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Seal Rock Water District

General Manager's Report:
 Board Meeting June 9, 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 May and June. Work continues at multiple locations throughout the District. MOCON has multiple teams working in various locations, to include a new subcontractor supporting pipe installation.

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

Work in all areas requires coordination and communication with residents to minimize inconvenience to the various neighborhoods. Some delays have occurred due to the contractor's means and methods; however, the contractor continues to make progress. The Contractor requested a change order highlighting a change in conditions along HWY-101 south of Bridgeview. The proposal included installing the waterline using Horizontal Directional Drilling (HDD) at a cost of \$75,000, which is approximately \$35,000 higher than the bid price for this section of work. While the District is willing to consider a Work Change Directive allowing installation of the waterline by HDD, District staff, USDA-RD, and the engineer do not agree that a change in conditions exist. Therefore the change in condition was not approved. District staff and the engineer are working with the contractor to provide options with no change in price, and with the additional provision that adjustment of Contract Price or Contract Times will not be allowed if differing conditions from those anticipated by MOCON are found to exist if HDD installation is approved. The Contractor was notified that the District opposes any change in Contract Price under the provisions provided in the contract. It is the position of staff, USDA, and the engineer that the area in question has not changed since the contract was advertised, and is in the same condition as of the time the contract was signed. There are no significant difficulties presented by Underground Facilities for this relatively short stretch of waterline that cannot be overcome by the contractor. How the contractor proceeds or chooses to install the waterline is within the "means and methods" discretion of the contractor, subject to the contract specifications including the engineer's directions.

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. The contractor is behind schedule, but may still deliver the project close to the original schedule to meet milestones of substantial completion. While the District has restructured District

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staffing to allow for a full time District employee to work with MOCON crews to provide support with locates of existing system and to provide day to day support, district staff is concerned that the contractor will miss milestones. Assigning a full time District employee to this project is not typical for the District, however, staff believe it is in the best interest of the District due to the number and frequency of line breaks, disruption in service, and to avoid the need for future Boiled Water Notices.

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. The contractor has 300 days to substantial completion. Substantial completion is expected to be achieved on August 10, 2016, with readiness for final payment achieved in 360 days, or October 9, 2016. We are now more than halfway through the timeline or 180-working days into the project. MOCON estimates that Phase-3, Schedule-1 is at 62% of completion and Schedule-2 is at 25% of completion. I appreciate everything MOCON crews are doing to maintain progress, however, with the fluctuation in MOCON's field crews, along with inexperience of some staff, and having to correct work in the field; District staff, representatives with USDA-RD, 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 are working closely with the Bayshore community, Bayshore homeowner's association, and Bayshore Special Road District in preparation for pipeline replacement on Oceania Drive. While the District Board of Commissioners approved funding for emergency repairs on March 23, 2016, district staff learned after approvals that potential grant funding existed through USDA-RD. As such, district staff has been working with representatives from USDA-RD to establish grant funding through USDA's Emergency Community Water Assistance Grant (ECWAG) program. Funding through the ECWAG program was approved on May 18, 2016. This program will provide up to \$150,000 in funding towards the emergency replacement of pipeline on Oceania drive only. 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 to receive authorization from USDA-RD to begin water system improvements along Oceania drive very soon. 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.

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On Friday, May 27th District crews responded to another emergency water main break on Oceania Drive north of Marineview. Fortunately this mainline break was outside of the deep dune area and relatively easy to access to safely complete repairs. As you can see by the photographs crews discovered a shear break, indicating that the weight of sand is a contributing factor causing the line to fail.

This is consistent with what crews have experienced in this area in the past. Customers along Oceania Drive and in the Bayshore Spit community experienced significantly low water pressure as District crews worked to safely restore water to this area as quickly as possible. Water was restored at around 4:30 pm the same day after being at low pressure for about 2-hours.



Before:

This repair is one of many recent repair efforts in this area justifying the need for USDA-RD's, Emergency Community Water Assistance Grant (ECWAG) Program funding. The District's ECWAG application was approved on May 18th, and is currently waiting authorization from USDA-RD to award a contract to begin the work of replacing the mainline along Oceania Drive.



After:

➤ -143rd Street:

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. This work will take approximately 60 to 90 days to complete from the time the project begins.

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 ACTIVATES FOR THE MONTHS OF MAY/JUNE INCLUDE:**

- Attended source water meeting to discuss Water Right permit application with consultant and legal counsel.
- Attended weekly meetings with engineers and contractor to discuss Phase-3 project status.
- Facilitated District personnel staff/safety meeting.
- Attended Leadership Lincoln Monthly leadership event in Lincoln City.
- Facilitated meetings with USDA-RD to review engineering and contract documents associated with the ECWAG grant program.

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- Attended engineering briefing in Corvallis with engineers working on the Beaver Creek intake and treatment plant design.
- Responded to multiple requests from customers regarding Bayshore, Oceania Drive and 143rd Street Emergency waterline Improvement projects.
- Met with representatives from Barrett Business Services in an effort to meet temporary staffing needs.
- Field crews attended a free day long joint SRWD/City of Newport training on confined space, Lockout/Tagout, and fall restraint.
- Participated in hosting the Oregon Water Resources Department, Board of Commissioners on a Central Coast Water Supply Tour.
- Hosted meeting with representatives from Sensus Meters to discuss the District's proposed AMR/AMI system.
- Met with property owner to discuss potential easement for raw water line to the Makai Tank.