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Seal Rock Water District

General Manager's Report:
 Board Meeting August 11, 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:

USDA-RD funded Phase-3 Water System Improvements Project has been ongoing throughout the month of July/August. Work continues at multiple locations, MOCON Corp has several teams working in various locations throughout the District.

The District received a request from Mocon Corp to extend the project schedule (Substantial Completion) an additional 15-days to September 1, 2016. After reviewing this request with USDA-RD, the Engineer, and the District's legal council District staff concurred that approving this request with conditions seemed appropriate. District staff viewed this subject as a negotiated item and requested justification for extension of time be submitted by the president of Mocon Corp, or those authorized to negotiate on behalf of Mocon Corp, and their Board of Directors.

After careful consideration and review of the justification for delay provided in a July 15th email from Mocon Corp, the District and the Engineer (RPR) did not agree with the justification for delay in the email, as the terms and conditions of the contract obligate the contractor to field verify all connection points in preparation for ordering materials and planning activities. Further, it is anticipated that the contractor provided a bid based on these conditions.

The District and the RPR have documented several occasions where the contractor has experienced significant delay due to the contractors own "means and methods" not mentioned in the email. These occasions have been verified through daily reports and emails throughout the past 9-months. However, the District maintains that a cooperative working relationship that benefits all parties remains in the best interest of the District and the community. Therefore, subsequent to the terms and conditions of the contract the District and engineer is willing to approve a conditional extension of time through the change order process that includes the requested 15-days for substantial completion only.

District staff provided the contractor with a no cost change-order distinguishing a change in contract times as a negotiated item requiring the president of Mocon Corp, or someone authorized to negotiate on behalf of Mocon Corp and their Board of Directors to execute the change order. District and RPR approved the change order with the following conditions: Mocon Corp agrees not to challenge liquidated damages if Phase-3 improvements project (Schedule 1 & 2) is not certified by the RPR as substantially complete by September 1, 2016, subject to the terms and conditions of the contract specific to SC-15.03 - Substantial Completion. All change orders are subject to approval by USDA-RD.

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.

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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 September 1, 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.

Replacement of water systems on Oceania Drive began July 18th work is progressing along as scheduled with little difficulty. 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:**

Emergency replacement of the water system along 143rd was substantially complete by the end of July. Improvements included installing new mainline and individual water service laterals from the mainline to the meter box. All systems are fully operational and a final walkthrough is scheduled for August 10th before processing final closeout payment.

- **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.
- Intensive effort by District staff and consultants in response to Oregon Water Watch.
- Attended meetings with representatives from the Mid Coast Watershed Council and the Oregon Wetlands Conservancy.
- Attended discussion with the biologists from ODF&W, Department of State lands and Mid Coast Watershed Council 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 water rights meeting with Toledo City Attorney and PW Director.
- Facilitated meetings with USDA-RD to review engineering and contract documents associated with the ECWAG grant program.
- Attended the Fifth-annual Oregon Coastal Economic Summit in Coos Bay.
- Staff hosted Federal USDA-RD representatives from Washington D.C.
- Responded to multiple requests from customers regarding Bayshore Oceania Drive Emergency waterline Improvement projects.
- Attending SRFD regular Board meeting in July.
- District crews worked cooperatively with SRFD in an effort to improve access to the District's admin facility, shop and new fire station building.
- Volunteered at the LC Fair Grounds.