MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

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

FROM: Bradley A. Johnson, P.E.
Director of Asset Management

Charley Miller, P.E.
Principal Engineer


STRATEGIC PLAN: Long Range Principle 5 – Assets and Infrastructure

DATE: April 30, 2018

I. RECOMMENDATION

That the Board of Trustees makes a motion to award a lump sum construction contract to Bruce Purves Construction, Inc. in the amount of $178,994 for the construction of the Water Resource Recovery Facility On-Call Crew Quarters Project and authorize Chair and Secretary to execute the contract with Bruce Purves Construction, Inc. based on a review by General Counsel and Staff.

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

The Burnt Cedar Water Disinfection Plant (BCWDP) produces approximately three million gallons of potable water daily for the communities of Incline Village and Crystal Bay. The BCWDP contains multiple processes and mechanical systems including raw water pumping, ozone disinfection for virus inactivation, ultraviolet disinfection for giardia and cryptosporidium inactivation, chlorine injection for residual disinfection in the distribution system, and treated water pumping.

The Water Resource Recovery Facility (WRRF) processes the raw sewage collected from Incline Village and Crystal Bay. The WRRF utilizes multiple processes and mechanical systems to safely treat approximately one million gallons of raw sewage daily to federal and state standards.

The District owns and maintains 18 sewer pump stations in Incline Village and Crystal Bay to transport raw sewage collected from the community to the WRRF and 12 water pumping stations to transport clean potable water to the 13 water reservoirs that supply the homes and businesses in the District.

Associated with these processes are automation and control equipment, communication and telemetry equipment, electrical equipment, instrumentation equipment, standby electrical generation, pumps and motors, soft starts and variable frequency drives, valving, piping, and many other miscellaneous types of equipment and systems.

A critical component of running these facilities in compliance with state and federal regulations is the availability of on-call Treatment Operations Staff 24 hours a day, 7 days a week, with a 30 minute response time. In the event of a system upset, breakdown in equipment, power outage, or other unforeseen problems; staff must be on-site rapidly to address critical issues and maintain the continuous and reliable operations. On-call response is provided by one Treatment Operations Staff member that serves on a weekly rotational basis.
At present, the Treatment Operations Staff member that is on-call spends the nights and weekends at a locally rented apartment. This project will remodel an existing underutilized room at the Public Works Complex – Building B to turn it into a small apartment to provide on-call living accommodations for the Treatment Operations Staff.

In the last four years, the District has had to rent three different condominiums to provide on-call accommodations. One condominium was rendered uninhabitable due to water damage and the last two condominiums have been sold with the new owners taking possession. The most current rental is a one bedroom apartment located in Kings Beach, CA which rented for $1,400 monthly. This apartment is currently in escrow and the District has a mandatory move out date of May 7, 2018.

As has been reported in the local media, the long term rental landscape is very difficult as many property owners are choosing to rent on a short term basis if at all. Monthly rent has steadily been climbing over the last four years with monthly rents paid by the District moving from $1,000 per month to the current rate of $1,400. By constructing an apartment at the Public Works Complex, the District will eliminate the uncertainty of the term length and monthly rates of the rental market and end the risk of unplanned moving of on-call quarters. When rent, utilities, fees, and moving expenses are factored in, the District expects to see a return on investment from the on-site apartment of approximately 10-years.

An added benefit of moving on-call Staff to the Public Works Complex is the improved proximity to District facilities, equipment, and resources as well as a reduction in response time to call-outs.

The WRRF, BCWDP, and the pump stations are operated and monitored via a Supervisory Control and Data Acquisition (SCADA) system. By housing on-call staff at the Public Works Complex, the SCADA system is less vulnerable to security issues as it will be monitored and operated within the secure District network and not via an outside network. Additionally, the Public Works Complex has a back-up generator to provide power during outages which a rental apartment typically does not have. Back-up power allows on-call Staff to remotely monitor the impacts of the power outage via SCADA rather than having to drive in to monitor status until power returns.
IV. **BID RESULTS**

The District publicly advertised this project for bidding and plan sets were acquired by six interested bidders and builders’ exchanges. Two bids were received and opened on April 26, 2018. The Engineer’s Estimate for the project was $115,000. The bid results are as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bruce Purves Construction</td>
<td>$178,994.00</td>
</tr>
<tr>
<td>Walker River Construction, Inc</td>
<td>$194,956.48</td>
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</tbody>
</table>

The low responsive bidder is Bruce Purves Construction. District Staff reviewed the bid and checked references for the contractor and recommends award of this project to Bruce Purves Construction. If awarded, the project is scheduled to start May 16, 2018 and be substantially complete by July 25, 2018.

V. **FINANCIAL IMPACT AND BUDGET**

$75,000 was included in the 2017/2018 Capital Improvement Program (CIP) Budget under the WRRF Crew Quarters (Project # 2097SS1708 – see attached data sheet) of which there is a total of $65,820 currently available to complete the proposed work. There is currently an additional $100,000 for the project in the 2018/2019 Draft CIP Budget.

The estimated project construction budget is presented in the following table.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contract</td>
<td>$178,994</td>
</tr>
<tr>
<td>Construction Contingency at 10%</td>
<td>$18,000</td>
</tr>
<tr>
<td>Design Services During Construction</td>
<td>$12,000</td>
</tr>
<tr>
<td>District Staff Time</td>
<td>$10,000</td>
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<tr>
<td>Estimated Project Total</td>
<td>$218,994</td>
</tr>
</tbody>
</table>

The total estimated budget to complete the proposed work is $218,994 and, if the contract is approved, the 2018/2019 Draft CIP Budget for this project will be amended to add an additional $53,174 to allow completion of the work.
VI. ALTERNATIVES

Not award the contract and defer the construction of an on-site on-call quarters at the Public Works Complex to a future date. Doing so leaves Staff searching for new accommodations for on-call crew in a highly competitive long term rental market and leaves the District in a vulnerable situation of being removed again due to potential owner occupancy or sale of the lodging. Doing so also postpones the return on investment of having Staff accommodations on-site and increases response times for water and wastewater system issues.

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.
The Wastewater Resource Recovery Facility (WRRF) was constructed by Incline Village General Improvement District (IVGID) in 1982. Running the Facility requires on-call services 24 hours a day, 7 days a week. In the event of a breakdown in equipment or other unforeseen problems, WRRF staff need to be on-site quickly to address the issue and maintain the continuous operation of the facility. At present on-call staff spend the nights and weekends at a rented apartment. This project will remodel an existing under utilized room at the Public Works Facility Building 6 to turn it into a small apartment to provide overnight and weekend accommodations to WRRF on-call staff.

Project Internal Staff

Engineering Staff will manage the coordination and contracting of the design and construction of the crew quarters.

Project Justification

Completion of this work will allow the District to avoid renting an apartment at a cost of approximately $18,000 per year. The project is anticipated to have a return on investment within five years. Additionally, the work allows an operator to stay on-site which provides for improved response times to call outs.

Forecast

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Total Expense</th>
<th>Total Revenue</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Construction</td>
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<td>75,000</td>
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</table>

Year Total

75,000 0 75,000

75,000 0 75,000

Year Identified | Start Date | Project Partner | Manager | Est. Completion Date
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td>Principal Engineer</td>
<td></td>
</tr>
</tbody>
</table>
**Project Summary**

**Project Number:** 2097SS1708  
**Title:** WRRF Crew Quarters  
**Asset Class:** D - Capital Improvement - Existing Facilities  
**Division:** 97 - Public Works Shared  
**Budget Year:** 2019  
**Scenario Name:** Main  
**Budget Status:** Data Entry  
**Locations:**  
**Project Something:** SS - Sewer System  
**Active:** Yes

**Project Description**
The Wastewater Resource Recovery Facility (WRRF) was constructed by Incline Village General Improvement District (IVGID) in 1962. Running the Facility requires on-call services 24 hours a day, 7 days a week. In the event of a breakdown in equipment or other unforeseen problems, WRRF staff need to be on-site quickly to address the issue and maintain the continuous operation of the facility. At present on-call staff spend the nights and weekends at a rented apartment. This project will remodel an existing under-utilized room at the Public Works Facility Building 8 to turn it into a small apartment to provide overnight and weekend accommodations to WRRF on-call staff.

**Project Internal Staff**
Engineering Staff will manage the coordination and contracting of the design and construction of the crew quarters.

**Project Justification**
 Completion of this work will allow the District to avoid renting an apartment at a cost of approximately $21,000 per year. The project is anticipated to have a return on investment within eight years. Additionally, the work allows an operator to stay on-site which provides for improved response times to call outs.

**Forecast**

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Total Expense</th>
<th>Total Revenue</th>
<th>Difference</th>
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<tbody>
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<td>2019</td>
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