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Seal Rock Water District

General Manager's Report:
 Board Meeting July 14, 2016

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:

The Phase 3 Water System Improvements Project has been ongoing throughout the month of June and July. Work continues at multiple locations throughout the District. MOCON Corp has several teams working in various locations, to include a new subcontractor supporting pipe installation on Abalone and Brandt streets.

Schedule-2 work has focused on much of the Highway 101 effort near the Brian Booth State Park. SRWD Field Operators continue to support field operations providing oversight and a significant effort toward field verifying pipeline data and assisting with MOCON's preparation in an effort to minimize system damage and disruption in service.

District staff responded to another failure by the contractor to follow terms and conditions outlined in the contract which placed the District and its customers at considerable risk. On June 15th District staff received a report of muddy looking water from a resident east of Line Street on Grebe Street. District staff immediately began flushing the system to discover a newly installed waterline was not thoroughly flushed by the contractor before placing the line in service. The District has received two reports from District customers that believe the water made them ill after drinking water from this system. Actions created by the contractor resulted in the need to issue another boil water advisory for a small area of the system on Line Street between Art and Parkview.

Following the direction of USDA and the District's legal counsel, District staff and the Engineer have been thoroughly documenting incidents of failure by MOCON Corp to follow terms and conditions of the contract. Staff is becoming increasingly concerned that means and methods being applied by MOCON Corp are placing employees, District customers, and the community water system at significant risk. The contract requires construction to comply with OAR 333-061, the rules implementing the Oregon Drinking Water Quality Act. The District has a responsibility to insure that the District's public water supply meets or exceeds standards set by the EPA, and enforced through the OHA, and we take this responsibility seriously.

MOCON crews have been instructed that flushing and pressure testing will be conducted pursuant to the terms and conditions of the contract, specifically, and require that the contractor demonstrate to the engineer/owner representative that newly installed pipeline segments have been properly flushed to remove any and all debris in the system. Staff is very disappointed in the contractors disregard for public safety, and general attitude towards protecting the water supply for our customers.

As a result of conditions created by MOCON Corp, and in an effort to restore the system to State and EPA regulations the District has sustained substantial cost. As such, the District has submitted a claim against the contractors insurance for

damages. Subsequent to the terms and conditions of the contract, the District is entitled to recover expenses, to include private plumbing cost and analytical cost necessary to safely resolve this issue.

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 \$606,484.35, or around 71% of the overall budget. So far, we are on budget for this project and we will continue to keep the Board informed on the budget as we move forward with the project.

District staff and engineer have reminded the contractor and the president of MOCON Corp. that the NTP was issued on November 9, 2015 for Phase-3 improvements. Substantial completion is expected to be achieved on August 10, 2016, with readiness for final payment achieved on October 9, 2016. While District staff appreciates everything MOCON crews are doing to maintain progress, with the fluctuation in MOCON's field crews, along with inexperience of some staff, and having to correct work in the field; District staff, USDA-RD representatives, and the engineer are concerned that milestones in this project are in jeopardy.

Project: Seal Rock: Phase 3 Water System Improvements:

Phase Description	Total Contract Amount	Total Hours Worked	Total Billed	% Complete	Contract Remaining
1.0 Project Management and Administration	\$ 56,120.00	262.7	\$ 32,481.90	58%	\$ 23,638.10
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	1786	\$ 201,893.60	99%	\$ 1,722.40
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	\$ 135,760.00	609.75	\$ 51,966.00	38%	\$ 83,794.00
8.0 Construction Observation/Inspection	\$ 99,244.00	320.1	\$ 32,538.70	33%	\$ 66,705.30
9.0 Project Closeout Services	\$ 43,616.00	0	\$ -	0%	\$ 43,616.00
10.0 Specialty Engineering Support	\$ 48,420.00	51.5	\$ 5,305.50	11%	\$ 43,114.50
11.0 Reimbursables	\$ 16,000.00	1.5	\$ 2,765.30	17%	\$ 13,234.70
Total:	\$ 882,784.00	4,899.15	\$ 606,484.35	69%	\$ 276,299.65

• **OCEANIA DRIVE AND 143RD STREET EMERGENCY REPAIRS:**

➤ **-OCEANIA DRIVE:**

SRWD staff is working closely with the Bayshore community, Bayshore Homeowner's Association, and Bayshore Special Road District in preparation for pipeline replacement on Oceania Drive. This program will provide up to \$150,000 in funding towards the emergency replacement of pipeline on Oceania drive. Subject to approvals for funding through the USDA-RD, this project has been delayed to allow the district to comply with conditions for funding through the ECWAG program.

District staff working with an approved contractor hope receive authorization from USDA-RD to award a contract for improvements along Oceania Drive. Improvements include replacing the mainline on Oceania drive from Marineview to the end of the spit. Improvements also include replacing individual water service laterals from the mainline to the meter box. The community has been notified to expect short periods of service disruption as crews work to complete these improvements.

➤ -143rd Street Emergency Pipeline Replacement Project:

Residents on 143rd Street received a community advisory notice on May 16, 2016 advising residents that work is scheduled to begin on 143rd Street on Tuesday, May 31, 2016. Contractor is progressing along on schedule completing installation of the new waterline as of July 8th, with flushing and pressure test scheduled the week of July 11th.

Emergency replacement of the water system along 143rd Street includes the installation of a new 8-inch water main and two new fire hydrants. Improvements also include replacing individual water service laterals from the mainline to the meter box. Customers were alerted that short periods of service disruption can be expected as crews work to complete the improvements.

● **OTHER NOTABLE ACTIVITIES FOR THE MONTHS OF JUNE/JULY INCLUDE:**

- Attended source water meeting to discuss Water Right permit application with consultant and legal counsel.
- Attended discussion with are biologists from ODF&W regarding the Water Resource Departments Proposed Final Order on Beaver Creek.
- Attended weekly meetings with engineers and contractor to discuss Phase-3 project status.
- Facilitated District personnel staff/safety meeting.
- Attended Leadership Lincoln 2015/2016 Graduation ceremony.
- Facilitated meetings with USDA-RD to review engineering and contract documents associated with the ECWAG grant program.
- Responded to multiple requests from customers regarding Bayshore Oceania Drive and 143rd Street Emergency waterline Improvement projects.
- Facilitated community meeting with property owners to discuss site restoration efforts on Cross Street and Grand Avenue.
- Volunteered at the Samaritan House fundraiser gala hosted at Best Western convention center.
- Attended Automated Meter Integration (AMI) scoping meeting in preparation for upgrades to meter reading technology.