

# Staff Report

**TO:** Board of Directors

**FROM:** Keane Sommers, P.E., Director of Power Systems

**DATE:** January 25, 2023

**SUBJECT:** 2023 Budget Amendment for New Hydroelectric Field Office

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## ***HYDROELECTRIC***

### **RECOMMENDATION:**

Adopt Resolution No. 2023-07 (2023 Fund 55 Capital Budget Amendment and Award of Architectural Services for Whitcomb Property).

- Amending the 2023 Annual Budget to include a new capital improvement project: Hydroelectric Field Office in the amount of \$1,950,000 to be funded by Fund 55
- Defunding and delaying several previously approved projects in Fund 55 for a total deduction of \$1,950,000 resulting in a net zero change to the Fund 55 budget when combined with the addition above
- Authorizing a sole source contract with PBK for Phase I of the Professional Design Services proposal dated January 17, 2023 in the amount of \$68,961 with a \$7,000 contract contingency, and authorizing the General Manager to execute all necessary documents.

### **BACKGROUND:**

During the Special Board of Directors' meeting on December 7, 2022, the Board of Directors approved Resolution 2022-61 which approved the purchase and sale agreement for the Property. After the purchase of the Property, preparing the new building for use and operation has become a high priority for District staff. Since the acquisition of the Property, Staff have prepared proposed revisions to the 2023 Annual Budget to incorporate necessary funding to begin improvements to the Property in 2023. This funding had not been requested in previous iterations of the 2023 Annual Budget as the sale of the building had not been finalized at that time.

During the Special Board of Directors' meeting on December 7, 2022, staff presented a budgetary estimate of work needing to be completed prior to occupation of the Property. Staff have prioritized roof repairs, perimeter fencing, communication upgrades, and conceptual design plans and upgrades for the interior as achievable goals to begin and/or complete in 2023. As a result, a Budget Amendment in the attached Resolution is proposed to fund the project with \$1,950,000 from Fund 55. A 2023 Capital Improvement Plan (CIP) Project Information Sheet has been prepared showing the

proposed budgeting for the project and is attached. The cost to complete this work is consistent with the aforementioned staff estimates presented to the Board.

To pay for these upgrades Staff has proposed eliminating and/or reducing funding for several projects that were originally included for funding in Fund 55 in the amount of \$1,950,000 to maintain a net zero change for Fund 55 in the 2023 Annual Budget. Projects that were cut from the budget were potentially going to be delayed to due staffing constraints as well as ongoing supply chain issues that remain outside of the District's control or are no longer necessary due to the acquisition of the Whitcomb property. Proposed project funding changes are shown in the table below.

<b>Project Name (Project No.)</b>	<b>Budget Reduction</b>	<b>Explanation</b>
Bowman North Upstream Lining Repairs	\$250,000	Project is included in Fund 50 as a maintenance project
Bowman Intertie Air Switch and Pole Replacement	\$75,000	Project is included in Fund 50 as a maintenance project
Dutch Flat Forebay LLO Refurbishment	\$100,000	Project was completed in 2022 using Fund 50 funds
Hydro HQ Parking Lot Improvements	\$75,000	Improvements are not necessary following purchase of Whitcomb property
Jackson Lake Dam	\$100,000	Project was mistakenly included twice in Fund 55 budget
Hydro Office Radio Tower (2405)	\$1,000,000	Project may not be necessary following purchase of Whitcomb property
Dutch Flat Canal Liner Repair Upstream of Spillway (2545)	\$100,000	Project can be delayed to accommodate staffing and higher priority work
Chicago Park Flume and Forebay Liner Repair (2511)	\$50,000	Project can be delayed to accommodate staffing and higher priority work
Christmas Tree Spill Gate Replacement (2599)	\$50,000	Project can be delayed to accommodate staffing and higher priority work
CAISO Meter	\$50,000	Project is included in Fund 50 as a maintenance project
Dutch Flat Afterbay Hydraulic Line Refurbishment	\$100,000	Project funding reduced following better understanding of scope
Total Budget Reduction	\$1,950,000	

In December of 2019 when the Hydroelectric Department had been considering new construction as a solution for needing improved and expanded space, WLC Architects competitively won the bidding for the design of a new building. In working with the Hydroelectric Department during that time, the staff at WLC became familiar with the District's needs and would be able to begin work almost immediately after the execution of the proposed contract, making them the preferred vendor to provide these services.

Staff obtained a quote from PBK (who joined with WLC Architects and retained key project staff) to develop a conceptual design of the interior of the Property to present options to Staff which will be used to determine the optimal arrangement for office and warehouse/shop space. At this time, a contract to complete only Phase I of the proposal scope has been requested, however additional phases may be necessary for future

award to continue work. After reviewing the attached proposal from PBK, Staff concluded that the cost of service appears to be reasonable.

Due to proposed upcoming changes to the procurement policy, staff is recommending that the Board approve a contract contingency amount at the same time as the award of the contract. This contingency is requested to avoid delays if unanticipated challenges arise during the completion of work. As a matter of practice moving forward, when new contracts come before the Board, staff will be requesting a contract contingency be approved along with the contract. At this time Staff is only requesting Board authorization of Phase I as shown in the attached PBK proposal. Additional Phases will be contemplated separately if necessary.

It is staff's recommendation to award a consulting contract to PBK in the amount of \$68,961 and a contract contingency amount of \$7,000.

**BUDGETARY IMPACT:**

With the proposed amendments to the 2023 Annual Budget the changes proposed to fund improvements to the new Hydroelectric Field Office will result in a net zero change to Fund 55. If approved the cost of services for a consulting contract with PBK in the amount of \$68,961 with a contract contingency amount of \$7,000 would be covered by funds reallocated during the proposed amendment to the 2023 Annual Budget.

Attachments: (3)

- Resolution 2023-07 amending the 2023 Annual Budget, approving the authorization of a sole source contract with PBK for professional design services, and authorizing the General Manager to execute the necessary documents
- New CIP Project Form for the New Hydroelectric Field Office (Project No. 2432)
- PBK Proposal dated 01/17/2023

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**RESOLUTION NO. 2023-07**  
**OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT**

**2023 Fund 55 Capital Budget Amendment and Award of Architectural Services for  
Whitcomb Property**

**WHEREAS**, the Nevada Irrigation District (District) budget for the 2023 fiscal year reflects resources to meet the essential needs of the District and the District's customers; and

**WHEREAS**, the Board of Directors adopted the 2023 Annual Budget on December 14, 2022; and

**WHEREAS**, during the Special Board of Directors' meeting on December 7, 2022 the Board of Directors approved Resolution 2022-61. Among other things, that Resolution approved the purchase and sale agreement for 148-152 Whitcomb Avenue, Colfax, CA 95713; and

**WHEREAS**, the purchase of the Whitcomb properties was finalized on December 16, 2022; and

**WHEREAS**, certain portions of the Whitcomb Avenue property require repairs and/or upgrades prior to relocating the Hydroelectric Field Office; and

**WHEREAS**, District staff has reviewed the approved Fund 55 budget and identified projects that can be delayed or otherwise deferred due to the Whitcomb purchase or staffing issues; and

**WHEREAS**, on December 4, 2019, the Board of Directors awarded a competitively bid contract to WLC Architects for the preliminary design of the electrical generation field office and corporate yard; and

**WHEREAS**, WLC Architects completed portions of the preliminary design of the new facility, but the project was placed on hold due to the high cost of the new building; and,

**WHEREAS**, WLC Architects joined with PBK and key team members from the preliminary design team now work for PBK.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of Nevada Irrigation District:

1. The Board of Directors hereby approves amending the 2023 Annual Budget to include a new capital improvement project: New Hydroelectric Field Office (Project Number 2432) in the amount of \$1,950,000 to be funded by Fund 55.
2. The Board of Directors hereby approves amending the 2023 Annual Budget to eliminate or reduce funding for the following capital improvement projects in the amount of \$1,950,000 from Fund 55 to offset the addition of item 1, above:

<b>Project Name (Project No.)</b>	<b>Budget Reduction</b>
Bowman North Upstream Lining Repairs	\$250,000
Bowman Intertie Air Switch and Pole Replacement	\$75,000
Dutch Flat Forebay LLO Refurbishment	\$100,000
Hydro HQ Parking Lot Improvements	\$75,000
Jackson Lake Dam	\$100,000
Hydro Office Radio Tower (2405)	\$1,000,000
Dutch Flat Canal Liner Repair Upstream of Spillway (2545)	\$100,000
Chicago Park Flume and Forebay Liner Repair (2511)	\$50,000
Christmas Tree Spill Gate Replacement (2599)	\$50,000
CAISO Meter	\$50,000
Dutch Flat Afterbay Hydraulic Line Refurbishment	\$100,000
<b>Total Budget Reduction</b>	<b>\$1,950,000</b>

3. The Board of Directors hereby approves the authorization of a sole source contract with PBK for Phase I of the Professional Design Services proposal dated December 23, 2022 in the amount of \$68,961 plus a contingency of \$7,000.
4. The Board of Directors hereby authorizes the General Manager to execute the documents necessary to cause the actions contemplated by this resolution.

\* \* \* \* \*

**PASSED AND ADOPTED** by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 25th day of January 2023, by the following vote:

<b>AYES:</b>	Directors:
<b>NOES:</b>	Directors:
<b>ABSENT:</b>	Directors:
<b>ABSTAINS:</b>	Directors:

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President of the Board of Directors

**Attest:**

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Secretary to the Board of Directors



## CIP Project Information Sheet 2023-2027 Annual Budget

**Project Name:**           New Hydroelectric Field Office           **Project No.:**           2432          

Dept.:   55112 - Hydro Capital           Asset #:   N/A           Priority Ranking:   68            
 Facility:   Hydro Headquarters           Facility #:   57010           Division #:   N/A            
 Project Manager:   Nathan Droivold           Constructed by:   Contractor            
 New Construction:            Replacement:            Upgrades:   X           Multiple Phases:   Yes            
 CEQA:   Exempt           Permits:   Yes           ROW:   No          

**Project Purpose:** (Problem Statement)

Complete improvements necessary for occupation of the new Hydro Field Office.

**Project Description:** (Proposed Solution)

Complete office/building renovations, make repairs to the roof, install perimeter fencing, upgrade communications, and install a backup generator.

**Basis for Priority:**

Operational efficiency.

**Notes:**

**Expenditures:**

Expense	Prior Years Actual	Amendments Carryovers/Encumbrances	2023	2024	2025	2026	2027	TOTAL
Consulting/Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design/Engineering	\$0	\$0	\$250,000	\$100,000	\$0	\$0	\$0	\$350,000
Permitting/CEQA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$1,700,000	\$1,700,000	\$0	\$0	\$0	\$3,400,000
Right of Way	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other: 52615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other: 52904	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other: 52902	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total:</b>	\$0	\$0	\$1,950,000	\$1,800,000	\$0	\$0	\$0	\$3,750,000

**Funding Sources**

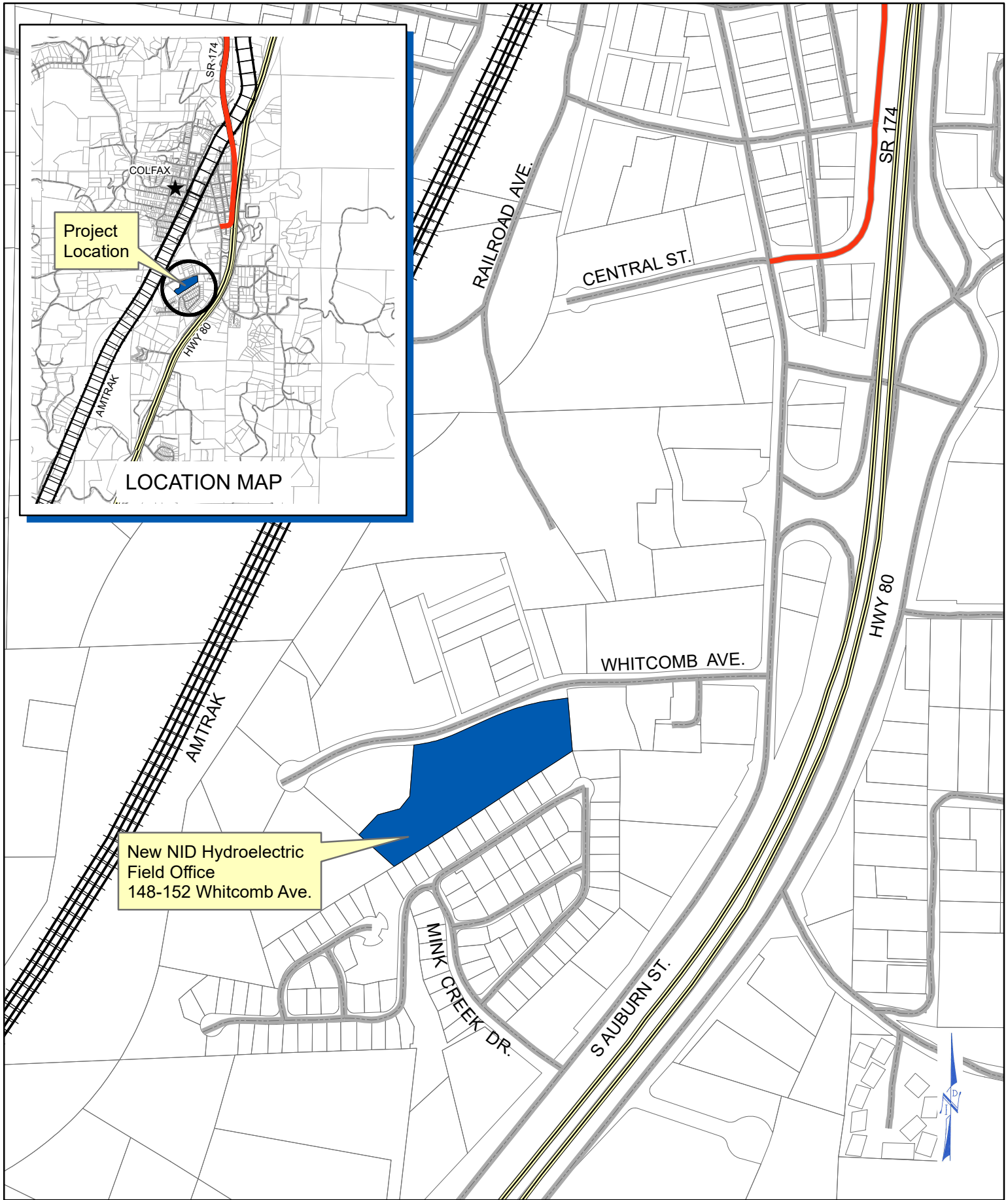
Source	Prior Year Actual	Amendments Carryovers/Encumbrances	2023	2024	2025	2026	2027	TOTAL
Fund 55	\$0	\$0	\$1,950,000	\$1,800,000	\$0	\$0	\$0	\$3,750,000
<b>Total:</b>	\$0	\$0	\$1,950,000	\$1,800,000	\$0	\$0	\$0	\$3,750,000

## Capital Improvement Project Scoring Sheet

Project Name:           New Hydroelectric Field Office           Project No.:           2432          

Criteria	Scoring	Score
<b>1. Capital Costs</b>	<b>10</b> Points = Lower Future Capital Costs <b>5</b> Points = No Impact <b>0</b> Points = Higher Future Capital Costs	7
<b>2. Annual O &amp; M Costs</b>	<b>10</b> Points = Lower Operating Costs <b>5</b> Points = No Impact <b>0</b> Points = Higher Operating Costs	6
<b>3. Increased Revenue Potential</b>	<b>10</b> Points = Higher Revenues <b>5</b> Points = No Impact <b>0</b> Points = Lower Revenues	5
<b>4. Health &amp; Safety</b>	<b>10</b> Points = Reduces Threat/Impact to Health & Safety <b>5</b> Points = No Impact <b>0</b> Points = Increases Threat/Impact to Health & Safety	7
<b>5. Environmental</b>	<b>10</b> Points = Improves/Reduces Impacts to Environment <b>5</b> Points = No Impact <b>0</b> Points = Increases Threat/Impact to Environment	8
<b>6. Distributional or Hydro Generation Effects</b>	<b>10</b> Points = Project has Regional Benefit or Improves Generation <b>5</b> Points = Project has Limited Benefit or Improved Generation <b>0</b> Points = No Impact	5
<b>7. Critical Infrastructure and Risk to Service Disruption.</b>	<b>10</b> Points = Deferral will Significantly Impact Disruption to Service <b>5</b> Points = Deferral will Moderately Impact Disruption to Service <b>0</b> Points = No Impact if Deferred	7
<b>8. Board Strategic Plan/Goals</b>	<b>10</b> Points = Meets Strategic Plan/Goals Set by the Board <b>5</b> Points = Important Project, but Not Critical <b>0</b> Points = Does Not Meet Strategic Plan/Goals of the Board	10
<b>9. Certainty of Project Funding</b>	<b>5</b> Points = Funded by Existing Revenue Source <b>2-3</b> Points = Requires Outside Funds High Likelihood of Obtaining <b>0</b> Points = Requires Outside Funding Low Likelihood of Obtaining	5
<b>10. Associated Revenue to Offset Maintenance Costs</b>	<b>5</b> Points = Will Have Associated Revenue to Offset Maintenance Costs <b>2-3</b> Points = Will Have Associated Revenue to Offset Some Costs <b>0</b> Points = Asset Will Have No Change to Associated Revenue	0
<b>11. Improves and/or Increases Level of Service</b>	<b>10</b> Points = Project Improves Level of Service <b>5</b> Points = Project Maintains Existing Level of Service <b>0</b> Points = Project Impacts Existing Level of Service	8
<b>Max Score: 100</b>	<b>Total Prioritization Score:</b>	<b>68</b>





New NID Hydroelectric  
Field Office  
148-152 Whitcomb Ave.

# NEW NID HYDROELECTRIC FIELD OFFICE



Date: 1/13/2023

Drawn By: NID

NEVADA IRRIGATION DISTRICT

NEVADA COUNTY -- PLACER COUNTY  
GRASS VALLEY, CALIFORNIA

Scale: NO SCALE

Sheet: 1 of 1 **9**





1110 Iron Point Road  
 Suite 200  
 Folsom, CA 95630-8315  
 P. +1 916-355-9922  
 PBK.com

January 17, 2023

Mr. Keane Sommers  
 Hydroelectric Department Manager  
 Nevada Irrigation District

Re: Professional Design Services Proposal  
 Nevada Irrigation District  
 Hydro Headquarters Colfax  
 148 Whitcomb Avenue, Colfax, CA

Dear Keane,

PBK is pleased to provide this proposal for professional design services for the existing building located at 148 Whitcomb Avenue, Colfax, CA. Based on our quick site visit of December 15, 2022, and the provided building layout plans, we understand the existing building area totals 52,506 SF. This number is further broken down as follows:

- West portion built-out area - 8,231 SF.
- Central warehouse area - 37,235 SF.
- East portion built-out area - 7,040 SF (this is not part of the NID Hydro HQ project).

Our scope of service involves interior tenant improvement design for the west and central area totaling 45,466 SF. My team will include the entire complement of engineers (civil, structural, mechanical, plumbing, electrical, and landscape). Our services will break down into these itemized phases with the corresponding fee:

Phase 1 - Program Verification and Conceptual Design	\$ 68,961.00
Phase 2 – Design Development	\$ 132,176.00
Phase 3 – Construction Documents and Agency Approval	\$ 270,098.00
Phase 4 – Bid Assistance	\$ 17,240.00
Phase 5 – Construction Administration	\$ 86,202.00
<b>Total Building Design Services</b>	<b>\$ 574,677.00</b>

Mr. Keane Sommers  
Professional Design Services Proposal – Hydro Headquarters Colfax  
Nevada Irrigation District  
January 17, 2023  
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In addition, a full topographical site survey is needed to assist with civil design. We can retain a surveying company and provide this service for \$22,000.00. Alternately, NID can elect to contract directly with the surveying vendor directly and provide PBK with the survey plan document.

Reimbursable expense for bulk reproduction of documents, overnight or express mail, and courier delivery when requested and authorized by NID will be invoiced at cost (no markup).

Our invoicing for professional services will be at monthly intervals with percentage complete for each authorized project phase.

Please let me know if you require anything else and look forward to working alongside the District on this important project.

Sincerely,

A handwritten signature in black ink, appearing to read "BILL LOUIE", with some scribbles and a large loop.

BILL LOUIE  
Architect, AIA, Principal

BL:fi/23008-mkt