



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

THURSDAY, FEBRUARY 19, 2015 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: Jerry Barnes, Ray Webb, Jay Spehar

ABSENT: John Trujillo, Rick Powers

III. Approval of Minutes

a. Approval of Minutes from the January 15, 2015 Meeting

- Jerry Barnes motioned to approve the minutes of the January 15, 2015 meeting. Motion was seconded by Ray Webb – All in favor.

IV. New Business

a. Project Status Update

- Ron Hilgart provided a brief update of the wastewater project.
- All Phase 2 easements are in place and are certified. The Town is now working on the Phase 2 closing. The wastewater rates had to be re-evaluated by Economists.com prior to the Phase 2 closing, and the new rates got into effect March 1st. Prior to the Phase 2 closing, the WIFA loan terms also had to be worked out with WIFA since the WIFA loan includes some covenants related to the Town being able to take on additional debt. The Town has now obtained approval from WIFA to incur the additional debt. The Town Council and MPC are scheduled to meet on March 9th to discuss and approve moving forward with additional debt and closing. Michael Cafiso will be at that meeting to provide the MPC and Town Council with the pertinent information.

- USDA has been reviewing the Phase 2 plans, which were resubmitted on January 30th, and should have their comments and/or approval before March 9th. ADEQ has also reviewed and approved the updated Phase 2 plans. It is anticipated that Phase 2 will be ready to go out to bid following the March 9th meeting. The intent is to have the Phase 2 funding in place by the time the bids are received and evaluated so the contract can be awarded.
- The town still has \$2,187,911 left over from the Phase 1 closing. This is due to the fact that the Phase 1 closing amount was an arbitrary number identified by USDA, and the Phase 1 closing was meant to include a portion of Phase 2. The Town is now seeking the balance of the Phase 2 funding. Per the Preliminary Engineering Report, the total cost for Phase 2 is a little over \$5.6 million. Additional funds are also needed for AMEC's Phase 2 Engineering of Record and Inspection services. As part of this Phase 2 closing, the Town will also repay a pro-rata share of the WIFA loan. The WIFA pro-rata payment is reducing the overall principal due to WIFA. The balance of the WIFA loan will be repaid when the Phase 3-5 funding is closed. Additional contingency is also being included in the Phase 2 funding request, as recommended by USDA, to make sure there is enough money available to complete Phase 2 without having to ask for more funding. The Town does not anticipate it will have to use the additional contingency, but agrees it is a good idea to include it in the funding request, as the cost estimate from the PER is 4 years old. Once the first phase is bid out, the Town will have a better idea of the anticipated costs for the future phases. Based on the remaining amount from the Phase 1 closing and the projected costs for Phase 2, the Phase 2 closing amount will be roughly \$5.0 million. The Town is waiting on concurrence from USDA for this amount, but does not anticipate any problems.
- Ron Hilgart summarized the Phase 2 schedule, which includes going out to bid in March, opening bids in mid-April, awarding the contract late April, and achieving substantial completion of construction around the end of 2015.
- Jay Spehar noted that he will be leaving the country around April 30th and will be gone for most of May, so the MPC may not have a quorum during that time.
- Ron Hilgart noted that a detailed budget analysis is provided to USDA with the pay applications each month, and that a summary of the Town's current standing on the project budget is included in the WWAB members' packets. The original budget was \$24 million, and the Town is still aiming to be at that amount. Jerry noted that the budget summary shows a smaller amount paid to WIFA for the Phase 1 closing than was identified for Phase 2. Ron responded that after the Phase 1 USDA closing, an additional WIFA loan was obtained, so the WIFA repayments for the Phase 2-5 closings are each a little larger than the Phase 1 amount to allow the Town to repay the total revised WIFA loan amount in full once the Phase 3-5 funding is obtained.
- Jay Spehar asked if the Town is tracking on budget, and discussion was held regarding potential additional costs that may have resulted from the project being delayed for the past few years. It was noted that it will be good to see how the Town is tracking after the Phase 2 bids come in, as those will provide a good indication of where the future phases may come in. Discussion was held regarding the requirement of T-top pavement replacement and how the contractor will handle T-top pavement replacement and full-width replacement in their bid.
- For Phases 3 through 5, the primary effort right now is the easement acquisition process. Most of the legals and exhibits have been completed, and Dennis Lopez is working on the limited appraisals for the parcels affected by the easements. The

Town, with the help of Dale Metz, has also already been contacting the landowners. It's too early to tell if most people will be donating the easements. There are a couple landowners that have expressed concern with the easements, including a church where the easement runs through a building. Most of the landowners seem to be cooperative. There are 55 affected parcels, with 43 easements that are needed because some are under common ownership. The Town has 100% of the title commitments, and all but 7 legal descriptions and exhibits have been completed. The Town has also sent letters to the landowners and has heard back from 9 of them.

- All Phase 3-5 easements must be in place before the Town can obtain the Phase 3-5 funding. The construction of phases 3, 4, and 5 can be done in any order the Town would like to complete them once the easements and funding are in place.
- The total WIFA loan amount is \$3.25 million. WIFA costs to date total \$3,066,432, and the Town has \$178,000 left in WIFA funds for remaining Phase 3-5 costs.
- Joe Heatherly noted that USDA has been taking a long time to process payment for the submitted pay applications. Ron Hilgart noted that he followed up with Jeff Hooper regarding the slow payments a week ago. Additional discussion was held regarding ideas for obtaining faster payment from USDA.

b. Payment Applications

- AMEC's pay application in the amount of \$15,921.11 for one month of design, program management, and construction management services was reviewed. \$3,567.03 of this will be paid by WIFA and \$12,354.08 will be paid by USDA. Discussion was held regarding several items on AMEC's invoice. Ray Webb noted that the invoice is currently addressed incorrectly and needs to be addressed to Joe Heatherly. Jerry Barnes asked why the USDA form for AMEC includes a breakdown of amounts to be paid by USDA and by WIFA, whereas the Curtis, Goodwin, Sullivan, Udall & Schwab (CGSUS) invoice does not. Ron Hilgart responded that it was because AMEC submits a single invoice each month, which includes work completed and to be paid by both USDA and WIFA, where CGSUS submits separate invoices for the USDA work and the WIFA work, so they don't have to both be included in the USDA pay app. Discussion was also held regarding several other questions and comments that Jay Spehar had about the invoice. Hilgart will let AMEC know of the WWAB's concerns and the updates that need to be made to their invoices to provide additional clarity and explanation for the fees being charged.
- A motion was made by Jerry Barnes to recommend to Council the approval USDA Partial Payment #16 to AMEC in the amount of \$12,354.08, plus USDA Partial Payment #11 to Curtis, Goodwin, Sullivan, Udall & Schwab in the amount of \$399.00, plus WIFA Requisition #38 in the amount of \$4,375.43, with concurrence with the funding agencies.
- Curtis, Goodwin, Sullivan, Udall & Schwab's (CGSUS) pay application in the amount of \$1,207.40 for legal services was reviewed. \$808.40 of this will be paid by WIFA and \$399.00 will be paid by USDA.
- Ray Webb seconded Jerry Barnes' motion. All in favor.

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

- No public comment.

V. Adjournment:

- Ray Webb motioned to adjourn the meeting and Jerry Barnes seconded the motion. All in favor. The meeting was adjourned at 4:51 pm.