



TOWN OF MIAMI
Wastewater Advisory Board Meeting
Town of Miami Wastewater Collection System Replacement Project.

THURSDAY, SEPTEMBER 18, 2014 AT 4:00 PM
MIAMI TOWN COUNCIL CHAMBERS
500 W SULLIVAN STREET, MIAMI, ARIZONA 85539

Meeting Minutes

I. Call to Order

Meeting was called to order at 4:00 pm by Jay Spehar.

II. Roll Call

PRESENT: Rick Powers, John Trujillo, Jerry Barnes, Jay Spehar,
Ray Webb (joined partway through meeting)

ABSENT: None

III. Approval of Minutes

a. Approval of Minutes from the July 24, 2014 Meeting

- John Trujillo motioned to approve the minutes of the July 24, 2014 meeting. Motion was seconded by Jerry Barnes – All in favor.

IV. New Business

a. **Project Status Update** – Ron Hilgart provided an update on the project status:

- **Phase 1 – Closeout** – Phase 1 closeout is waiting on the ADEQ approval of construction. The plans had expired and had to be re-approved, which required a \$1,000 review fee. The ADEQ fee was approved at a prior WWAB meeting, and it has taken some time to get the pay request through Town Council and USDA for approval. All other Phase 1 items are complete.
- **Phase 2 Easement Status** – Phase 2 plan approvals had also expired, and have now been re-approved by ADEQ. The Phase 2 easements are still being finalized, and only three easements remain. One is going through the condemnation process. The second has been negotiated and is now going through the title company for the

easements to be recorded. The third is an easement through an Arizona Water Company parcel. It was ready to be recorded, but the title company came back and noted that to get a clear title, they needed a resolution by the corporation, which was not done. Susan Goodwin is working with them to resolve the concern.

USDA has not completed its review of the Phase 2 plans yet, but they have indicated they can review them quickly. Knowing that there are additional monies that need to be funded, a few easements that are outstanding, and given the fact that September is USDA's year-end, USDA indicated they would review the plans in October.

The first phase of USDA funding was initially closed for about \$5 million. This money was used for a small portion of the Septage RS, for the Phase 1A/1B improvements, and there is some money left over for a portion of Phase 2. The Town was originally going to have a single closing for Phases 2-5, but USDA will not close funding until all easements are acquired, so a separate closing is required to obtain the remaining money needed for Phase 2. USDA has requested some financial information, including audits, from the Town, and the Town anticipates meeting with USDA in early October to discuss the outstanding audits and other requested information. The Town will also request that USDA proceed with the phase 2 closing without having all the audits completed, with the understanding that the remaining audits will be completed over the next several months.

Discussion was held regarding the length of time it has taken to obtain the Phase 2 easements and the need for the sewer improvements in the Mackey Camp area due to high infiltration. The possibility of sub-phasing the Mackey Camp area out of the Phase 2 plans was discussed as a potential way to expedite those improvements. The Town met with USDA previously to discuss this, and USDA did not want to sub-phase it out at that time. The Town needs to meet with USDA in October before USDA will let the town move forward with anything. By that time, the easements should be in place. While it does take time to close funding, USDA has previously said that once the easements are in place, the Town could start the bid process concurrent to getting the funding finalized. The Town could approach USDA with the subphasing request again, but it is believed that since the Town is at the finish line with the easements, subphasing may not make sense. However, the project team will look into the feasibility of breaking the Mackey Camp area into its own sub-phase.

- **Phases 3 through 5 – Easement Status Update** – Phases 3-5 will require 61 easements. Title reports have been obtained for about two-thirds of the easements. The Town's attorney has completed exception memorandums for many of the title reports and AMEC is underway on the legal descriptions and exhibits. Of the 61 easements, AMEC is currently funded under a prior contract amendment for preparing 40 of the 61 legals and descriptions needed for the Phase 3-5 easements. For future WWAB meetings, HilgartWilson will have the easements summarized in a spreadsheet that tracks title reports obtained, exception memoranda prepared, and legals and exhibits prepared for the Phase 3-5 easements.

b. Payment Applications

- **Curtis, Goodwin, Sullivan, Udall, and Schwab** – An invoice in the amount of \$5,233.30, for legal services related to the acquisition of easements, was reviewed. It was noted that the agenda and USDA coversheet for the invoice read \$5,223.30 and should read \$5,233.30. Future invoices for Curtis, Goodwin, Sullivan, Udall, and Schwab will break out the Phase 2 and Phase 3-5 work separately so Phase 2 can be billed to USDA and Phase 3-5 can be billed to WIFA until the Phase 3-5 easements are in place. This invoice includes mostly Phase 2 work, but also includes some work for Phases 3-5, and it will be processed through USDA. There is a possibility that USDA may kick it back because it does include some Phase 3-5 work. If that occurs, the total amount for Phase 3-5 work would be subtracted from the USDA pay application and would be moved to a WIFA disbursement. Motion was made by Jerry Barnes to recommend to the Town Council approval of the invoice in the amount of \$5,233.30 subject to funding agency concurrence. All in favor.

c. AMEC Contract Amendment No. 23

- This contract amendment, in the amount of \$40,580.00, includes funds for the completion of all remaining easement and temporary easement descriptions and exhibits for Phases 3 through 5 of the project.
- Ron Hilgart provided an overview of this Contract Amendment, which was brought before the WWAB once before, but was not acted upon. HilgartWilson asked AMEC to revise the agreement as the total number of easements for Phases 3 - 5 had been reduced. Further, to calculate the number of easements that could be completed using the remaining budget from a prior amendment, AMEC originally used the newly proposed unit price of \$980 each. However, it was agreed that the remaining easements under that prior amendment should be completed for the original price of \$750 each, as noted in the prior amendment. Once these easements are completed, the remaining easements under Amendment No. 23 will be billed at the new negotiated fee of \$980 each. Everybody has agreed to that, and AMEC modified the contract amendment accordingly. AMEC also added a \$20,000 allowance for revisions to the legals and exhibits resulting from landowner requests to change easement widths/alignments/etc., which are no fault of AMEC. The \$20,580 is for the actual preparation of legals and exhibits, and the \$20,000 allowance is only to be used if revisions to the legals are required based on requests by landowners for modifications to the easements and not the result of AMEC's mistakes.
- The background of the easements included in the original contract and in a previous contract amendment, and the number of remaining easements that need to be covered by this contract amendment, was discussed. It was also clarified that Amendment No. 23 is for preparation of the actual easement documents, and Amendment No. 25 (to be discussed later in the meeting) is for AMEC to assist in the actual obtaining the easements – for AMEC to take an active role in the acquisitions process, which was a lengthy process for Phase 2 due to the limited availability of Town staff to help with the easements.
- Discussion was held about the number of revisions that were required for the Phase 2 easements, as well as about what the proposed \$20,580 fee in Amendment No. 23 would cover, and what the \$20,000 allowance in Amendment No. 23 would cover.

The level of effort for preparing and revising legals and exhibits was discussed, as was factors that drove the costs up from \$750/each to \$980/each. This price increase results from observations made during Phase 2, where it was found that the \$750/each price did not cover AMEC's costs to produce the legals and exhibits due to the complexity of the easements. As such, for Contract Amendment No. 23, AMEC identified \$980 as the actual cost to prepare each legal and exhibit. Discussion was held about why some of the Phase 2 easements had to be modified multiple times. Some of the revisions were due to AMEC's typos or other errors, and many other revisions were due to landowner requests for modified easements. For Contract Amendment No. 23, anything that is an error or oversight on AMEC's part cannot be charged to the \$20,000 allowance. AMEC will include a spreadsheet with its future invoices to summarize any costs billed to the \$20,000 allowance and note why the legal and exhibit had to be changed. The WWAB will then be able to review the invoice and spreadsheet and decide whether or not to approve the invoice. The \$20,000 allowance helps speed up the process, so that each modification to a legal and/or exhibit based on a request by the landowner does not have to go through the lengthy approval process of the WWAB, the Town Council, and USDA before a change can be made.

- HilgartWilson recommends the WWAB recommend approval to Council subject to USDA concurrence, and USDA has already reviewed and indicated they will concur.
- John Trujillo motioned to recommend to Council approval of Contract Amendment No. 23 subject to funding agency concurrence, with the caveat that the \$20,000 be separated out into a separate breakdown report for invoice review. All in Favor.

d. AMEC Contract Amendment No. 24

- This contract amendment, in the amount of \$144,542.00, is for the extension of Construction Management services, including Resident Project Representative (RPR) and Resident Engineer (RE) services, for the Phase 2 construction.
- Ron Hilgart provided an overview of this Contract Amendment, which is for services that were original part of the Town's contract with Barcon-ADM. Now that Barcon-ADM is not involved in the project, this work is to be completed by AMEC. When AMEC first discussed construction phase services with USDA, USDA wanted the services to be contracted on a per-phase basis, and didn't want to approve one large Construction Management contract for all phases. USDA also wanted these services to be contracted on a time and materials basis. At the time, it was believed that the easements for Phase 2 would be in place quickly and Phases 1A, 1B, and a portion of Phase 2 would be completed concurrently. Phase 2 did not move forward as quickly as anticipated, and its construction did not overlap that of Phase 1. AMEC's Construction Management contract for Phase 1A and 1B also included a portion of Phase 2. AMEC has \$101,712 left in that contract, which can be applied to Phase 2.
- In accordance with USDA criteria, AMEC previously prepared an estimate of their projected costs for the Phase 2 Construction Management services. In their estimate, which was brought before the WWAB at the last WWAB meeting, AMEC had increased the number of hours they thought would be required on a weekly and monthly basis. The WWAB asked HilgartWilson to take the Contract Amendment back to AMEC and ask why the number of hours per week increased, even though the Phase 2 construction will be completed separate from Phase 1A/1B. Per the request of the WWAB, AMEC adjusted the time to match what was used in the Phase 1A/1B Construction Management assumptions. In reality, whether or not

AMEC assumes the increased or decreased hours, USDA pays the Construction Management services on an hourly basis. As such, if it takes more time than what's approved in the Contract Amendment, another contract amendment would be prepared to reflect the increased time. If it takes less time than what's approved in the Contract Amendment, USDA will only pay for what time it takes.

- Discussion was held about the timing of this contract amendment. While it has not hit the critical status, it is timely. Discussion was also held about USDA's reaction to this contract amendment. This amendment has been discussed with USDA, and they are expecting it. Since USDA previously approved AMEC's hourly rates, the hourly rates shouldn't cause any concern. USDA does not know the dollar amount of the amendment, but it was reiterated that it would be billed on a time and material basis.
- Ray Webb motioned to recommend to Council approval of Contract Amendment No. 24, subject to funding agency concurrence. Seconded by Jerry Barnes. All in Favor.

e. AMEC Contract Amendment No. 25

- This contract amendment, in the amount of \$17,600.00, is for AMEC's assistance with the easement acquisition process for Phases 3, 4, and 5.
- Ron Hilgart provided an overview of the contract amendment. This amendment is to help in the acquisition process, going door to door to help with acquiring the easements. It includes time for AMEC staff and also includes time for a local representative at a lower hourly rate to assist in the process. Due to AMEC's policy to not contract or outsource something like this on an employee contract basis, the individual would be contracted under HilgartWilson. The person will report to AMEC, however, and AMEC will take the lead. AMEC will also provide manpower to negotiate with the homeowners. }
- It was noted that this type of contract amendment was recommended by the WWAB earlier on in the project, and that the prior Town Manager has recently recommended this, as well. The Town will be able to review the resume of the local representative before he or she is brought on board, since he or she will be representing theTown.
- Jerry Barnes motioned to recommend to Council approval of Contract Amendment No. 25, subject to funding agency concurrence. John Trujillo seconded the motion - All in favor.

f. AMEC Contract Amendment No. 26

- This contract amendment, in the amount of \$153,314.00, includes funds for the extension of Program Management Services for Phases 2-5.
- Ron Hilgart provided an overview of the contract amendment. These services were originally under the Barcon-ADM contract, and Barcon-ADM is no longer on the project. USDA preferred not to get one contract amendment for all remaining Program Management services, and wanted to do it on a per-phase basis. This amendment covers HilgartWilson's fees for Program Management services for phase 2, as well as phases 3-5. AMEC is entitled to a 10% mark-up, as HilgartWilson is a subconsultant to AMEC, and the mark-up is included in the contract amendment price. This amendment also includes reimbursement for a \$2,000 fee that was paid to ADEQ by HilgartWilson on behalf of the Town to help expedite the Phase 2 plan review process. The tasks in this amendment are broken up between Phase 2 and

Phases 3-5 since USDA will only fund the Phase 2 services at this time, and will not fund the Phase 3-5 services until such time as the easements are acquired. Until those easements are in place, Phases 3-5 will be billed to WIFA. The Phase 2 services cover a 15-month period of time, which includes the past couple of months. These are the same services HilgartWilson has been providing historically.

- Discussion was held regarding the amendment, and also regarding overall project costs in general. It was noted again that this Amendment No. 26 and Amendment No. 24 are both for services that would have been provided by Barcon-ADM. When that contract with Barcon-ADM went away, it was always understood that these contract amendments would be required for these services.
- The WWAB requested that the project budget be included as a standing item on the agenda. This will help the WWAB members better understand how the overall project stands financially. A general breakdown of the design, construction, soft costs, etc. will be provided to the board members each month.
- John Trujillo motioned to recommend to Council approval of Contract Amendment No. 26, subject to funding agency concurrence. Rick Powers seconded the motion - All in favor.

Other Items of Discussion:

- Jay Spehar requested that a standing item for Public Comment be added to the WWAB meeting agenda.
- Don Reiman, Town Councilman, noted that it will be beneficial for the WWAB and Town Council members to see the regular budget status reports as discussed in this meeting.
- Brief discussion was held regarding the possibility of knowing what specific things have held the project up or complicated the project schedule and budget. It was noted that the project has had some delays and setbacks from time to time, but has also had many successes and it is important to keep the successes in mind as we are moving forward.

V. Adjournment:

- Rick Powers motioned to adjourn the meeting. John Trujillo seconded the motion – All in favor. The meeting was adjourned at 5:15 p.m.