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## Seal Rock Water District

General Manager's Report:  
 Board Meeting March 9, 2017

*This report is an executive summary provided with this Board agenda to Commissioners with recommended actions if any. Detailed information, staff reports, and supporting materials are provided within the full agenda packet.*

- **PHASE-3 USDA-RD FUNDED IMPROVEMENTS:**

District engineer and staff are working with USDA and the contractor (Mocon) in an effort to close out Phase-3 Schedule 1 & 2 system improvements. The contractor has submitted a letter requesting a reduction in liquidated damages, along with a request for payment of cost overrun from sub-contractors. Final pay request reflects approximately \$17,000 in liquidated damages. District staff are reviewing this request with the states engineer from USDA and the District's legal counsel. USDA points out previous performances from MOCON during the construction phase and the inefficiency means and methods THEY selected during the construction phase, and would not reduce the liquid damages one dollar. During construction, the contractor could have replaced their inexperienced project manager or other concessions to attempt to get back on schedule. USDA was careful to point out that this was their opinion, and Rural Development would support any decision the District makes regarding liquid damages.

One option being considered in support of reducing a portion of liquidated damages is to request that the contractor provides a 2-year warranty certificate. This option seems appropriate given the construction methods and poor performance by the contractor. Decisions regarding final close out will comply with terms and conditions of the contract and receive legal review and approval from USDA, and the Board of Commissioners.

- **USDA-RD GRANT FUNDED AMI PROJECT IMPROVEMENTS:**

District staff continues working with engineers to develop design specifications and contract documents in preparation for installing the Automated Meter Integration (AMI) System tentatively scheduled to begin in the spring of 2017.

District staff and engineer, along with representatives from the City of Newport traveled to the City of Gresham for a tour and presentation of the city's AMI system. City staff provided information related to the process of installation and dashboard application. The district learned that the city was able to more accurately track the flow of water through their system after installation of the AMI system. Additionally, reports provided by the AMI system indicate that the city's no revenue water loss is at or below 3%. Achieving the states threshold for water loss is a primary objective of the District.

Other benefits include a reduction in the amount of staff needed to respond to customer complaints related to questions about meter readings and water leaks. In summary, the tour was successful at identifying additional contract specifications needed to successfully implement the District's AMI project.

*Seal Rock Water District is an Equal Opportunity Service Provider and Employer.*

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### **Update on Engineering Budget Status:**

The table below summarizes the project budget to date. The table indicates the original budget (Total Contract Amount) for each task and the sum total equaling \$882,784.00. As shown, the Total Billed amount is \$797,681.85, or around 90% of the overall budget.

Phase Description	Total Contract Amount	Total Hours Worked	Total Billed	% Complete	Contract Remaining
1.0 Project Management and Administration	\$ 56,120.00	381.95	\$ 48,575.90	87%	\$ 7,544.10
2.0 Data Acquisition and Surveying Services	\$ 47,016.00	255.25	\$ 47,106.00	100%	\$ (90.00)
3.0 Environmental Reporting and Regulatory	\$ 147,912.00	795.45	\$ 147,912.00	100%	\$ -
4.0 Design Services	\$ 203,616.00	1793.5	\$ 202,853.60	100%	\$ 762.40
5.0 Contract Documents Services	\$ 52,488.00	495	\$ 52,488.00	100%	\$ -
6.0 Bid Phase Services	\$ 32,592.00	321.9	\$ 32,027.35	98%	\$ 564.65
7.0 Construction Management Services	\$ 145,760.00	1279.5	\$ 128,326.40	88%	\$ 17,433.60
8.0 Construction Observation/Inspection	\$ 134,244.00	1255.35	\$ 122,244.95	91%	\$ 11,999.05
9.0 Project Closeout Services	\$ 43,616.00	16	\$ 1,083.00	2%	\$ 42,533.00
10.0 Specialty Engineering Support	\$ 8,420.00	51.5	\$ 7,505.50	89%	\$ 914.50
11.0 Reimbursables	\$ 11,000.00	1.5	\$ 7,559.15	69%	\$ 3,440.85
<b>Total:</b>	<b>\$ 882,784.00</b>	<b>6,646.90</b>	<b>\$ 797,681.85</b>	<b>90%</b>	<b>\$ 85,102.15</b>

#### • **OTHER NOTABLE ACTIVITIES FOR THE MONTHS OF FEBRUARY/MARCH INCLUDE:**

- Attended AMI tour hosted by the City of Gresham.
- Attended weekly meetings with engineers and contractor to discuss Phase-3 project close out.
- Facilitated District personnel staff/safety meeting.
- Hosted meeting with USDA-RD representatives to discuss scope for AMI project.
- Attended Mid-Coast Integrated Water Resources Coordinating Committee meeting and technical working group meetings in Newport.
- Hosted Business Oregon IFA one-stop and a funding cultivation exercise on February 14<sup>th</sup> at the District office.
- Completed additional FEMA mitigation grant forms in an effort to obtain HMGP grant eligibility.
- Met with environmental consultants to discuss Phase-4 permitting requirements.