



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

THURSDAY, FEBRUARY 18, 2016 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, Jerry Barnes, Ray Webb, Rick Powers

ABSENT: John Trujillo

III. Approval of Minutes

a. Approval of Minutes from the January 21, 2016 Meeting

- Rick Powers motioned to approve the minutes of the January 21, 2016 meeting. Motion was seconded by Ray Webb – All in favor.

IV. New Business

a. Project Status Update

Mark Ipson provided an update on the project.

- Phase 2 Construction:
 - An overview of the schedule for processing pay applications was provided. Pay quantities are currently due the first Friday of the month. Moving forward, Kinkaid will submit pay quantities a week earlier to allow AMEC more time to review and coordinate any required updates to the pay application. HILGARTWILSON will send the pay applications to the WWAB the Friday before the WWAB meeting. The WWAB meets on the third Thursday of each month, and Town Council will approve the pay applications on the fourth Monday of the month. The pay applications are then routed to USDA for final review and approval.

- Summary provided for Phase 2 alignment. Manhole replacement in the Mackey Camp area is complete. Due to the wet season, no additional repairs will happen in Mackey Camp for the next couple of months.
- Ty Borum with Kinkaid Civil Construction updated the WWAB on recent construction progress. Kinkaid is working in Gordon Street, and is now out of New Street. They completed the New Street work one day ahead of schedule. Kinkaid will continue moving west along the sewer alignment. They finished the jack and bore at Latham earlier in the day, and have one jack and bore left for the project. Kinkaid is also waiting on the redesign of a couple sections of pipe to determine whether or not they should move forward with cured in place pipe (CIPP) rehabilitation for those sections.
- Tim LeClair, who was recently assigned as AMEC's new project manager for this project, provided an update on the work at the Public Works Yard. AMEC met with both APS and Arizona Water Company to discuss the issue regarding the 8-inch Arizona Water main that feeds the storage tank on the hill, which in turn feeds a majority of the town. The pipe is AC pipe, but is not restrained, and is just held in place by the soil pressure. If the soil near the pipe is excavated, there is a concern that the joints may come apart. A separate, but similar 6-inch line also cuts across the Public Works Yard and crosses the proposed sewer alignment. While the new sewer main will be below the 6-inch pipe, the 6-inch pipe would still need to be exposed for the sewer installation. Arizona Water is concerned that if the pipe is exposed, the joints will fail and there will be no water for the Town. Several options have been investigated to mitigate the problem, including cutting the 6-inch line and capping it, while installing a new service line for the public works yard. Unfortunately, the line cannot be down for three to five days at a time, so another option for installing a bypass line is being evaluated. APS, who must excavate the contaminated soil along the sewer alignment, is waiting on Arizona Water for some specific requirements as to where they can pothole around the area, how close they can be to the 6-inch and 8-inch lines, etc. Both Arizona Water and APS have been informed as to the project schedule, that Kinkaid plans to be working in the public works yard in about 3-5 weeks, and that the water main issue will eventually hold up the sewer project if not resolved quickly.
- Discussion was held regarding the contaminated soil at the public works yard, which was the site for an old power plant. The soil has been tested and needs to be contained, with APS responsible for the excavation and containment. Additional discussion was held regarding the 8-inch water main, which is the main feed for Town, and which is approximately 20 feet from the proposed sewer. The 6-inch line that runs directly below the public works yard, and does not have any shutoff valves. Discussion was held about what can be done by Arizona Water to install insta-valves or other isolating valves and possibly thrust blocks along the line. Jerry Barnes noted that the City of Globe has been installing insta-valves in many locations in their system, and that such valves could potentially work for this location. Discussion was held regarding Arizona Water's involvement in project-related meetings during design, and about what can be done to keep things moving along, as this is a critical path item. Kinkaid provided 12-weeks' notice to APS and Arizona Water prior to the proposed sewer installation date.
- Kinkaid provided an update on the next couple weeks of construction work. They will continue down Gordon Street to the west, and also hope to be able to

- jump to Sykes Alley if they find that the proposed cured in place pipe (CIPP) is acceptable for that area.
- Discussion of construction schedule. The Phase 2 construction is generally on schedule. However, there is a two month delay shown at the end of the project for the work to be completed in Canyon Avenue. Kinkaid noted that until that work starts, the end date shown on the schedule will continue to be pushed back. It is unknown whether or not the Canyon Avenue section will remain in the Phase 2 contract.
 - AMEC met with Southwest Gas on Tuesday, February 16, 2016. Southwest Gas is agreeable to moving its new gas line over to be near the abandoned line along Canyon Avenue. The Southwest Gas representative is now discussing that realignment with his engineer. This realignment will allow the sewer in Canyon Avenue to be installed where shown on the Phase 2 plans. AMEC is also evaluating the potential for reducing the sewer depth in Canyon Avenue by bringing the Mackey Camp line out of the Bloody Tanks Wash further north, closer to the highway. This would reduce the depth in Canyon Avenue from about 15 feet to 5-6 feet. AMEC is waiting on a survey point along the Mackey Camp sewer to make sure the proposed realignment will work. Southwest Gas should be able to start its realignment work right away. Jay Spehar that noted a discussion should be held with Southwest Gas regarding the project schedule to encourage the gas company to quickly move ahead with the gas main realignment.
 - Discussion of change orders and allowances to date. So far, eight change orders have been approved by AMEC. USDA had questions and wanted additional backup information for four of these, and AMEC will be providing the requested information shortly. The remaining unknown utility allowance, including the \$50,000 increase approved as part of a previous change order, is approximately \$50,000. There is still approximately \$28,500 left in the Mackey Camp allowance (was originally \$30,000).
 - Additional information was provided and discussion was held regarding the project budget. The overall project is still on budget. So far, the Town has closed on \$9.8 million between two closings with USDA. A breakdown of the Phase 2 closing amount was discussed, which includes funding for Kinkaid's work, engineering/program management work, contingency, and WIFA repayment. AMEC's contract amount was also summarized for the WWAB. AMEC has \$258,000 remaining in its contract. Contract Amendment #27, for the extension of HILGARTWILSON's program management services through the end of November, which will be discussed later in the meeting, would add approximately \$119,000 to AMEC's remaining contract amount. Finally, the WIFA budget summary was provided, and there is approximately \$106,000 remaining from the WIFA loan.
 - Jerry Barnes asked some questions and additional discussion was held regarding AMEC's contract amount. AMEC has \$258,000 left in its contract. This is for the Phase 2 construction management work and for completing the Phase 3-5 plans. Phase 3-5 construction management and RPR services are not included in the current contract, and a new contract amendment will be required for these services.

- Phase 3-5 Easement Acquisition Update:
 - Dale Metz is continuing his work on the outstanding easements, coordinating with AMEC, HILGARTWILSON, and Susan Goodwin to get the Phase 3-5 easements finished up. To date, there are 24 easements in place for Phase 3-5, with six additional easements going to condemnation. There are an additional 13 easements that are in various stages of completion, and which are anticipated to come to fruition. Dale noted that there are still some issues with property transfers for properties of deceased owners, and that in all these cases, the new landowners seem willing to grant the desired easements. For the outstanding easements through corporate properties, the Town's attorneys are working with the landowners' attorneys to work out the language for the easements. A specific appraisal will need to be completed for each of the properties requiring condemnation.

b. Change Orders

- Change Order #5, for a \$119,319.22 increase (reduced from \$172,427.16) in Kinkaid Civil Construction's contract price for the projected additional costs of the additional repairs to the Mackey Camp sewer main, was discussed. During the monthly construction meeting, there was some discussion about the Mackey Camp costs and AMEC is still negotiating a few items with Kinkaid. Since improvements in the Mackey Camp area will not be moving forward until after the wet season, Mark Ipson recommended that this change order be tabled for the time being so that additional adjustments may be made. Jay Spehar noted that if it was planned to be tabled, then the item should not be on the agenda. Mark responded that he did not know it would need to be tabled until about two hours before the WWAB meeting. A motion was made by Rick Powers to table Change Order #5 until the next WWAB meeting. Jerry Barnes seconded the motion. All in favor.
- Change Order #6, for a \$6,388.25 increase in Kinkaid Civil Construction's contract price to cover costs incurred for the Arizona Eastern Railway right-of-entry permits was discussed. It was noted that this had been discussed in the last WWAB meeting. Jay Spehar asked if Joe Heatherly or Dale Metz had any comments on this change order and Joe stated that he felt it was too high, but that the Town needs to move forward with it. Brief discussion was held as to why this was not included in the original contract, and that the different parties interpreted the language of the revision (in Addendum #2) differently. A motion was made by Ray Webb to recommend to Council the approval of Change Order #6 in the amount of \$6,388.25 subject to funding agency concurrence. Rick Powers seconded the motion. Motion passed with three board members in favor (Jay Spehar, Ray Webb, and Rick Powers), and one board member opposed (Jerry Barnes).
- Change Order #7, for a \$15,112.80 increase in Kinkaid Civil Construction's contract price to cover costs incurred for concrete removal completed in the Town of Miami Public Works Yard that was above the 90 CY included in the bid items (the amount listed in the bid tab), was discussed. Mark Ipson noted that USDA did not have any further comments on this change order. Rick Powers noted that the descriptions on the cover sheet and on the second page don't match. AMEC will get the correct description in the final package to be submitted to USDA. A motion was made by Rick Powers to table Change Order #7 until the correct form is submitted to the Town. The motion was seconded by Jerry

Barnes. Ty Borum with Kinkaid Civil Construction then stated that this work was already completed several months ago, and that tabling the item will only prolong Kinkaid's payment for this work. Jerry Barnes stated that the WWAB only makes recommendations to the Town Council, and that it is up to the Council to table, approve, or reject the change order. The WWAB does not have authority to approve or reject the change orders or contract amendments, as it only makes recommendations to the Town Council. Mark Ipson noted that the sheet within the change order that has an incorrect description came from Kinkaid. The numbers and the header on the sheet are correct, but Kinkaid provided an incorrect description when they submitted it to AMEC. Mark asked the WWAB to recommend approval contingent upon the description being updated before the Town Council meeting. Jay Spehar stated that a motion had been made and seconded to recommend to Town Council that the change order be tabled, and that unless the motion is amended, he would need to call for a vote. Rick Powers amended the motion to now be that the WWAB recommend to Council the approval of Change Order #7 in the amount of \$15,112.80, subject to funding agency concurrence and subject to AMEC correcting the description prior to the Town Council meeting. Jerry Barnes seconded the amended motion. All in favor.

- Change Order #8, for a \$19,657.25 increase in Kinkaid Civil Construction's contract price to cover costs incurred for the jack and bore of an additional 50-ft of steel casing to avoid conflicts with gas, water mains, and power poles, was discussed. This is for work at Latham. Mark Ipson stated that USDA has asked this to be revised to reflect a smaller (5%) mark-up on subcontractor work. The revised, corrected amount of the change order would then be \$18,763.72. The jack and bore work for this change order has already been completed. Joe Heatherly stated that the information and explanation provided in the meeting is correct. A motion was made by Rick Powers to recommend to Council the approval of Change Order #8 in the amount of \$18,763.72 (reflective of the correct amount), subject to the numbers being updated to this correct amount as discussed, and subject to funding agency concurrence. Ray Webb seconded the motion. All in favor. Following the vote, Jerry Barnes stated that he hopes the future change orders that are presented to the WWAB will not need similar conditional approvals.

c. Payment Applications

- Kinkaid Civil Construction's (Kinkaid) pay application in the amount of \$970,717.54 for Phase 2 construction services was reviewed and discussed. The full amount will be paid by USDA. Mark Ipson noted that this pay application was discussed during the construction meeting earlier in the day and that USDA had a few comments that need to be addressed before they can approve the pay application. These include potential modifications to the time and materials being charged for several of the unknown utility conflict allowance requests (line item #54), which will slightly reduce the amount of the allowance request. USDA will provide the updates to AMEC, and AMEC will have Kinkaid revise the price downward accordingly. All change orders, including the change order for the additional unknown utility allowance, are being shown in a separate section of the pay application for clarity. Additional discussion was held regarding change orders and how they are shown on the invoice. USDA has requested some additional information for Change Orders #2 and #4, but an adjustment in the amounts of these change orders is not anticipated. Discussion was also held about how the amount shown on pay application would need to be approved by USDA, so while a few items

need to be sorted out, the WWAB can approve the total amount currently shown on the pay application. Joe Heatherly also noted that the numbers for the stored materials didn't seem to add up previously, but that Kinkaid provided additional clarification and Joe is now good with the numbers. A motion was made by Rick Powers to recommend to Council the approval of Kinkaid's pay application in the amount of \$970,717.54 subject to funding agency concurrence and Kinkaid making the changes requested by USDA. Ray Webb seconded the motion. All in favor.

- Brian McBride with AMEC stated that the reason the values shown on the change orders and pay applications are still being modified is that the project team is now routing the documents to USDA for its review concurrent to the WWAB review, so as to expedite the approval process. This allows the project team to resolve any USDA concerns sooner than it could if the documents were not sent to USDA until after they were fully approved by the Town. Discussion was held about the review and approval process and about how all recommendations by the WWAB are made subject to USDA concurrence.
- Curtis, Goodwin, Sullivan, Udall & Schwab's (CGSUS) pay application in the amount of \$1,898.76 for legal services was reviewed and discussed. The full amount will be paid by WIFA. The invoice is related to Phase 3-5 easement acquisition process and has been prepared to address comments made on the previous CGSUS invoice during the January 2016 WWAB meeting. Jay Spehar noted that some of the time on the invoice appears to be related to Tri-City coordination work. Joe Heatherly stated that the information shown on the invoice is correct. Motion was made by Jerry Barnes to recommend to Council the approval of that portion of the CGSUS pay application related to the Town's sewer project, subject to funding agency concurrence. Rick Powers seconded the motion. All in favor.
- AMEC's pay application in the amount of \$138,083.37 for five months of design, program management, and construction management services was reviewed and discussed. Of that amount, \$123,819.30 will be paid by USDA and \$14,264.07 will be paid by WIFA. It was explained that \$1,995.07 of this amount had already been included in WIFA Requisition #44, and for that reason, WIFA Requisition #46 is showing a deduct in the same amount. The total amount to be approved for the pay application is still \$138,083.37. Joe Heatherly expressed concern that the pay application covers a large time span, and noted that it is difficult to remember while he is reviewing the pay application what work was completed several months ago. Joe stated that AMEC needs to submit pay applications each month, just as the contractor is required to do. Brian McBride with AMEC stated that AMEC will be submitting future pay applications on a monthly basis. Joe stated that he hopes the design work for Phases 3-5 is much better than what was completed for Phase 2, as Phase 2 had too many unknown utility conflicts. Discussion was held regarding the Phase 3-5 design plans and how they can be improved. Brian McBride with AMEC stated that the Phase 2 design was completed five to six years ago with a different design team, and that the team currently working on Phase 3-5 design has been out to the field to observe field conditions and will prepare a much better design for those future phases. Joe Heatherly stated that AMEC's new project manager assigned to this project has been beneficial to the project. Brian McBride noted that AMEC has also done some redesign work for Phase 2, which is not being billed to the Town. Additional discussion was held about how to improve the overall project going forward. Motion was made by Jerry Barnes to recommend to Council the approval of the AMEC pay application in the amount of \$138,083.37, subject to funding agency concurrence. Rick Powers seconded the motion. All in favor.

d. Contract Amendments

- AMEC Contract Amendment No. 27, for a \$119,139.00 increase in AMEC's contract price to meet USDA contract requirements and to incorporate program management and construction management services into the contract, was discussed. Mark Ipson provided background on the program management services for the project. Since Contract Amendment No. 10 was executed, HILGARTWILSON has been a subconsultant to AMEC while providing the program management services. The fee previously identified in Contract Amendments No. 10 and No. 26 has been exhausted since November 2015. Contract Amendment No. 27 covers HILGARTWILSON's fees that have already been incurred for the program management work since November 2015, and will also extend the program management services through November 2016. Additional discussion was held regarding the scope of the contract amendment and the fees remaining from prior amendments. Joe Heatherly requested that the WWAB table Contract Amendment No. 27 to allow for him to have further discussions with USDA about the roles of the project team members and to see what can be done to improve the responsibility and processes for the project. Motion was made by Jerry Barnes to table Contract Amendment No. 27. Ray Webb seconded the motion. All in favor.

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

- No public comment.

V. Adjournment:

- Rick Powers motioned to adjourn the meeting. Seconded by Ray Webb. All in favor. The meeting was adjourned at 5:38 pm.