



**MEETING DATE:** December 1, 2021

**AGENDA ITEM:** Consider and approve the contract services for General Operations Management and Water System Operation

**TO:** BRDWID Members of the Board

**FROM:** Mike Bourne, BRDWID Board member and Treasurer

**SUBJECT:** Consideration and possible action to engage outsourced services to operate and manage the water system for BRDWID upon transfer of assets from Starlight Water Company.

**RECOMMENDED MOTIONS:**

1. Approve outsourcing the general management of the water system to HDJ Consulting
2. Approve outsourcing the operation of the water system to A Quality Water Company.

If approved, the contracts for each respective company would be reviewed by Legal before executing.

**BACKGROUND:**

BRDWID prepared and approved a budget to include two full-time direct employees and one part-time employee. The General Operations Manager would oversee the water system operation and take on tasks performed by the current owners. The Field Operations Technician would perform the tasks and function to operate the water system and coordinate the large repairs as needed.

The 2022 Budget was \$201K for salaries, insurance, and taxes. 2022 was used because the 2021 budget plan included 3 months of transition for current employees to train and educate new staff on the water system.

Job descriptions were created for the full-time positions and vacancy announcements were advertised in local newspapers. Response to the open positions was disappointingly low. We did get several inquiries from outsourced services to take on the water system operation to ensure water quality and regulatory compliance. A scope of work was created from the job descriptions that was sent to prospective companies. The prospective companies were invited to the area for site visits and detailed discussions about how the water system is setup and how it operates.

Costs from the outsourcing proposals varied significantly due to the base locations of some of the companies and respective costs associated with servicing the BRDWID water system.

HDJ Consulting is a well-experienced firm that if approved, would take on the general operational management of the District and the tasks currently performed by the owners of Starlight Water Company. Utz Consulting has the capability to take of the general management of the water system, but experience is limited. Both firms meet all the scope of work requirements for the general management of the water system except HDJ cannot fill in as a certified operator if needed (noted in the Cost-SOW matrix).

Based on the tasks being performed by the owners and the proposed hours by HDJ Consulting, the General Operations Manager position does not appear to be a full-time job. While we have one good

candidate for the General Operations Manager position, he too agrees that after getting familiar with the water system and its operation, the job would not be full-time within the first year.

For the operation of the water system, two candidate contractors are being considered. Both firms, A Quality Water Company (AQWC) and Schaffer Water Management (SWM) are well qualified, capable of taking on the operation of the BRDWID water system, meet all the scope of work requirements for operating the water system. Background checks and calls to existing customers of each firm had similar results. While feedback was not 100% positive for each company, most existing customers were content with the services provided by AQWC and SWM. Negative comments from customers of both companies were similar: slow in responding to requests for service, repairs take a long time to complete, calls for service not answered. These are areas that will have to be monitored if BRDWID uses either of the outsourced companies or have employees in the future to provide the best customer service and experience possible.

The decision for managing and operating the water system comes down to cost. The combination of HDJ Consulting and AQWC offers the best value for BRDWID. Both firms have worked with each other on other projects. Contracts for each would be for one year.

**ALTERNATIVES:**

The board could choose to continue the recruiting effort for full-time employees. Having employees will be more expensive than outsourcing that may require a workspace to be setup (\$20K), tools provided (\$5k for computers, cell phones, printer), and Internet services for the office. Time is another issue of concern if it takes more than a couple of more months to find the qualified candidates for the open positions.

**FISCAL IMPACT:**

Outsourcing the general management and operations of the BRDWID water system will reduce the budget plan expense from \$201,383 to \$122,100.

<p>2022 Budget plan having employees</p>	<p>Proposal: Hire AQWC to operate the water system with oversight by HDJ Consulting</p>
<p><b>\$201,383</b></p>	<p><b>\$122,100</b></p>
<p>Gross wages (Salaries &amp; Health Ins from approved budget for FY22)</p>	<p>\$88,800 (AQWC) \$33,300 (HDJ)</p>

**ATTACHMENTS:**

1. Cost-SOW Matrix
2. General Ops Management matrix
3. Water System Operation Matrix
4. Harry Jones Resume-HDJ Consulting
5. HDJ ConsultingManagementAgreementBlueRidgeDWID
6. Dan\_Utz Resume
7. DUtz Consulting Gen Ops Mgr proposal 20211001
8. A Quality Water intro 2021
9. A Quality Blue Ridge DWID proposal
10. Shaffer Water Management cost proposal