

May 8, 2025

To the Budget Committee,

This informational report is provided to the Budget Committee as supplemental information regarding two Clean Water Services' building projects that are currently under construction and one project in the planning and design phase.

Introduction

Clean Water Services (CWS) first focused and completed several cost-effective projects on existing buildings at the water resource recovery facilities to extend their useful life and maximize occupancy for treatment operations and maintenance at the Durham, Rock Creek, and Forest Grove facilities.

The current priority is to address the challenges with the Administrative Building Complex (ABC) located at the Jackson Bottom Wetlands. The building has significant issues due to age and location, including:

1. Critical laboratory systems that are antiquated and at the end of their useful life.
2. Seismic and flood vulnerabilities for a building that serves as the central administrative functions for both CWS day-to-day operations and in emergency operations.
3. Condition issues requiring major investment to address the building envelop, mechanical system, and long-standing pest infestation issue.
4. Need for more office space to accommodate employees and facilitate work on premises.

CWS developed an occupied building plan to improve resiliency, accommodate long-term staffing needs, and meet regulatory compliance requirements. This includes phased construction of the Research+Innovation+Partners+Lab (ripl) and CWS Central. The Springer facility for the Field Operations day-to-day needs and emergency operations is in the design phase.

Project Status Summary

A brief status update for each of the occupied building projects is provided in this report and additional details are provided in the appendices.

The cost estimate levels are also defined to provide clarity on the accuracy for the various project phases. Table 1 provides a summary reference for the cost estimating classification

system as applied in engineering, procurement, and construction and developed by the Association for the Advancement of Cost Estimate (AACE).

CWS CENTRAL SUMMARY

The CWS Central project is for tenant improvements to the building at SW Greenbrier Parkway to replace the current ABC. CWS Central meets current and future needs for CWS' administrative functions. The overall project budget is cost contained with tenant improvements to improve building function, utilizing existing furniture (left by the previous owner and furniture from ABC), and augmenting furniture with offerings (disassemble and move, furniture free) from companies that are downsizing their office space.

- **Project budget:** \$5.3 million (estimate at architectural design phase)
- **Current progress:**
 - HVAC system confirmed to have remaining useful life with an asset maintenance plan.
 - Old lighting system needs to be upgraded to energy-efficient, modern lighting.
 - Office space needs paint and new carpet in areas that are worn and frayed.
- Tenant renovations are under design and sequenced by the East and West building wings on three floors to facilitate move-in as the renovations are completed by floor.
- Teams currently occupying the building:
 - Facilities Maintenance
 - CEO Office
 - Conveyance Engineering
 - Strategy team
 - Moving in June: Finance
- **Final Completion and move-in:** Tenant renovation improvements will enable a sequenced and phased staff move-in with full renovation completed by November 2026.

RIPL PROJECT SUMMARY

The Resource+Innovation+Partners+Labs (ripl) project will provide a new regulatory compliance laboratory, research laboratory, flexible laboratory space, new analysis equipment (inductively coupled plasma mass spectrometry, gas chromatography–mass spectrometry), workspaces, and meeting spaces.

- **Project budget:** \$65 million (Level 2 estimate at construction bid phase)
- **Current progress:** In construction
- **Completion and move-in:** January 2027

ADMINISTRATIVE BUILDING COMPLEX (ABC) SUMMARY

CWS and City of Hillsboro leadership are in initial discussions regarding the potential for a mutual property transaction. The Board will be briefed by the end of the calendar year on the disposition of the ABC. The last team to move out of the ABC will be Laboratory Operations, planned for January 2027.

SPRINGER PROJECT SUMMARY

The Springer Street Facility Improvements will support the Construction Field Operation and Pump Station Maintenance groups. In addition, the new resilient facility will support CWS emergency operations.

- **Project budget:** \$25.2 million (Level 4 estimate at preliminary design phase)
- **Current progress:** 60 percent design development
- **Completion and move-in:** December 2028

APPENDIX 1

CWS Central

Purchased in early 2024, the CWS Central building is an existing 83,000-square-foot, three-story office building that will serve as CWS' new main office. It was built in 1999. The building was well built and maintained. Preliminary concept planning, completed in late October and subsequent value engineering to align costs focused on minor tenant improvements (TI) for each floor, with phased implementation for accelerated move-in occupancy. Currently, the project is in design and cost estimate is based upon a standard to minimal tenant improvement range of \$40 - \$80 per square foot, with a resulting budget of \$5.3 million.

While the building's mechanical, electrical, and plumbing (MEP) systems are original equipment, a detailed condition assessment conducted during the design phase has determined that with proper preventive maintenance, the lifespan of these systems can be extended, allowing for the deferral of significant HVAC replacement costs. The tenant improvement will be sequenced in the following order:

- **TI #1** – First Floor West (green)
- **TI #2** – Second Floor East (purple)
- **TI #3** – Third Floor (red)
- **TI #4** – First Floor East (yellow)
- **TI #5** – Second Floor West (orange)

APPENDIX 2

RIPL PROJECT

The RIPL project has progressed through final design, public construction bidding, and has commenced construction in Fiscal Year 2024-25. The upgraded facility will support regulatory and research laboratories, laboratory support systems, offices, and training rooms.

A Level 4 project cost (-20 to +30%) was presented to the Board in April 2023 at \$47 million. Since 2023, several project modifications have increased the project cost, including:

- Enhancements to the mechanical heating, ventilating, and cooling (HVAC) system to better support laboratory functions and the converted office space.
- Reconfiguration of the transformer and automatic transfer switching to improve electrical redundancy.
- Replacement of exterior windows after water intrusion was discovered during demolition.
- Allocation of space for future flexible laboratory use.
- Full renovation of the second floor versus phasing of the improvements, which reduced overall project costs and future disruption to staff occupying the building.

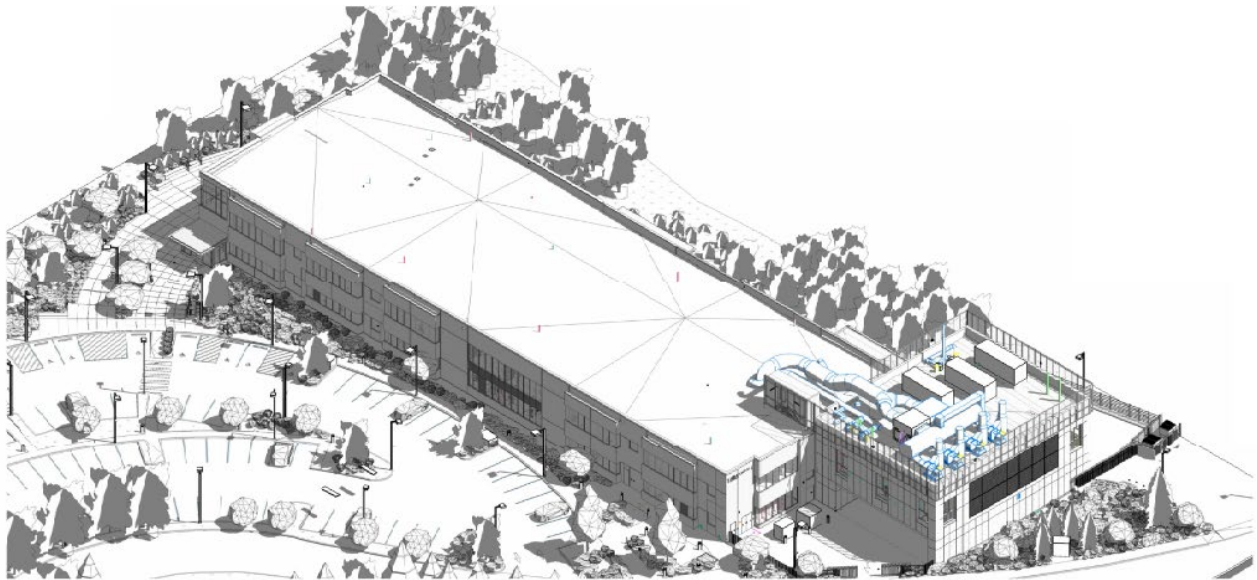
Value engineering was conducted at major design milestones and resulted in an estimated savings of approximately \$5 million. Example of design changes that reduced the project cost include:

- Removed 10,000 square-foot entry lobby addition to existing building footprint ~\$1.3M
- Removed exterior architectural elements and passive shading elements ~\$500K
- Removed structural steel and seismic improvements for existing building by locating heavy mechanical equipment in new fully seismically resilient north addition ~\$1.5M
- Removed finished carpentry for built-in casework, displays, benching, and public interest elements ~\$200k
- HVAC ductwork routing on roof vs. interior ~\$100k
- Exterior landscaping simplification, reuse of existing southeast parking lot area, and south pavilion interconnection to Fern Hill North improvements ~ \$1.4M

The final design includes the complete renovation of the 62,300-square-foot building and a fully seismic resilience class IV 15,919-square-foot north expansion to accommodate laboratory sample receiving logistics and second floor mechanical systems consisting of exhaust systems, chillers, boilers, humidification, and other HVAC support equipment, increasing the total facility size to 78,219 square feet.

The Level 2 construction estimate (-10 to +15%) for the final design was approximately \$49 million, and the lowest bid was approximately \$54 million. This equates to an overall improvement cost of approximately \$700/sf. Substantial project completion is anticipated by October 2026, with full operational transfer of laboratory functions expected by January 2027. Continued valued engineering to reduce costs for laboratory equipment and furnishings allowances during the construction submittal phase is ongoing. The use of recycled furniture being offered in Washington County will be evaluated.

RIPL: Overall 3D View



RESEARCH INNOVATION PARTNERS LAB

RIPL: North View of Logistics and 2nd Floor Mechanical



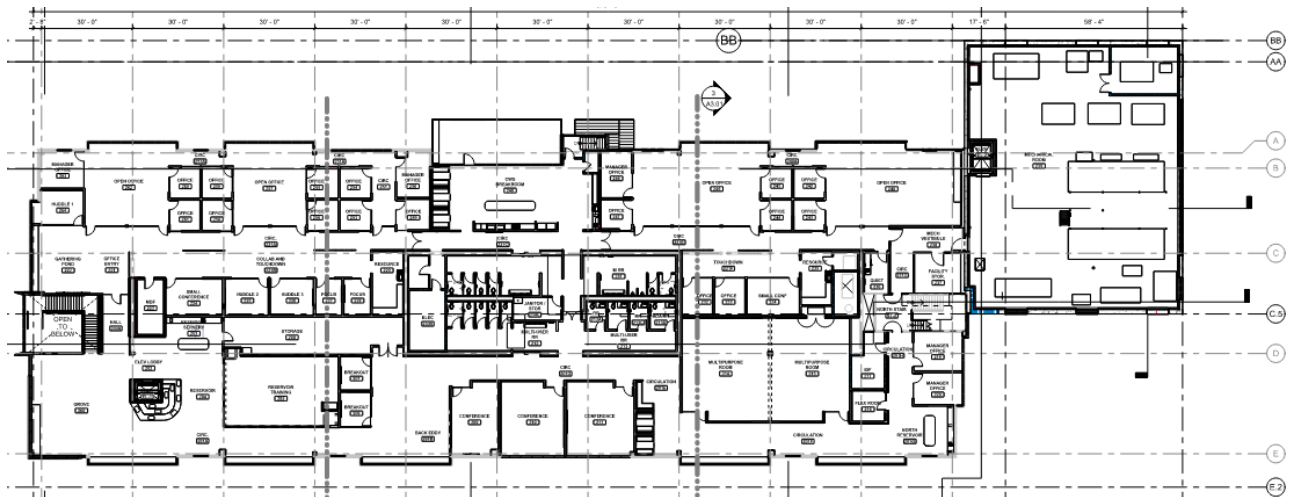
RIPL: Main Entry View



RIPL: First Floor



RIPL: Second Floor

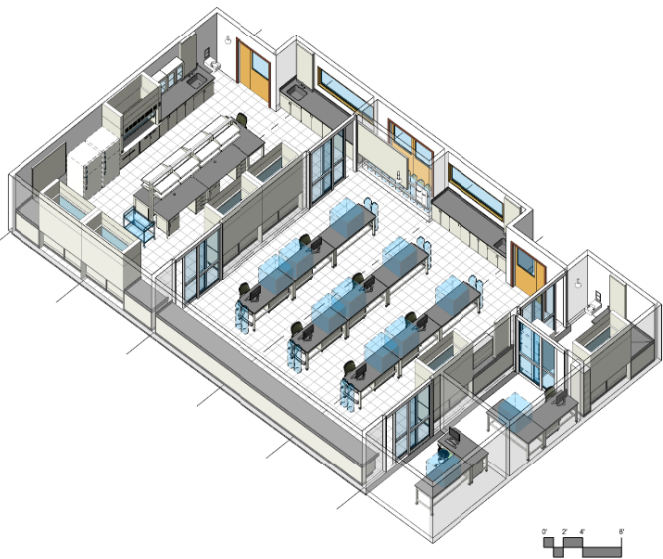
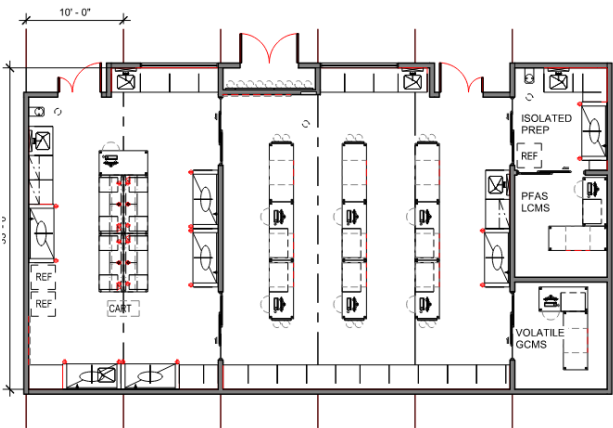


RIPL: Detailed Organic Analysis Plan

DETAILED SPACE REQUIREMENTS

MARCH 30, 2021

CATEGORY: SAMPLE ANALYSIS
SPACE ID: SA-2
SPACE NAME: ORGANIC ANALYSIS
AREA: 1,980 NSF



Innovation Center Laboratory Project
Scott | Edwards Architecture

Clean Water Services
Research Facilities Design

APPENDIX 3

SPRINGER PROJECT

CWS has an existing Material Handling Yard with existing warehouse and attached small office area located at 3395 NE Springer Road. The conceptual planning work was presented to the Board in April 2023 outlined key improvements to the Springer Facility Campus to support employee workspaces, construction equipment maintenance and storage, project staging, material handling, and emergency field operations. The conceptual Level 5 cost estimate was \$14 million (-50 to +100%).

The project currently includes the construction of a new, seismically resilient 15,800 square foot building designed to accommodate the current Construction Field Operations staff while allowing for future growth and emergency response capabilities. Additional site improvements will enhance the existing 8,500 square foot warehouse to support construction equipment maintenance and storage. Plans also include new covered vehicle outbuildings and upgraded site security measures to ensure operational resilience.

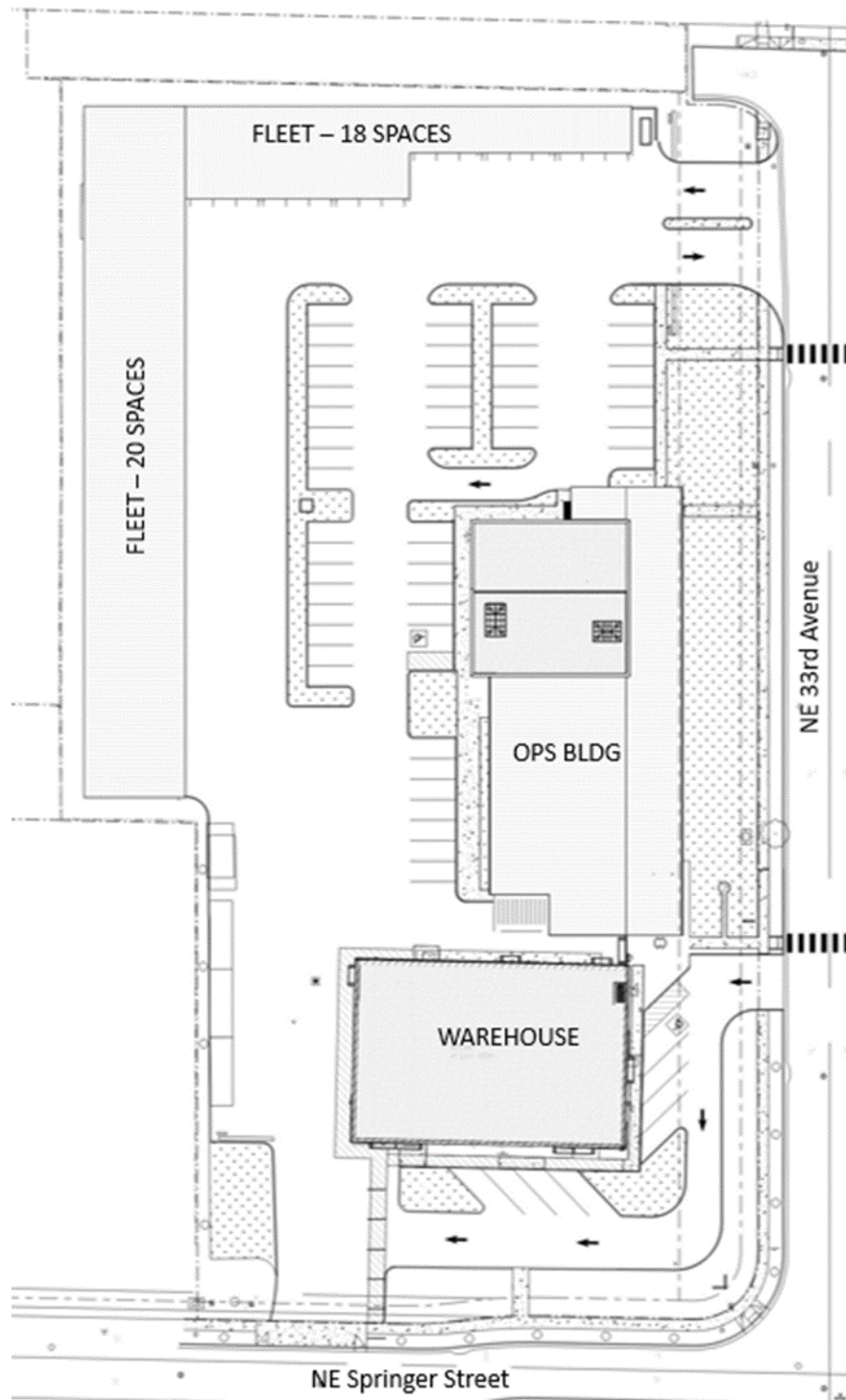
The early design development process has refined project elements that have caused changes in project cost from the conceptual estimate, including:

- Review of CWS planned user groups functionalities and programming increased the size of the new Operations Building from 6,500 square feet to 15,800 square feet.
- Support of emergency field operations with seismic resilience class IV new structures, seismic improvements to the existing warehouse, backup power generator, and solar.

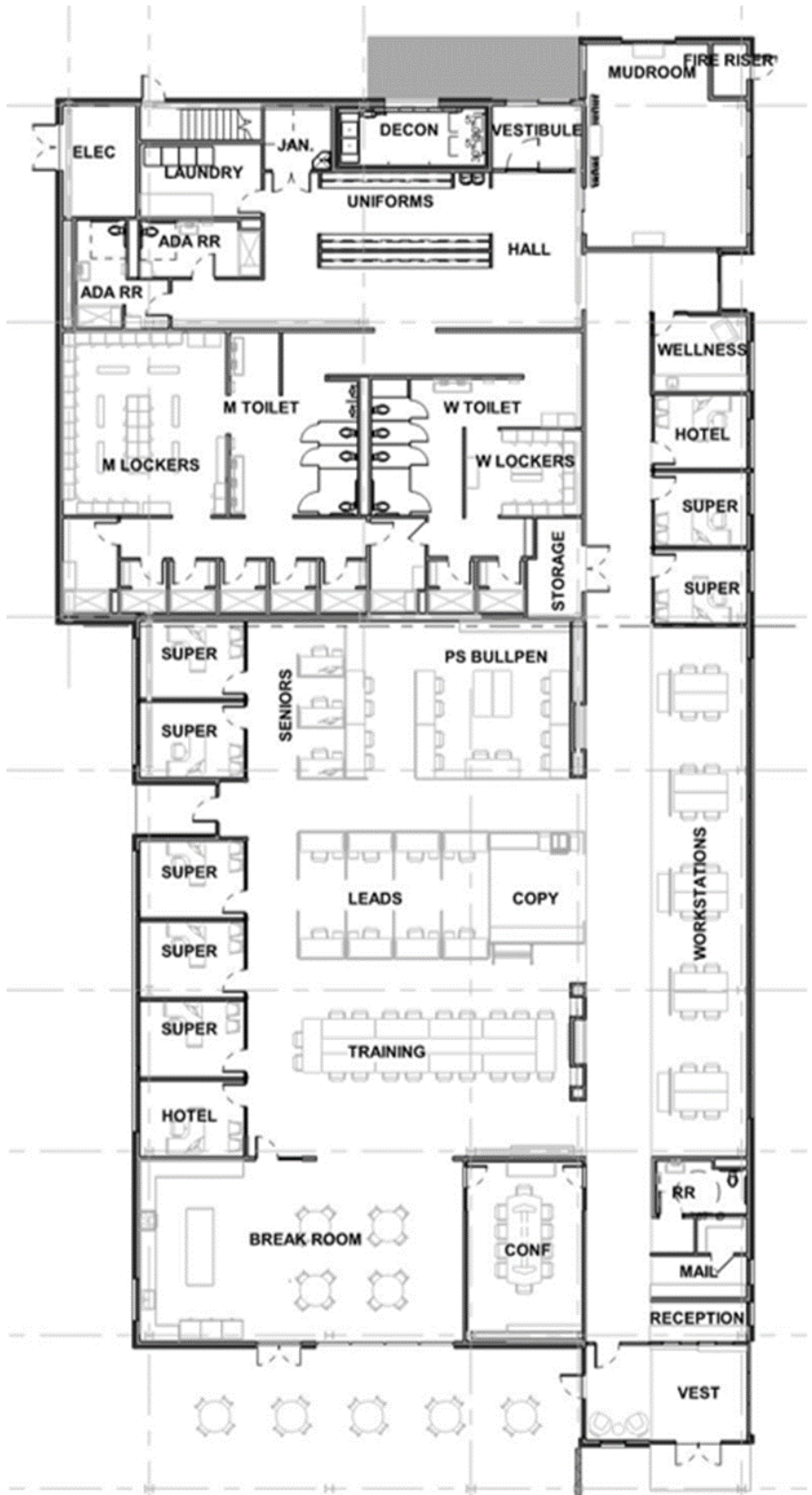
A value engineering review was completed to reduce overall project cost. Key elements that were implemented include simplifying architectural elements, including exterior modifications to the entry/roof lines and interior modification to the ceiling and acoustical structure. The HVAC system complexity was also reduced. An value engineering study will be conducted as the design progresses to the 75% completion level.

The Springer Street Facility project 60% design deliverable is anticipated in June 2025 and will be scheduled for Board review. Construction is anticipated to be sequenced for June 2027 upon Board approval. The total project cost (Level 4 estimate) is \$25.2 million.

Springer Street Facility: Site Plan – Northwest corner of NE Springer Street and NE 33rd Avenue.



Springer Street Facility: Operations Building Floor Plan



Springer Street Facility: Rendering (looking Northwest from NE 33rd Street) – existing warehouse building on left, new operations building on right, new covered fleet parking in background.

