

CITY MANAGER WEEKLY UPDATE REPORT ~ KENT MYERS

November 6, 2009

This week I attended the monthly meeting of the Olympic Peninsula Tourism Commission to discuss how we could attract more visitors from the Victoria area. The Commission has recently conducted a marketing study of Victoria residents' perceptions of the Peninsula and the study results were discussed at this meeting. At this meeting I presented the attached report of general recommendations and specific suggestions that were based upon conversations that I have had with about 15 local officials and business owners over the past month as well as my recent meetings with Victoria officials. Following the discussion, the Commission agreed to establish a committee to work with the Coho Ferry and other interested entities to develop a more consistent marketing message and expanded marketing program in the Victoria area.

As previously reported to the Council, I am in the process of conducting a customer services survey of builders and developers who have recently completed projects in our community to determine the level of satisfaction with the City's building and development regulations and processes. One of the goals of the City of Port Angeles is to create an environment that is conducive to quality sustained growth and development. As City Manager, I want to insure that our building and development codes, policies, and procedures help facilitate this growth in the future. A letter will be sent to several individuals inviting them to participate in this survey. I plan on providing the Council with the survey results by the end of November.

At the next Council meeting one of the final items on the agenda will be the final payment to Exeltech for the Gateway project. We want to use this opportunity to brief the Council on the financial status of the Gateway including all outstanding obligations. This information will be included in the next Council agenda packet. Please review the information and call Glenn, Yvonne, or me, if you have any questions.

This week we received the attached correspondence from the National Park Service on the revised completion date for the Port Angeles Water Treatment Plant. We are getting very close to final completion but may not complete the project until January or early February. We look forward to showing this new facility to the Council in the coming months.

Have a great weekend!

- Kent Myers

Increasing Victoria Tourism

General Recommendations

1. Need a long-term plan or strategy (3-5 years) that offers a consistent message with specific measurable goals.
2. Need improved cooperation and partnerships between all public agencies and private firms that market the Olympic Peninsula.
3. Need better focus on outdoor attractions and activities available such as Olympic National Park, Olympic Discovery Trail, kayaking, fishing, etc.
4. Need improved engagement with Victoria officials who are involved in tourism both in terms of one-on-one relationships as well as group or agency relationships.
5. Need more local packages that combine attractions with hotel, restaurants and transportation.
6. Need to improve local transportation including expansion of bus services to include Sundays and holidays.

Specific Suggestions

1. Organize visits to Victoria involving key community officials to spread the word on the sites and attractions available in the Olympic Peninsula.
2. Sponsor a “twin day” whereby individuals in Port Angeles invite representatives from similar businesses or agencies in Victoria to spend the day together.
3. Clarify the duty requirements so that Canadian visitors clearly understand what they can purchase during their visit to the Olympic Peninsula.
4. Increase the availability of brochures on the ferries and at the ferry terminal in Victoria.
5. Increase the promotion of Art Walk and other cultural activities in Victoria.
6. Improve efforts to accept Canadian currency throughout the area.
7. Initiate a new cross-promotion program called “2 Nation Vacation” to partner with Victoria in promoting both communities.
8. Craft a new marketing message that is unique and consistent and that will inspire visitors.
9. Improve efforts to reach out to the Victoria media that might generate more promotion of our area.
10. Initiate programs that would focus on Canadian snowbirds that are visiting the Victoria area during the winter months.
11. Continue to work on insuring that security checks at the border do not present a hassle to Canadian visitors.
12. Focus on four major opportunities that are available in our area (Olympic National Park, Twilight, wineries, and casinos).
13. Initiate ferry greeter program.
14. Establish Canadian dollar day once or twice a year where dollars from Canada are accepted at the same rate as American dollars.
15. Initiate free bus pass program.
16. Develop hotel exchange program whereby hotels in both Victoria and the Olympic Peninsula exchange information and discount packages.
17. Invite Victoria City and tourism officials to all special events in the community.
18. Develop better data on the number of Canadian visitors, length of stay, level of satisfaction. etc.



United States Department of the Interior
NATIONAL PARK SERVICE

Olympic National Park
600 East Park Avenue
Port Angeles, Washington 98362-6798

IN REPLY REFER TO:
L54 (OLYM-ELW)

November 5, 2009

Kent Myers, City Manager
City of Port Angeles
321 East Fifth Street
Port Angeles, Washington 98362

Dear Kent:

Thank you for your letter of October 26, 2009 in which you requested information on why completion of the Port Angeles Water Treatment Plant (PAWTP) will take longer than anticipated. The National Park Service's Denver Service Center (DSC) provides the project management for this project on behalf of Olympic National Park. Please see the attached memorandum for a detailed discussion of the questions raised in your letter.

As noted in the memorandum and based on new information from the contractor, we may still be able to complete the PAWTP by December 31, 2009, but it is going to be close. DSC suggests that an extension of 31 days to the Agreed Order would be helpful to allow a small margin for error in case of any unexpected delays that occur during final completion and startup. We will continue to work with you and your staff to bring the plant online as soon as possible.

If you have any additional questions, please contact me or DSC Program Manager Karl von Rosenberg, at 303-969-2491 or karl_von_rosenberg@nps.gov.

Sincerely,

for Karen Gustin
Superintendent

cc: Jozsef Bezovics, Washington Department of Health



United States Department of the Interior
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 P.O. Box 25287
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November 4, 2009

Memorandum

To: Superintendent, Olympic National Park

From: Program Manager, Elwha River Restoration, Denver Service Center

Reference: Olympic National Park, Clallam County, Washington, Contract No. 1443C8000070911, Park General, Port Angeles Water Treatment Plant, Package No. OLYM-005375, Elwha Component 3.04

Subject: Water Treatment Plant Completion Schedule

The following is in regards to the letter from City of Port Angeles City Manager Kent Myers to you dated October 26, 2009, regarding the completion date for the Port Angeles Water Treatment Plant (PAWTP). As noted in Mr. Myers letter, the schedule for completion of the plant has slipped from the original contract completion date of December 18, 2009. We are currently working with our construction Contractor and members of the City's water department staff to fully complete the new water treatment plant as quickly as possible. I have made every effort to meet Mr. Myers requested response date of November 4. In that regard, it should be noted that the most recent contract schedule discussed below was submitted by the construction contractor at 5:00 pm, November 3, and we have not had the opportunity to review in detail.

It is important to understand three key completion dates in the Port Angeles Water Treatment Plant Project. The first is the date the water treatment plant is scheduled to be ready to begin final inspection and startup testing. The second is the date the primary portion of the project will be complete and the water treatment plant is accepted by the City of Port Angeles. This is the date upon which the plant could begin operation and the City should be in compliance with its Agreed Order with the State Department of Health (DOH). The third date is the date for completing the remaining work under the contract that cannot be done until the water treatment plant goes online. This includes removing the current link between the Ranney Well water source and the City's distribution system, demolition of existing chlorination facilities at the Ranney Well, installation of new pumps at the Ranney Well, and the general completion of remaining work at the Ranney Well. The completion of this item will represent substantial completion of the overall contract. In the table below I've listed these dates as "Ready for Inspection / Startup", "Complete PAWTP", and "Complete Ranney Well".

The contractor provides an updated project schedule each month. In some cases, such as the most recent month, the schedule will be revised after review and discussion. To provide a summary of changes in the project schedule over roughly the last year, the key completion dates for four project schedules are presented below. Schedule PA10 was submitted September 2, 2008 and showed completion of the

project on October 1, 2009, which would have been 78 calendar days early. This schedule was current at the time the transfer agreement was signed in the fall of 2008. Schedule PA20 was submitted July 2, 2009 and showed completion on the original contract completion date of December 18. In this schedule the 78 days of float existing in the earlier schedule had been consumed. Schedule PA24 was submitted November 2, 2009. The dates are the same or very similar to those discussed with City staff at the construction status meeting of October 14, 2009. The completion date has moved to March 17, 2010, a slip of 82 calendar days from Schedule PA20. Finally, Schedule PA24rev is a revised version of PA24 that was submitted on November 3. The schedule has been revised to expedite the completion of the treatment plant. The contractor has submitted a partial schedule focused on completion of the treatment plant and does not show a final completion date for all of the work. The date for completing the water plant moves forward 61 calendar days versus Schedule PA24.

Schedule No.	PA10	PA20	PA24	PA24rev
Date Submitted	9/2/2008	7/2/2009	11/2/2009	11/3/2009
Ready for Inspection / Startup	7/14/2009	9/22/2009	12/31/2009	11/23/2009
Complete PAWTP	9/9/2009	11/27/2009	2/10/2010	12/11/2009
Complete Ranney Well	10/1/2009	12/18/2009	3/17/2010	Not Shown

The change in schedule between PA10 and PA20 was caused by a several different factors. This includes delays in fabrication / delivery of some major equipment, changed work, inaccuracies found in the schedule as work proceeds, and some general slippage in progress consisting of small delays that add up over time. The change in schedule between PA20 and PA24 includes all of the above items also. In addition, it includes specific scheduling for twelve change items that had not been included in earlier schedules. The method in which these changes were added to the schedule caused a dramatic change and upon further analysis appears to overstate the impact of the changes. It should be considered a worst case scenario at this point. Schedule PA24rev was developed in discussions between the contractor and on-site construction management representative and was submitted at close of business yesterday. Information to allow a detailed review has not yet been provided. My understanding is that several steps have been taken to expedite the completion of PAWTP in the schedule. Some new work is being accomplished more quickly than shown in PA24. Completion of some work determined as not necessary to begin startup has been moved further out in the schedule for completion during or after startup. This would mean some work would remain to be completed at the plant after the City takes over the facility and begins operations. City staff have indicated they are willing to consider this on a case by case basis, where the work to be completed will not interfere with the operation of the plant. Finally, the time between the plant being ready for inspection and being complete has been cut in half from 41 days to 18 days. PA24rev is considered a best case scenario and does require further review. Because there are two major holidays between now and the deadline in the Agreed Order, any slip in the schedule will be magnified and would very likely cause completion of PAWTP to slip beyond the Order deadline of December 31, 2009.

We have taken, and continue to take measures to expedite the completion of the water treatment plant. Contracting Officer Directives (CODs) have been used to get changed work underway more quickly. A total of ten CODs have been issued to date. We have worked with the contractor and City staff to mitigate the impact of delays that have occurred. One example of a delay and steps taken to mitigate has involved work required to make changes requested by the Washington Department of Labor and Industries (L&I). An inspection by L&I determined that some changes were required to provide better personnel protection around some plant features. The changes were significant enough to require additional design by the engineer, pricing by the contractor, and additional time for fabrication and installation. The City has contacted L&I and determined that the changes required do not have to be complete at plant startup as long as temporary measures are in place until the permanent changes are implemented. This has potential to shorten the schedule by several weeks.

The overall PAWTP project is currently over 92% complete. The water treatment plant is over 95% complete and is currently in the process of final equipment installation and checkout. There are several modification items underway on the water treatment plant that tend to take more time than the associated dollar value. The official revised date for substantial completion of PAWTP should be considered the date in schedule PA24 of February 10, 2010. However, based upon the revisions proposed in PA24rev, I believe this date can be surpassed. I do have concerns that the dates shown in PA24rev are overly optimistic, particularly with the time of year the work is being completed. An extension of 31 days to the Agreed Order is recommended to allow completion of the treatment plant with a small margin of time for unexpected issues that could still arise. We will continue to work with the City and DOH and will make every effort to complete by the current Agreed Order date of December 31, 2009.

/s/ Karl von Rosenberg