

## **Sallal Water Association**

### **September Work Study Meeting**

#### **Minutes of Tuesday, September 7, 2021**

The September Work Study meeting of the Board of Trustees of Sallal Water Association was called to order on Tuesday, September 7, 2021 at 6:00pm by Mr. McKone.

**Board members present:** Shawn McKone, Daylin Baker, Larry Costello, Eric O'Brien and Rich Formisano. Quorum achieved

**Staff present:** Kristina Parker, Director of Finance & Admin

**Consultants present:** Richard Jonson, Attorney; Kevin Aguilar and Mike Johnson, G & O

**Guests:** None

#### **Agenda:**

#### **Well #4 Storm Drainage Order \$65,201 PCI Change Order Request PCO-13**

Discussion followed:

This Change Order is proposed in response to the design change recommended by G&O to prevent further erosion to the roadway due to Well Pump #4 water discharge. PCI provided the cost proposal. Denny & Tree contacted other subcontractors to obtain competitive proposals. Unfortunately, they did not have any success in finding subcontractors interested in undertaking the job. Mike Johnson stated since G&O developed the original design which was ineffective, G&O would pay for the mobilization/demobilization (\$7,500) and fence removal/reinstallation (\$5,500) plus sales tax. G&O would reimburse Sallal. Shawn McKone asked Mike Johnson to provide a written statement for G&O to reimburse Sallal approximately \$13k + sales tax. PCI indicated to Mike Johnson that it would take approximately a week, after authorization, to complete the work.

The Board discussed how best to execute this work. It was decided that the quickest way would be to authorize PCI to accomplish this change order as a punch list item after Substantial Completion rather than extending the date for Substantial Completion. Mr. Johnson stated the proposed cost was high and it may be an advantage to have PCI perform the work on a time and materials basis with a not to exceed (NTE) cap.

Next step is for G&O to submit a NTE Change Order to the Board via email. Board can approve via email and ratify at the September monthly Board meeting.

Mr. Formisano asked what has been done to optimize the control logic of Well Pump #4 in order to minimize the amount of water being discharged through this new discharge drainage system. Ms. Parker will discuss this action with Denny and Tree to find out when they will undertake the optimization task. Mike Johnson will assist Denny and Tree.

#### **Finalizing and approving substantial completion**

Discussion followed

The Board considered whether to grant PCI Substantial Completion and if so, whether the date should be Jul 31st or Aug 17th. Mike Johnson stated that PCI would accept either date but is concerned about liquidated damages which could be imposed for missing the contract Substantial Completion date. He

reviewed unresolved change order requests previously submitted by PCI: 1. electrical material escalation costs, 2. additional costs for temporary generator rental during Puget Sound Electrical switchover to a new transformer. G&O has more research in the validity of these two change order requests. Discussion followed.

MOTION NO 2021-68: Motion to approve Aug 17, 2021 for Substantial Completion with no intent to pursue liquidated damages up to the point of substantial completion, was made by Mr. O'Brien and seconded by Mr. Costello. Motion carried unanimously. G&O will include an updated version of the punchlist with the letter of substantial completion.

Regarding the new reservoir leak test as a punch list item, G&O has prepared a letter to PCI and Baker Silo advising that the tank is not self-healing as anticipated, as such, implementation of repairs will be required.

### **Fire flow cost study**

Discussion followed concerning G-O's draft report, Mr. Costello's comments including the meeting notes from the separate discussion with G&O on August 20<sup>th</sup>, includable costs, calculation of actual lineal footage of water system facilities in County right of way and applicability of fire flow costs to the City of North Bend. G&O is in process of updating the draft report to address these comments and will have a next draft available for discussion at the upcoming board meeting. Revisions will include (a) adjust O&M costs to be based on a percentage of labor hours, (b) base cost figures on the actual financial reports for each year dating back to 2018. The final report will need to be ready no later than December.

Motion to adjourn at 7:35 pm was made by Ms. Baker, seconded by Mr. Costello. Motion carried

Submitted by: Rich Formisano, Board of Trustees Secretary (Acting)