

# JOINT POWERS WATER BOARD MINUTES

Regular Meeting of

July 23, 2007

6:00 PM JPWT Plant Board Room

6:00 PM **Call to Order** by Chairperson Ron Klecker

**Board Members Present:** Joyce Paullin, Jerry Zachman, Joe Hagerty, Gerhardt Kottke, John Vetsch

**Board Members Absent:** None

**Staff Present:** Chris Larson, H.R. Green, Kelly Daleiden & Shelly Keyes, Veolia Water NA

**Staff Absent:** None

MOTION BY ZACHMAN, SECOND BY PAULLIN TO ADOPT THE AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

MOTION BY PAULLIN, SECOND BY ZACHMAN TO APPROVE THE MINUTES OF THE JUNE 25TH, 2007 REGULAR MEETING. MOTION CARRIED UNANIMOUSLY. Vetsch requested the header on the minutes be corrected to reflect the June 25<sup>th</sup> meeting date and all Board Members agreed.

MOTION BY VETSCH, SECOND BY PAULLIN TO APPROVE THE CONSENT AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

There was no **Unfinished Business**.

There was no **New Business**.

Under **Engineering**, Chris Larson presented a change order request on Wellhouse 9 from EnComm for \$76,786.20. Larson explained the project was delayed for almost six months due to the lengthy plan review by the Minnesota Department of Health and the well drilling bit used by Traut Wells becoming stuck at the Well 9 jobsite. Larson added about \$50k of the proposed change order was related to these problems, while the remainder was created by piping changes, concrete footings, additional fencing and soil corrections HR Green requested.

Larson also noted material costs such as copper wiring and fuel increased during the delay and winter construction costs such as ground thawing and heating/covering masonry were also incurred. Larson stated JP staff discussed the winter construction costs with EnComm and determined the cost to continue working through the winter would be less than the cost of paying additional mobilization, project management and opportunity costs (money the contractor could have made on a different job).

Zachman asked if some of the delay costs could be recovered from Traut Wells and also questioned the paint costs. Larson replied that the majority of the delay was caused by the Health Department and that Traut Wells probably lost significant money on the project due to the Health Department delay, along with the drill bit being stuck, and never requested any compensation. Larson added Wellhouse 9 paint was epoxy and although the building is not large, all piping within the structure requires paint.

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Kottke commented that when a job is bid the price should not change from that bid price. Larson explained the bid was presented based on summer construction costs and the Health Department delay extended the project schedule out to include winter work.

Hagerty asked if some of the costs were redundant and Larson explained he did not believe they were. Zachman asked about an email sent to Steve Bot regarding no additional costs being incurred and Larson explained the email was sent by Chris Catlin of HR Green and referred to Traut's drill bit being stuck. Catlin had confirmed there would not be additional costs in regards to that situation and there has not been. Larson added he had reviewed a letter from EnComm submitted when the project contract was signed stating the contract was being entered into six months later than anticipated, so costs could be different than the bid price.

Zachman requested additional documentation of costs and Larson agreed to obtain a more detailed breakdown, but added both he and Browning reviewed most of the invoices for costs listed on the change order request.

Paullin questioned the fuel charges submitted and Browning explained it has become common practice to include fuel surcharges on invoices, even for items which are at a contracted price. Paullin also questioned the delay time caused by the Department of Health and whether the delay could have been anticipated based on the normal turnaround time of obtaining permits. Larson replied he believed the Department of Health does have a standard turnaround time for approval on most permits. Browning added the permitting for this project took longer since the Health Department hasn't dealt with many Aquifer Storage and Recovery wells and also the person in charge of these permits was ill for over two months.

Hagerty asked Larson if HR Green has ever been able to negotiate cost overruns with other contractors. Larson replied the risk of negotiation is that EnComm may also ask for reimbursement of project management and opportunity costs that were also incurred. Zachman asked if JP knew about the additional costs as they occurred and Browning replied that as Chris Catlin was leaving discussion with EnComm regarding the costs had occurred. Klecker questioned items 4, 15 and 16 related to heating costs and Larson explained that some line items were for actual heating equipment, while some items included fuel and rental equipment charges.

Zachman suggested the Board table the Change Order Request until more documentation of costs can be reviewed. Paullin also requested a list of the contractors and their bids for this project. Hagerty noted the Change Order and Pay Requests were already in the list of claims and Keyes stated she would pull and void the checks. Larson added he would submit a pay request to reflect the lower dollar amount. Larson also stated he would obtain quotes/prices for the additional items for Board review. **MOTION BY ZACHMAN, SECOND BY PAULLIN TO TABLE THE ENCOMM CHANGE ORDER REQUEST UNTIL COSTS CAN BE FURTHER REVIEWED. MOTION CARRIED UNANIMOUSLY.**

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MOTION BY PAULLIN, SECOND BY VETSCH TO APPROVE PAYMENT OF \$13,281.45 TO ENCOMM FOR COMPLETED WORK ON WELLHOUSE 9 IN LIEU OF PAY ESTIMATE #10. MOTION CARRIED UNANIMOUSLY.

Under **Operations/Office**, there was nothing to report.

MOTION BY ZACHMAN, SECOND BY PAULLIN TO REMOVE CHANGE ORDER #3 AND PAY ESTIMATE #10 FROM THE LIST OF CLAIMS.

MOTION BY KOTTKE, SECOND BY ZACHMAN TO APPROVE THE REVISED LIST OF CLAIMS. MOTION CARRIED UNANIMOUSLY.

In **Other Business/Announcements/Correspondence**, Larson informed Board Members the watermain work being completed during the Wright County Road 19 project would require 50<sup>th</sup> Street to be shut down for several days beginning July 24th to install the upsized piping/valves in conjunction with other work the contractor is completing at the same time. General discussion followed.

MOTION BY ZACHMAN, SECOND BY PAULLIN TO ADJOURN AT 6:35 PM.  
MOTION CARRIED UNANIMOUSLY.

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Recording Secretary