



TOWN OF MIAMI
Wastewater Advisory Board Meeting
Wastewater Collection System Replacement Project

THURSDAY, MAY 24, 2017 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 4:03 pm by Jay Spehar.

II. Roll Call

PRESENT: Jay Spehar, John Trujillo, Jerry Barnes, Ray Webb

ABSENT: Don Reiman

III. Approval of Minutes

a. Approval of Minutes from the April 20, 2017 Meeting.

- Jerry Barnes motioned to approve the minutes of the April 20, 2017 Meeting. Motion was seconded by Ray Webb – All in favor.
- Jay Spehar stated that moving forward, if a third party believes the minutes should be amended, such party should present their request during the WWAB meeting, and the minutes would then be modified if the request is approved by the WWAB.

IV. New Business

a. Project Status Update

Mark Ipson with HILGARTWILSON provided an update on the project.

- Phase 2 Construction:
 - Phase 2 is mostly complete with the exception of a few outstanding items, which were presented during last month's meeting. Mr. Ipson gave a status update on these outstanding items, which include as-builts of the Phase 2 construction, obtaining final approval from ADEQ and USDA, retention / final change order responses (which include Sykes Alley paving, the water leak in the public works yard, slurry seal coat, sinkholes, and the reconciliation change order), and the settlement payment. A PDF copy of the as-builts were reviewed by AMEC. AMEC provided comments to Kinkaid and approved the as-builts after Kinkaid's revisions. Joe Heatherly asked USDA if the revised as-builts were acceptable, to which USDA responded yes, although they did want to see more stationing labeled for any and all relocated service connections, and also

wanted to see a note of the portions of sewer in Sullivan Street that were not abandoned as shown on the plans. Final approval from ADEQ for the Phase 2 sewer installation was received on 5/18/17. USDA's final approval remains outstanding, as AMEC first needs to prepare and submit the final close-out package to USDA for review. As part of the close-out package, AMEC needs to finalize responses to outstanding change order requests and outstanding retention items for Phase 2. As discussed in previous WWAB meetings, these include items that AMEC and Kinkaid disagree on. These items will be addressed by AMEC over the next several weeks. Mr. Ipson noted that the reconciliation change order has been reviewed by AMEC and the Town, and they are still waiting on signature from Kinkaid.

- A settlement agreement was signed by the Town and Kinkaid in December 2016 for equitable adjustment and other change orders requested by Kinkaid. It was originally anticipated that payment for the settlement amount would need to be processed through a new loan with USDA. However in working with USDA, it was decided that the settlement amount should be added as a change order to Kinkaid's contract. The change order for the settlement agreement has been prepared and routed to Kinkaid for signature.
- Joe Heatherly with the Town provided an update of the sinkhole issues experienced throughout the Town. A copy of the findings from the geotechnical evaluation was shared with the WWAB members and a letter from AMEC was sent to Kinkaid notifying them that they had 7 days to either address the issues or to submit a plan for doing so. Kinkaid responded with a letter stating that due to the severity of the geotechnical findings, Kinkaid was requesting additional information from AMEC, including RPR daily inspection reports, pictures from the Town, AMEC, and HILGARTWILSON at all locations sinkholes were found, final Q/A test reports, correspondence between the Town, AMEC, and HILGARTWILSON regarding concerns about the backfill operations, Q/A testing, backfill materials used for the Project, geotechnical information not provided in the bid documents, and backfill requirements for other previous and future projects within the Town. AMEC responded to Kinkaid's letter by stating that AMEC is not under contract to provide any of the requested items to Kinkaid, and will therefore not be providing it. AMEC's letter also noted that Kinkaid had until midnight on May 24th, 2017 to respond to the original letter from AMEC. AMEC and the Town have not yet received a response from Kinkaid. The Town will not be authorizing any construction activity until the it receives the requested plan and schedule, with information about who will be performing the work (Kinkaid or a third party contractor). At that time, the Town will consider whether it will have the contractor perform the work or possibly exercise the Town's option to hire its own third party contractor and have the work paid through Kinkaid's bond. Jay Spehar asked how much Kinkaid's bond amount was to which Mark Ipson replied that it was for the amount of the original contract – approximately \$4.6 Million. Additional discussion was held regarding the geotechnical evaluation report and how backfill compaction inspections will be handled differently during future phases of construction to avoid the compaction issues observed during Phase 2.
- Joe Heatherly explained that the biggest issue the Town is facing with regard to Phase 2 is how to address the sinkhole issues – including the original sinkholes and other sinkholes that have been recently discovered. The Town is currently waiting on Kinkaid's response to the initial letter from AMEC. Kinkaid's

response to this letter will dictate the Town's plan of action moving forward. Discussion was held regarding potential steps for moving forward. Mr. Heatherly expressed his concern for the defective areas of work and the Town citizens' safety as they drive over the sinkhole areas. Additional discussion was held about how to address the sinkhole issues. The WWAB also discussed the possibility of holding a special meeting to discuss future backfill processes and inspection methods for Phases 3-5.

- Jerry Barnes requested that the Town provide a summary to the WWAB each month regarding the actions taken by the Town Council for items the WWAB has previously recommended that the Town Council approve.
- Phases 3-5:
 - Mark Ipson stated that Phases 3-5 are mostly designed and that AMEC intends to deliver plans to the Town for review on May 25th, 2017. HILGARTWILSON, AMEC, and the Town have met twice over the past month to discuss the preliminary recommendations from AMEC and to review the addition design work that has been completed. John Trujillo asked if Phases 3-5 would be a single project, or broken up into individual phases. Mark Ipson explained that Phases 3-5 would be one project to expedite the schedule, to have a single contractor on the project, and to attract larger contractors for the construction work. Mr. Ipson also pointed out that about 70-75% of the Phase 3-5 work will be CIPP.
 - Jay Spehar noted that he would like to see a detailed explanation of any and all synergies, cost savings, and execution plans for how Phases 3-5 will be completed. It was noted that there are some lots that are either vacant or uninhabitable, and there can be some cost savings by not extending new laterals to these lots at this time. Once AMEC finishes the design for Phases 3-5, the plans will be sent to the utility companies, USDA, and ADEQ for their review. A detailed analysis will be performed to identify those vacant or uninhabitable lots where sewer services may not be installed at this time to maximize cost savings. John Trujillo stated that the Town should review the process that should be applied in the future for connecting vacant or uninhabited lots, which will not be connected as part of this project.
 - Mark Ipson discussed the preliminary schedule for Phases 3-5. AMEC will complete the plans and deliver them to the Town by 5/25/2017. Potholing and utility coordination work is ongoing. After receipt of the plans, HILGARTWILSON and the Town will review and provide comments. AMEC will then have one week to revise the plans. It is hoped that final approved plans will be put out to bid by the end of July, with a notice to proceed issued by mid-September. Additional discussion was held regarding the project schedule.
 - Mr. Trujillo requested a review of the amount AMEC has been paid to date for the Phase 3-5 design work, and information on the remaining design work that will be conducted in the future.
 - Mark Ipson gave a brief overview of the total project costs to date, which have not changed significantly since last month. The only change to the budget was the addition of AMEC's contract amendment #33, which was recommended for approval during last month's WWAB meeting.
 - Mark Ipson gave a brief introduction to HILGARTWILSON's Construction Management team, who will be serving as Construction Manager for the Phase 3-5 work. Steve Flinn with HILGARTWILSON and Rick Powers with Jacobs each gave a brief background of their work experience as it relates to the project.

b. Payment Applications

- AMEC's pay application in the amount of \$80,406.16 for one month of Design and Construction Management services was reviewed and discussed. Joe Heatherly stated that the Town reviewed this pay application and found it acceptable. However, it was noted to AMEC that the full approval of their payment application would only happen once the Town receives the Phase 3-5 construction plans (anticipated to occur on May 25th). Further discussion was held regarding the possibility for approving the payment application contingent upon the Town's receiving the plans. A motion was made by Jerry Barnes to recommend to Council the approval of AMEC's pay application in the amount of \$80,406.16, subject to funding agency concurrence and contingent upon the receipt of the Phase 3-5 drawings. John Trujillo seconded the motion. All in favor.
- Town of Miami pay application in the amount of \$13,674.37 for legal and other project-related expenses was reviewed and discussed. Joe Heatherly explained that most of this pay application is for costs incurred for legal fees associated with the project and for hard labor, inspections, and cleanup associated with the sewer project. Additional discussion was held regarding the number of homes that are not connected to the sewer for Phases 3-5 and how they will be addressed during construction. A motion was made by John Trujillo to recommend to Council the approval of the Town of Miami pay application in the amount of \$13,674.37, subject to funding agency concurrence. Ray Webb seconded the motion. All in favor.

c. Public Comment on the operation, financing, and construction of the sewer project

- No public comments were given.

V. Adjournment:

- Ray Webb motioned to adjourn the meeting. Seconded by Jerry Barnes. All in favor. The meeting was adjourned at 5:05 pm.