

North Beach Public Development Authority

Minutes of Special Meeting held on November 16, 2004 with the Ocean Beach School District Board

Present: **NBPDA Board Members Present** **OBSD Board Members Present**
 R.D. Williams Ed Guelfi
 Tom Downer Cheri Jones
 Brad Weatherby Kristi Unruh
 Cheri Jones Kim Patten
 Ken Karch Marilyn Sheldon
 Tom Lockyer, Superintendent

Others Present

Nick Hastings, ESD 112
Trent Hart, AMBIA
Nathaniel Hultman, AMBIA
Phil Leach, Pacific Water
Tom Frace, Engineer
Curt Stephens, Vice-President, NPIA
Sue Madsen, President, Ocean Park Chamber of Commerce

Call to Order - The meeting was called to order at 6:05 p.m. by Ed Guelfi, Chairman of the Ocean Beach School District Board.

Purpose of the Meeting - To meet in a workshop setting to discuss the water storage and fire flow issue for the Ocean Park School.

R.D. Williams gave a brief timeline of NBPDA work to date. He explained that the PDA's proposal is to build a 200,000 gallon water storage tank on a Pacific Water site with approximately 3600 feet of 12" transmission line from U Street to the school. The NBPDA has been working with the Utilities Commission, the Department of Ecology, and the Department of Health. Of the 200,000 gallons, 130,000 will be available for fire flow for the school and the additional 70,000 will be flow floated throughout the distribution network. The plan will provide fire flow only for the school at this time. In order for the proposal to work, Pacific Water and Ocean Park Water will need to be consolidated.

The NBPDA has been looking at funding issues. The 200,000 gallon tank will cost approximately \$300,000 and the transmission line approximately \$175,000. The NBPDA feels confident they can raise \$200,000 to \$250,000 from local individuals. The County is willing to work with the NBPDA to coordinate the installation of the transmission line. The PDA design needs to be submitted to the Department of Health no later than December 15.

The PDA's proposal calls for the school district to produce a change order to build the tank on a piece of leased Pacific Water property rather than building the storage tank on school property.

Discussion Points

- When OBSD went out for bids, the bid process was very complicated the first time. The second time the process was simplified. Some of the contractors itemized the costs for the water storage system. The successful bidder, RB&G did not itemize

the costs; however, they are prepared to build the storage tank on District property.

- If the tank is to be built off-site, a deductive change order would need to be submitted and then the cost would need to be negotiated with RB&G.
- RB&G will need a deductive change order no later than January 1, 2005. Between now and then there will need to be time to put costs together for the change order and for redesign.
- Will need clarification from the State regarding off-site construction with regards to using taxpayer dollars and whether a change order for the storage tank would affect State matching dollars.
- Suggested that if there is an issue, the PDA could bond and take responsibility for the water tank and then negotiate a hookup fee for fire protection and an annual fee for fire flow. A fee structure would need to be established that is equitable for all parties hooking up to the system.
- A question was raised regarding the bid process the PDA would use for the storage tank. They may need to follow the same process used by the District.
- PDA is prepared to give the School District a performance bond by January 1, 2005.
- The PDA should know by December 15th if there will be any obstacles to impede their progress.


Follow-up

- Tom Lockyer and Nick Hastings will discuss the issues raised at this meeting with Doug Nichols, Project Manager; and, if needed, with the Office of Superintendent of Public Instruction.
- If it is determined that a ruling from the Attorney General's office is needed, Tom Lockyer will make the appropriate contacts.

Meeting Adjourned

The meeting adjourned at 7:30 p.m.

Approved as read:


R.D. Williams, President of the Board


Cheri Jones, Secretary to the Board

NOTICE OF SPECIAL MEETING

(RCW 42.30.080)

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

The North Beach Public Development Authority Board of Directors will hold a special workshop meeting at:

_____ 26109 Ridge Avenue, Ocean Park, WA 98640 _____

(Location of Meeting)

_____ November 16, 2004 - Tuesday _____

(Date and Day of Week)

_____ 18:05 (6:05 p.m.) _____

(Time)

The purpose of the workshop will be to meet with the Ocean Beach School District Board of Directors to discuss the proposed water storage system. This workshop is for the exchange of information only. No formal action will be taken.

Dated this 12th day of November 2004.



Cheri Jones
Secretary to the Board

Posted on November 12, 2004 at the following locations:

Ocean Park Post Office
Chinook Observer
Pacific County Fire District 1
NBPDA Board of Directors

SPECIAL NBPDA BOARD MEETING

November 16, 2005

Pacific County Fire District 1

26109 Ridge Avenue

Purpose of the meeting: To meet in a workshop setting to discuss the Ocean Park water storage issue.

Present:

School Board Members

Tom Lockyer

Ed Guelfi

Kim Patten

Kristi Unruh

Cheri Jones

Marilyn Sheldon

NBPDA

R.D. Williams

Ken Karche

Tom Downer

Brad Weatherby

Cheri Jones

Guests

Nick Hastings, ESD 112

Trent Hart, AMBIA

Phil Leach, Pacific Water

Tom Frace, Engineer

Nathanial Hultman, AMBIA

Sue Madsen, President

Ocean Park Chamber of Commerce

Curt Stephens, NPIA

Meeting opened at 6:05 p.m. by Chairman Ed Guelfi.

R.D. Williams provided those present with a brief timeline of events to date.

Proposal: To essentially build a 200,000 gallon tank on a Pacific Water site between Sandridge Rd. and U Street, approximately 3600 feet from the Ocean Park School. Of the 200,000 gallons, 130,000 will be available for fire flow for the school and the additional 70,000 will be flow floated throughout distribution network. The 200,000 would be pottable water. The NBPDA has been working with the Utilities Commission, the Department of Ecology, and the Department of Health.

Plan: Combine the Pacific Water and Ocean Park Water, build a 12" line between Pacific and Vernon and provide fire flow only for the school, may stub off to other businesses. Funded to be provided through capital bonds. The school district would produce a change order rather than build on school property, build on a piece of leased property at Pacific Water.

Ed - When the school district went out to bid, the bid process was very complicated. We received only 1 and ½ bids and the bids were very high. The second time we went out for bids the process was simplified. Some of the contractors did break down the costs for the water storage system. RB&G did not breakdown the costs. We have not asked the contractor to break out.

R.D. - We have been looking at the funding issue. Funding takes time. Formation of a water district will take longer. Estimate \$200-\$250,000 that can probably be raised from local individuals. A 200,000 gallon tank costs approximately \$300,000, the transmission line will be approximately \$175,000. Working closely with the County to coordinate the installation of the line. The County has been willing to work with the PDA. The PDA design needs to be ready to be submitted to the Department of Health by December 15. Have ruling from the Attorney General's office that we can do what we are doing.

Trent - RB&G needs to have a deductive change order on January 1, 2005. There needs to be time to know

what that system is, to put costs together for the deductive change order. Need at least four weeks, two week for redesign

Tom Frace - The only thing you need to know at this time, is where the point of connection is. He will finalize site work in the next week.

Question raised - When the building goes vertical the water system won't be ready. Will RB&G have to have a water truck on site for fire protection?

Nick - What do you think the District can pay?

R.D. - Our estimate for the tank is \$300,000.

Nick - You aren't going to get that from the contractor, they have -0- in their budget.

R.D. - Based on your comment, the PDA can't be successful if we can't find a way to provide fire flow for the school.

Ed - RB&G's bid came in \$800,000 less than the other contractors. When we went back and asked about the tank, they said they would honor their bid and provide the water storage system, even though it wasn't broken down in their bid. I believe the contractor will give up something if he doesn't have to build the tank.

Tom Frace - Isn't there a process for a change order.

Trent - I need 2 weeks to make change orders. Process, there are no dollars in that breakdown. We know what the costs are. Dollars are not going to his people to build it.

Curt - What happens if the contractor builds on the leased property.

Kristi - Question regarding liability, what happens if there's a broken line.

R.D. - The water company would be liable.

Kim - Is there a cost to buy out the water companies.

R.D. - No comment at this time.

Tom L. - Need clarification regarding off-site construction from the State regarding use of taxpayer dollars.

Ed - At the construction review we gave them that information, raised lots of red flags.

R.D. - If there is some ruling, we are still going to make this happen.

Ed - Have to put together a deductive change order. What their position is. That's when you come to the point of negotiations.

Nick - In theory, we already have the materials. May change to move to another site.

Ed - What is the value? Not have to worry about on-going maintenance costs, chemicals/flushings, labor costs estimated at \$12,000 per year although part was already in the maintenance budget.

R.D. - Have suggested a lease arrangement.

Marilyn - So we would be paying a hook-up fee for fire protection. Can we contract with the PDA for fire flow, can we put in a change order.

R.D. - If we have an issue, we would bond and take responsibility for the water tank and then we negotiate an annual fee for fire flow.

Tom L. - That would be the most likely scenario.

Tom F. - I have had a discussion with an engineer representing the school district about the potential required fire flow. Public entities build and then turn over to those using them, pretty common.

Nick - Can't use as an example because you are dealing with bond money. Designed for a specific purpose.

Tom L. - Will need counsel on how this might affect State matching dollars. May end up being an Attorney General opinion.

Nick - Question to Trent - you think a month for design and negotiations. Trent - Concern, can you build that and make it work.

R.D. - We recognize the drop dead date. We are committed to building the tank. What is the fair amount?

Ed - Concern - how are you going to raise \$500,000. If we get past the target date, we can't open the school. What we have, we have figured out.

Decision made - Nick will meet with Tom Frace at 9:00 a.m. Wednesday morning to look at point of connection site for drawings. Trent will redesign, negotiate with the contractors. Figure to be -0- dollars.

Nick - We have a system that we have paid for. The contractor may say I'm not going to give you back dollars, it's in the contract.

Tom D. - If the amount is -0-, we are still motivated. We don't want to see the dollars go down the drain - it's money lost if it's not needed or used; however, that would be a tragedy if OBSD does not contract a dollar.

Tom F. - In the public works field there is a prescribed method for change orders. So when I hear lump sum - let's say it's \$300,000 seems ludicrous if you only get \$50,000.

Nick - Unilateral change order, may go to litigation.

Ed - Still some costs associated with the property, landscaping, etc. Will work out the details.

Kim - Do we need an Attorney General ruling. Tom L. will you call Gordon first. Concern: Do we need a guarantee from them that the resources are there?

R.D. - We are prepared to give you a performance bond come January 1.

Decision - Nick and Tom L. will call Doug Nichols at 8 a.m. Wednesday morning and then meet with Tom Frace at 10:00 a.m. at the job site.

R.D. - Offered the name of the person that gave the Attorney General reading for the PDA to Tom L.

Marilyn - What is the PDA's process for getting a contract to build the tank. The private water company could build or turn over to the PDA if RB&G says we will build the tank.

Question regarding the public bid process.

Kim - Private water companies are willing, no legal constraints.

R.D. - Won't be once the two companies consolidate. Not able to go beyond that. If there is a monkey wrench we will know by December 15.

Kristi - Will we know our obligation long term?

Once we regulate the water system to the PDA, we would not concern ourselves with the system.

Tom L. - We need a fee structure for long-term lease and fire flow service.

Nick - How did we calculate 130,000/200,000.

R.D. - Only providing for the school at this time with this project.

Meeting adjourned at 7:30 p.m.