suspended or abandoned in whole or in part for more than 90 days, CONSULTANT shall be compensated for all services performed prior to receipt of written notice from the OWNER of such suspension or abandonment, together with Reimbursable Expenses then due.

4.4.3 If any items in any invoices submitted by CONSULTANT are disputed by OWNER for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER shall promptly notify CONSULTANT of the dispute and request clarification and/or remedial action. After any dispute has been settled, CONSULTANT shall include the disputed item on a subsequent regularly scheduled invoice or on a special invoice.

5.0 GENERAL CONSIDERATIONS

5.1 Termination

5.1.1 This Agreement may be terminated in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party. However, no termination for default may be initiated unless the other party is given a ten (10) calendar day cure period after written notice (delivery by certified mail, return receipt requested) of intent to terminate.

5.1.2 This Agreement may be terminated in writing (delivered by certified mail, return receipt requested) by OWNER for its convenience.

5.1.3 Upon any termination, CONSULTANT shall (1) promptly discontinue all Services affected (unless a termination notice from OWNER directs otherwise); and (2) deliver or otherwise make available to OWNER upon full payment for services rendered to the date of termination, all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether such materials are completed or in process. All payments due CONSULTANT at termination shall be made by OWNER.

5.2 Ownership of Documents

The original documents, plans, electronic files, studies or reports prepared under this Agreement, for which the OWNER pays compensation to the CONSULTANT, except for working notes and internal documents, shall become and remain the property of the OWNER, and upon payment of said compensation, shall be surrendered to the OWNER upon the completion of the Work under this Agreement or on the completion of specific phases of the Work, if requested by the OWNER. The CONSULTANT may retain copies of said work in their files, but such work shall not be released to any other party or reused by the CONSULTANT without the express written consent of the OWNER. Reuse of any of these drawings, specifications or other work products of the CONSULTANT by the OWNER for other than the specific project covered in this Agreement without the written permission of the CONSULTANT shall be at the OWNER'S risk, provided that the CONSULTANT shall not be liable for any claims or damages arising out of such unauthorized reuse by the OWNER or by other's actions through the OWNER.

5.3 Professional Liability Insurance

5.3.1 CONSULTANT shall maintain professional liability insurance for protection against claims arising out of performance of services under this Agreement caused by negligent acts, errors, or omissions for which "PROFESSIONAL SERVICES" is legally liable for a period of five (5) years thereafter, if available and reasonably affordable. The professional liability policy shall provide a minimum coverage of \$1,000,000. CONSULTANT shall maintain the existing retroactive date on all future policies with the same insurance company and attempt to do so if CONSULTANT changes insurance companies. In the event that CONSULTANT goes out of business during the instant period, CONSULTANT shall purchase, at the request of OWNER, an extended reporting period.

5.3.2 Should CONSULTANT's normal professional liability coverage be less than the minimum required amount, CONSULTANT may purchase project insurance or obtain a rider on his normal policy in an amount sufficient to bring CONSULTANT's coverage up to minimum requirements.

5.4 Controlling Law

This Agreement is to be governed by and construed in accordance with the Laws of the State of Nevada.

5.5 Successors and Assigns

5.5.1 The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by Paragraph 5.5.2, their assigns, to the terms, conditions, and covenants of this Agreement.

5.5.2 Neither OWNER nor CONSULTANT shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law.

Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent professional associates, subconsultants, and consultants as CONSULTANT may deem appropriate to assist in the performance of Services.

5.5.3 Except as may be expressly stated otherwise in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than OWNER and CONSULTANT, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of OWNER and CONSULTANT and not for the benefit of any other party.

5.6 Dispute Resolution

This Agreement to engage in alternate dispute resolution (“ADR”) pursuant to NRS 338.150 and any other Agreement or consent to engage in ADR entered into in accordance herewith as provided in this Section 5.6 will be specifically enforceable under the prevailing Nevada law in the Second Judicial District Court of the State of Nevada in and for the County of Washoe. Any dispute arising under this contract will be sent to mediation. Any mediation shall occur in Incline Village, Washoe County, Nevada. The mediation shall be conducted through the American Arbitration Association (AAA) and be governed by the AAA’s Mediation Procedures.

The mediator is authorized to conduct separate or ex parte meetings and other communications with the parties and/or their representatives, before, during and after any scheduled mediation conference. Such communications may be conducted via telephone, in writing, via email, online, in person or otherwise.

OWNER and CONSULTANT are encouraged to exchange all documents pertinent to the relief requested. The mediator may request the exchange of memorandum on all pertinent issues. The mediator does not have the authority to impose a settlement on the parties but such mediator will attempt to help OWNER and CONSULTANT reach a satisfactory resolution of their dispute. Subject to the discretion of the mediator, the mediator may make oral or written recommendations for settlement to a party privately, or if the parties agree, to all parties jointly.

OWNER and CONSULTANT shall participate in the mediation process in good faith. The mediation process shall be concluded within sixty (60) days of a mediator being assigned.

In the event of a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation session(s), the mediator may continue to communicate with the parties, for a period of time, in an ongoing effort to facilitate a complete settlement. Any settlement agreed upon during mediation shall become binding if within thirty (30) days after the date that any settlement agreement is signed, either the OWNER or CONSULTANT fails to object or withdraw from the agreement. If mediation shall be unsuccessful, either OWNER or CONSULTANT may then initiate judicial proceedings by filing suit. OWNER and CONSULTANT will share the cost of mediation equally unless agreed otherwise.

5.7 Equal Employment and Non-discrimination

In connection with the Services under this Agreement, CONSULTANT agrees to comply with the applicable provisions of State and Federal Equal Opportunity statutes and regulations.

5.8 Indemnification and Legal Fees

5.8.1 CONSULTANT agrees to defend, indemnify and hold harmless the public body, and the employees, officers and agents of OWNER from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees and costs, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the CONSULTANT or the employees or agents of CONSULTANT in the breach of performance of the contract. If the insurer by which the CONSULTANT is insured against professional liability does not so defend OWNER and the employees, officers and agents of OWNER and the CONSULTANT is adjudicated to be liable by a trier of fact, the trier of fact shall award reasonable attorney's fees and costs to be paid to OWNER by the CONSULTANT in an amount which is proportionate to the liability of the design CONSULTANT. As used in this section, "agents" means those persons who are directly involved in and acting on behalf of OWNER or CONSULTANT, as applicable, in furtherance of the contract or the public work to which the contract pertains.

5.8.2 As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONSULTANT agrees to indemnify, defend (at OWNER'S option), and hold harmless OWNER, its officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, or liability arising out of any acts or omissions of CONSULTANT (or Sub-contractor, if any) while acting under the terms of this Agreement; excepting those which arise out of the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers or agents of OWNER.

5.8.3 The obligations of each indemnifying party hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this section. The indemnification shall not be diminished or limited in any way to the total limits of insurance required in this contract or otherwise available to the indemnifying party. If the liability is asserted by an employee of an indemnifying party, the indemnification herein is not limited to damages, compensation or benefits payable by or for the indemnifying party under worker's compensation acts, disability benefit acts or other employee benefit acts. Each indemnifying party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder. Either party may set off any of its rights under this subsection against any consideration it provides

under this agreement. The obligations to indemnify and save harmless herein survive the expiration or termination of this Agreement.

5.8.4 The prevailing party in any litigation between OWNER and CONSULTANT regarding this Agreement shall be entitled to recover its reasonable attorneys' fees and costs. The hourly rate for such fees shall not exceed the rate paid by OWNER.

5.9 Changes and Modifications

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made a part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement.

5.10 Licenses

CONSULTANT shall have a Washoe County business license, and all appropriate CONSULTANT's licenses and certifications for the services to be performed.

5.11 Severability

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

5.12 Waiver

One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

5.13 Extent of Agreement

This Agreement, including all Attachments, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions, or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed, or other form or document issued by OWNER with respect to the Project or CONSULTANT's services.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and date of the year first set forth above.

OWNER:
INCLINE VILLAGE G. I. D.
The undersigned has read, reviewed
and approves this document

CONTRACTOR:
Raftelis Financial Consultants, Inc.
Agreed to:

By:
Joshua Nelson
District General Counsel

By: _____
Signature of Authorized Agent

Print or Type Name and Title

Date

Date

Agreed to:

Indra Winquest
IVGID General Manager

If CONTRACTOR is a Corporation, attach evidence of authority to sign.

Date

OWNER'S Address for Giving Notice:
INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1267- Engineering Div. Phone

CONTRACTOR'S Address for Giving Notice:
Raftelis Financial Consultants, Inc. 227 W. Trade Street, Suite
1400 Charlotte, North Carolina
28202 207-303-0138
sgarrison@raftelis.com

Incline Village General Improvement District

Utilities Management Review and Asset Assessment

Scope of Work

Task 1: Project Administration and Kickoff

Raftelis will hold a kick-off meeting, within 14 days after receipt of the Notice to Proceed, with District-designated staff to review the objectives of the project and schedule, and to start developing a comprehensive understanding of the District. The meeting will be followed by an intense data gathering effort that will begin within 14 days after receipt of the Notice to Proceed. Raftelis will conduct a series of virtual meetings and interviews, in addition to two days on site to gather information, COVID-19 conditions permitting, after the kick-off to gather data, interview key staff, and understand District practices. This is anticipated to begin within 14 days after receipt of the Notice to Proceed.

Raftelis will comply with all Incline Village General Improvement District (IVGID or District) COVID-19 compliance measures, as well as state and Raftelis policies on COVID-19 compliance.

Task 1 and all subsequent tasks will also include standard, ongoing quality assurance activities to ensure the project achieves the District's stated objectives on schedule and within budget. This includes written progress reports, issued twice in a calendar month, with a narrative discussion of all activities in progress and services anticipated to be performed during the next month, and information on percent complete, schedule, and variations from the schedule.

TASK 1 ACTIVITIES

- Written agenda and materials for project kick-off meeting prepared by Raftelis and provided electronically to identified District Project Manager
- Written progress reports issued twice in a calendar month, with a narrative discussion of activities in progress and services anticipated to be performed during the next month and information on percent complete, schedule and variations from the schedule.
- Two days of virtual meetings and interviews, and two days of on-site data gathering and interviews with District staff (budget based on two days on site and two days of virtual meetings). IVGID interview participants will receive a written discussion guide prior to their interviews.
- All written documents provided to IVGID within this activity are public records and deemed not to be confidential to the project. Workpapers, interview notes, and internal Raftelis documents are not considered public documents.

Task 2: Organizational Structure and Staffing

Using data and the understanding gathered in Task 1, Raftelis will evaluate the District's organizational structure and staffing, compare them to industry best practices, and recommend

options to capitalize on potential efficiencies and meet current and future regulatory and strategic goals. As part of the review, Raftelis will evaluate the processes and practices that govern activities. Raftelis will likely request additional data as we delve into the District's organization and structure.

As part of the assessment, Raftelis will evaluate and compare desired level of service with staffing levels and identify areas in which the District can streamline resources to maximize efficiency, as well as identify areas where it may consider additional resources to achieve stated levels of service. Raftelis will benchmark IVGID organizational and staffing elements with both peer and national benchmarks for available data.

TASK 2 ACTIVITIES

- Analysis of organizational structure and staffing, including comparisons to best practices
- Recommendations for increasing efficiency and improving operations
- Recommendations for changes to staffing levels to improve efficiency in line with benchmarking data and desired levels of service
- Evaluation of service levels relative to staffing
- The written final recommendations for this task will be provided as part of Task 5: Final Report and Presentation which will be a public record.

Task 3: Operational Efficiency Review

Raftelis will review the District against industry standards set by associations such as the American Water Works Association (AWWA) and Water Environment Foundation (WEF). Using industry expertise Raftelis will thoroughly review operation of the District's utility distribution, collection, and treatment functions. The project team will provide the District with a clear understanding and comparison of current performance and recommendations for improvements that are backed by industry benchmarks, where appropriate. Raftelis will benchmark IVGID operational efficiency for with both peer and national benchmarks. Benchmarking and best practice information from industry-leading organizations will be utilized, including the Ten Attributes of Effectively Managed Water Sector Utilities, as presented in the Effective Utility Management (EUM) framework. The EUM framework is a set of organizational, operational, and management guidelines for utilities universally endorsed by major industry associations.

Raftelis will evaluate and recommend enhancements to the District's use and application of major utility software systems and ensure that the review considers and incorporates industry standards and best practices for use of these types of systems. Raftelis will use their specialized experience to ensure the District's people and data work together to achieve efficiency, while simultaneously achieving desired service levels and strategic objectives. Raftelis will formulate recommendations that consider the District's current resources and performance.

Raftelis will perform a review of customer service processes and practices including customer communications. Raftelis will review rates to ensure water and wastewater charges are properly allocated and are adequate to ensure assets can be properly maintained based on efficient operational practices by the District.

Utility Billing

The project team will evaluate key processes surrounding billing practices and policies—often referred to as the “meter to cash” cycle. This will use a combination of industry resources and data from peer and well-known national utilities to identify current performance levels and make recommendations for improvement. Recommendations will be aligned with the District’s strategic objectives.

Asset Management

Raftelis will focus special attention on asset management practices. Raftelis will review all aspects of how IVGID manages assets. This will include

- Asset management practices
- Prioritization of asset replacement/enhancement projects
- Projected asset lifecycles
- Efficiency and effectiveness of O&M activities and expenditures
- Asset condition versus anticipated condition
- System reliability and redundancy
- Risk mitigation, including identification of critical and vulnerable assets

TASK 3 ACTIVITIES

- An evaluation of major operational practices, including peer and national benchmarking
- Review the meter-to-cash cycle, including meter, billing, and customer service practices
- Analysis of asset management practices and systems, as discussed above
- Recommendations for increasing efficiency and improving operations
- Recommendations on revisions to asset lifecycles
- The written final recommendation for this task will be provided as part of Task 5: Final Report and Presentation which will be a public record

Task 4: Financial and Capital Investment Review

The financial review will include an evaluation of budgeting, accounting, treasury, and financing policies, procedures, and activities. Raftelis will review practices, identify opportunities for improvement and cost reductions based on industry-leading perspectives, and support the District in prioritizing which enhancements will deliver the most value and guard against financial risk. Raftelis will look in detail at the capital planning and project delivery processes. This includes how projects are developed, prioritized, paid for, and managed. As prescribed in IVGID’s Request for Proposals (RFP), this will specifically include a review of the following:

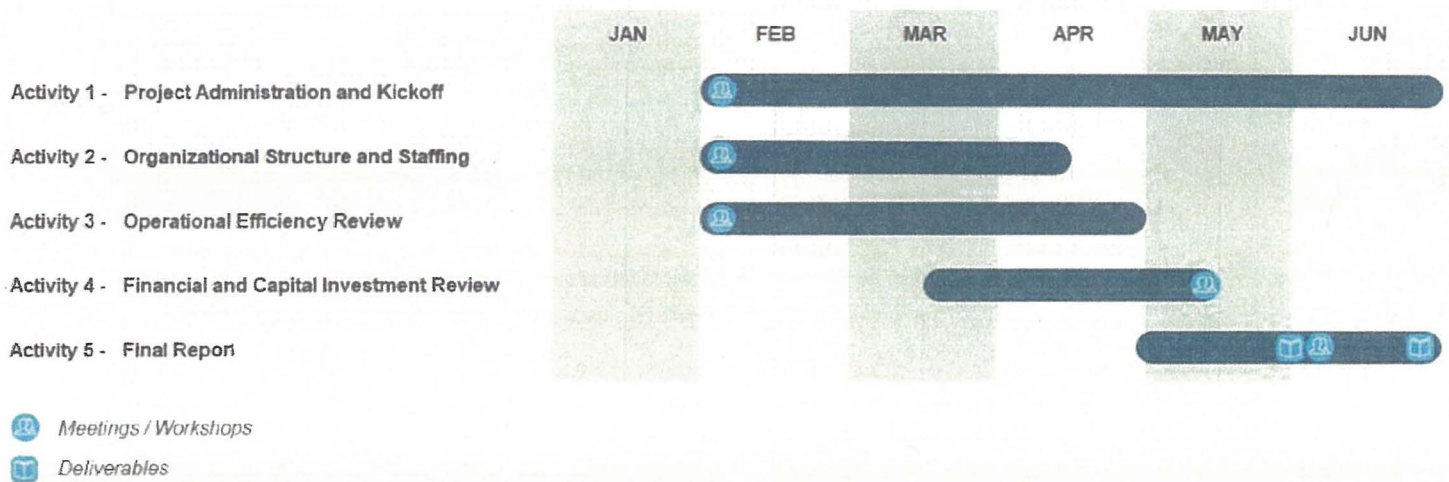
- Long-term capital Planning (5-year, 10-year, 20-year)
- Authorization processes for capital expenditure proposals
- Project management and monitoring of capital expenditures
- Post-project review of capital project management
- Life cycle cost analysis methods
- Long-term funding strategy

TASK 4 ACTIVITIES

Proposed Work Schedule

Raftelis will complete the scope of services within the timeframe shown in the schedule below. The proposed schedule assumes a notice-to-proceed by the end of January 2021 and that Raftelis will receive the needed data in a timely manner and be able to schedule meetings as necessary. Project completion is estimated for six months after notice to proceed.

Please reference the organizational chart and cost proposal for additional details on resource loading and a breakdown of hours.



Cost Proposal

The following table provides a breakdown of our proposed fee for this project. This table includes the estimated level of effort required for completing each task and the hourly billing rates for our project team members. Expenses include costs associated with travel and a \$10 per hour technology charge covering computers, networks, telephones, postage, etc.

Billing Rates: Title	\$310	\$275	\$245	\$245	\$185	\$155	\$125	\$75	Hours Total	Labor Subtotal	Expenses Subtotal	Task Total
	VP	Sr. Mgr	Manager	Manager	Consultant	Associate	Creative Svcs.	Peer Review				
Activity 1 - Project Administration and Kickoff	2	2			4				8	\$1,910	\$1,309	\$3,219
Activity 2 - Organizational Structure and Staffing	2	24		8	32			2	68	\$15,250	\$1,309	\$16,559
Activity 3 - Operational Efficiency Review	1	30		12	48	8		2	101	\$21,770	\$1,309	\$23,079
Activity 4 - Financial and Capital Investment Review	1	24		8	48	8		2	91	\$19,140	\$1,309	\$20,449
Activity 5 - Final Report	2	14			24		4	2	46	\$9,560	\$1,309	\$10,869
Total Hours	8	94	0	28	156	16	4	8	314			
Total Fees	\$2,480	\$25,850	\$0	\$6,860	\$28,860	\$2,480	\$500	\$600	\$67,630	\$67,630	\$6,545	\$74,175

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re-allocate \$33,700 from Server Storage and Computing Hardware (CIP #1213CO1505), to augment by \$43,000 Windows Server Operating System (CIP #1213CO1804). Trustee Dent seconded the motion. Chairman Callicrate asked for comments, receiving none, he called the question. The motion was unanimously passed.

- H.1. Review, discuss and possibly confirm the goals and objectives (insert goal and objective number(s)) to be included in preparing a scope of work for a utility study and that the goals and objectives to be included in the scope of work may be all or a combination of the following items:**

**Goal and Objective #1 - Utility Rate Setting Methodology
Goal and Objective #2 - Reserve Fund Balance Analysis
Goal and Objective #3 - Performance Management and
Asset Management Analysis**

and

Review, discuss and possibly direct Staff to proceed with a Request for Qualifications for Professional Services consistent with the approved scope of work, through public advertising, for the set goals and objectives. (Requesting Staff Members: Director of Finance Paul Navazio and Director of Public Works Joe Pomroy)

District General Manager Winqest gave an overview of the submitted material. Chairman Callicrate thanked everyone for putting together these recommendations and having had more discussions, it almost seems like Goal and Objective #3 is setting the stage. We need to be looking at the long range because these are big tickets items for our community. The pipeline is at the top of the Board's radar because if it had been done 20 years ago, it would have been worked into the process. We are looking at a much more robust plan and at the long range. Trustee Dent said that District General Manager Winqest gave a great overview and where we landed. As both of you touched on, Objective #3 gets use through the next forty years and that is something of knowing where we are going. Knowing the rates is the easy part and that by going this direction, we can give Public Works a tool and a roadmap on where we need to go. Thanks to Mr. Tulloch as he is a valuable member of that committee and helping us to get the ship heading in the right

direction. Option #3 is the best route and then we can come back into the other two items. Trustee Wong said that she has struggled with this topic ever since it was proposed mainly because she thinks our Staff does a really good job with our rates. Quite frankly, she is prepared to support #1 and #2 as it has ballooned out of portion and now we are wasting the time and the resources of our Staff and our community. Trustee Morris said that he concurs with Trustee Wong and that initially we talked about a Utility Rate study being done and that he didn't feel it was required as our team has done a good job so he doesn't see the reasoning for doing the full scale process. He doesn't see the sense in doing the whole analysis as Utilities have been doing a good job all the way through. Trustee Schmitz said that she spoke with District General Manager Winqest from the very beginning about doing the Utility Rate and reserve study. Unless we look at the big picture, we potentially could be establishing rates and reserves that don't fit with our long term needs. She is in support of looking at the big picture, looking at operational efficiencies, and doing that before we start setting rates and setting up reserves. If we don't do it, we might be missing the big picture. Chairman Callicrate said that the last time we took a big, deep dive was 22 years ago and that's why he is in support of a larger scale. He is sensitive to what both Trustee Morris and Trustee Wong have said with regards to the initial concerns. We had a more robust discussion and what we, as a District, are dealing with. He thinks that this is an opportunity to look at the bigger picture to make sure we are setting our rates and reserves and to address it so that a future Board doesn't have to inherit this. This is an opportunity to look into it, address it, and look at the financial commitment for Option 3. We do have an individual who has donated his time and his tremendous expertise and that he would like to have him explain his perspective as it is valuable insight. We are using the expertise of our Director of Public Works and his team and then the community. Again, it is an opportunity to look at the bigger picture and plan for further down the road. Trustee Morris said that he doesn't believe that there are numbers in here and do we have an estimate for what all of this might cost. District General Manager Winqest said no, we do not and that it has been talked about a little bit and that it will probably cost more than \$50,000 but that Staff can explore that and then notify the Board of Trustees. Director of Finance Navazio added that we don't have a good sense so Staff would probably recommend to do the RFP for Option #3 alone and that it will be in excess of \$50,000 but that it may not take \$50,000 to do the rate study however he does think it will be in excess of \$100,000 or in that ballpark. Trustee Wong said that the cost for the studies doesn't factor in the cost of our Staff time. Trustee Schmitz said that one of the things that a local member, Mr. Tulloch,

said are that there are significant cost savings that could be found so while we are spending money on doing this, it will be identifying improvements and efficiencies in costs. Trustee Morris said that Trustee Wong made a very good point about cost as well as Staff time. This is another consultant and here we are once again talking about another consultant and it just doesn't make sense to him. Chairman Callicrate said he takes a different tact and that is that the District has hundreds of millions of dollars in infrastructure that we are looking at and the effluent pipeline has ballooned up and we have dozens of miles of water and sewer, pump stations, water treatment, etc. So to give us a good idea of what we are going to need, and we may be under charging or over charging, he wants to make sure that once he is off the Board that we can say we looked down the road and we looked at the bigger picture. It is a costly venture and it will take time from our Staff; we have an excellent Staff and that it is an opportunity to leverage the talent in the District and have a robust overview of what we are trying to do. These are general improvements we are going to be looked at and that he doesn't want to belabor this topic. Trustee Wong said why is that we trust our Staff to provide the right information to the consultant but that we are not trusting our Staff to do their jobs? Chairman Callicrate said we have so much going on within our community with Ski Way, the beach house, the Burnt Cedar pool, etc. that Staff has said we don't have the bandwidth at a crucial time so let's work along with an external resource and come up with a great opportunity to have reserves for x amount of dollars and we can accumulate that over the years and take that opportunity now. He doesn't see it as mutually exclusive as it is about teamwork and our District will work with a consultant. He doesn't see it as a negative, he sees it as a positive. Trustee Wong said that she would like to leverage the expertise we have in house and not pay someone to duplicate the in-house expertise and go out for the expertise if we don't have it in-house. Chairman Callicrate said that we can disagree.

Trustee Dent made a motion to confirm the goals and objectives - Goal and Objective #3 - Performance Management and Asset Management Analysis are to be included in preparing a scope of work. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion and Trustees Morris and Wong voted opposed to the motion; the motion was passed.

Trustee Dent made a motion to direct Staff to proceed with a Request for Qualifications for Professional Services, through public

advertising, for the set goals and objectives #3 - Performance Management and Asset Management Analysis. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion and Trustees Morris and Wong voted opposed to the motion; the motion was passed.

H.2. Review, discuss and possibly select a preferred alternative for the Burnt Cedar Swimming Pool Improvement Project – Fund: Community Services; Division: Beaches; Project 3970BD2601. (Requesting Staff Member: Engineering Manager Nathan Chorey and District General Manager Indra Winquest)

District General Manager Winquest gave an overview of the submitted material. Trustee Schmitz said as it relates to this agenda item, there are things that were not included in the packet such as the leak detection report that was done in 2017, the condition assessment, who had a leak detection firm, that was done in roughly summer of 2018, and then the fixes that were made to the pool. The District paid Terracon \$14,000 for a site study analysis and coming up with cost recommendations and documents and none of those deliverables were included in this packet. She understands that the District General Manager wasn't happy but we too, as Trustees, should review this information as well as have this information in front of us. This item references Community Services and in the motion, and this is specific to the Beach Fund, and Community Services is an entirely different fund and to have that in the subject line and in the motion is inappropriate because we can't use any of that money. We don't have all of the information, which is important information, and she knows that the pool needs to be replaced and that it is unfortunate that it is not being replaced this year but that we have to make sure that we are doing the right thing for the community along with the features so there is a broad spectrum of concerns as it relates to this agenda item. Trustee Morris said with due respect to Trustee Schmitz, we should not get into the weeds. We get a detailed report from Terracon or whomever and that is why we employ experts and the fact that they say it is leaking works for him so he doesn't need to see the reports and the same thing holds for the other things that were mentioned. He doesn't believe that the Board should be down in the weeds and that what the Staff is saying is we have to replace the pool and they are telling us it is in a bad state. He doesn't think that the Board needs those details as we are where we are and we need to move forward and that is what Staff has brought forward to us. If we are going to replace the pool, that information won't change anything.

L.2. Meeting Minutes of November 9, 2020

Chairman Callicrate asked for changes; none were received; the minutes of November 9, 2020 are approved as submitted.

L.3. Meeting Minutes of November 18, 2020

Chairman Callicrate asked for changes; Trustee Schmitz said she has request a couple of changes; the minutes of November 18, 2020 are approved as revised.

L.4. Meeting Minutes of November 23, 2020

Chairman Callicrate asked for changes; none were received; the minutes of November 23, 2020 are approved as submitted.

M. REPORTS* (*Reports are intended to inform the Board and/or public*)

Trustee Dent said that he would like to see an item brought back for the Utility Rate Study and rate increases.

Trustee Morris said with his leaving at the end of this month, he shall be resigning his position to the Washoe County Commission Debt Management as representative for general improvement districts.

N. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.

Cliff Dobler said thank you to Trustee Schmitz for bringing up the urgent need for a contract administrator. Look at the Farr West contract – Trustee Schmitz had to edit it. Deliverables haven't been received but paid for those items. Mr. Nelson is not a contracts lawyer. Can't come up with a job description, no budget for the position, and on his radar – this is probably one of the most important personnel positions. In reviewing the Moss Adams report, capitalization of master plans is incorrect and he agrees with Mr. Tulloch. There needs to be a write off of \$4,000,000 and the Utility Fund has taken a huge loss. Restatement of financial statements will have to be done. Think about personal responsibility.

O. ADJOURNMENT (*for possible action*)

The meeting was adjourned at 11:30 p.m.

Respectfully submitted,
Susan A. Herron
District Clerk

Attachments*:

*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.