

**Finance Committee Meeting Minutes
San Juan Water District
September 19, 2023
4:00 p.m.**

Committee Members: Ted Costa, Director (Chair)
Ken Miller, Director (Member)

District Staff: Paul Helliker, General Manager
Donna Silva, Director of Finance
Andrew Pierson, Director of Engineering Services
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Pam Tobin
Guest

1. Review General Manager Reimbursements (W & R)

There were no reimbursement requests from the General Manager.

2. Review Check Register from August 2023 (W & R)

The committee reviewed the August 2023 check register and found them to be in order.

3. Air Release Valve Replacement Program (R)

Mr. Pierson reviewed a staff report which will be included in the Board packet. He informed the committee that the \$70,000 amendment request in the staff report was negotiated down to approximately \$54,000. Ms. Silva confirmed that the District budget can cover the additional expense with savings from other projects. Mr. Pierson reviewed the reasons for the additional expense which are included in the staff report.

The Finance Committee recommends consideration of a motion by the Board to authorize and approve a construction contract amendment with Navajo Pipelines, Inc. for the Air Release Valve Replacement Program.

4. Other Finance Matters (W & R)

Ms. Silva reported that she received approval from the State Water Resources Control Board to submit reimbursement requests for the construction costs of the Hinkle Reservoir project. She submitted a request for \$21.6 million and anticipates the funds in 4-6 weeks.

5. Public Comment

There were no public comments.

The meeting was adjourned at 4:08 p.m.

STAFF REPORT

To: Board of Directors
From: Andrew Pierson, Director of Engineering Services
Date: September 27, 2023
Subject: Air Release Valve Replacement Program 2022/2023 – Construction Contract Amendment

RECOMMENDED ACTION

Staff requests a Board motion to authorize the Director of Engineering Services to approve a construction contract amendment to increase the construction budget by up to \$70,000 with Navajo Pipelines, Inc. (Navajo) for the Air Release Valve Replacement Program 2022/2023 (Project). The staff recommendation was reviewed by the Finance Committee, which recommends approval by the Board of Directors.

BACKGROUND

The Project consists of replacing 45 air release valves (ARV's) located in the northeast portion of the District's Retail Service Area within the Lower Granite Bay Pressure Zone and Upper Granite Bay Pressure Zone in Granite Bay, Placer County, CA. More specifically, the 45 ARV sites are within the boundaries of Eureka Road and Twin Rocks Road and between Barton Road and Douglas Blvd. The construction contract was awarded to Navajo in May 2023 and construction began on June 9, 2023. During construction, Navajo has encountered the following unforeseen conditions that have caused a change to the original Contract scope of work:

- Additional piping, excavation, backfill, and paving required due to moving approximately ten ARV locations as result of utility and landscape feature conflicts.
- Additional piping, excavation, backfill, and paving required because the distance between the location of the existing water mains for approximately five new ARV locations was greater than what was shown on the improvement plans.
- Additional time and materials required to replace approximately two existing corroded service saddles adjacent to the new ARV locations.
- Additional time and material to assist District staff during a shutdown for an emergency valve repair on Douglas Blvd. Contractor assisted by cleaning out existing valve boxes using their vacuum trailer and provided traffic control.

FINANCIAL CONSIDERATIONS

The current authorized construction budget approved by the Board is \$711,920. Staff is recommending increasing the total authorized construction budget to \$781,920. District staff is currently re-prioritizing projects to accommodate the additional budget required to complete this project.