



BUCKSKIN SANITARY DISTRICT

P O Box 5398
Parker, AZ 85344

MINUTES **OF THE BUCKSKIN SANITARY DISTRICT** **BOARD OF DIRECTORS** **Regular Meeting**

Tuesday, March 21, 2017 @ 6:00 p.m.

BSD District Offices 8832 Riverside Dr. Parker, AZ 85344

Elected Board Members and District personnel present: Chairman Jeff Daniel, Director Gary Svider, Director Andy Hinson, Director Jay Clagg and Pat Jones. Staff: District Manager, Wayne Posey, District Administrator Pam Stark. Other Attendees: Tina Childers, CNB Excavating, Mike Byrd, River Septic, and Valerie Hinson.

1. Call to Order/Roll Call

Chairman Jeff Daniel called the meeting to order and held roll call at 6:05 p.m.
All were present

2. Call to Public

None

3. A). Approval of Regular Meeting Minutes dated 2/21/17.

Director Jay Clagg made a motion to approve the Regular Meeting Minutes 2/21/17.

Director Andy Hinson seconded

Vote -4 ayes 1-abstention Motion passed

B). Approval of Accounts Payable dated 2/1/2017 – 2/28/2017

Director Andy Hinson made the motion to approve the Accounts Payables dated 2/1/2017–2/28/2017.

Director Jay Clagg seconded

Vote - 5 ayes Motion passed

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4. (Discussion Items) District Managers Reports
 - A. Operator Report was given by Wayne Posey. He stated the flows and explained the flows and the sampling. He went over the call outs. He presented the pictures of the manholes that were recoated and the digesters being pumped. Director Pat Jones and Gary Svider asked about the ragging problem on the probes and Mike Byrd said that he was wrestling with a solution on that issue.
 - B. Pam asked the Board to visit their calendars so that a Workshop could be held to develop a short list of firms for the recent RFQ on the Phase 5/6 WWTP and Wastewater Conveyance System design. She said that she would be calling everyone for their availability the week of April 3rd.
 - C. Wayne gave his project status report and went over the construction for the Phase 4 Project and explained where CNB was working and the issues that were happening with an open cut in the asphalt and some drivers damage and experiences. He also talked about the complaints that have been coming in regarding their traffic control and the District has been directing them to La Paz County Public Works as the District isn't involved in the traffic plans. He addressed the fact that CNB has hired two (2) other contracting firms to work on their behalf with Lift Station 2 and 3 and in Jolly Knight and some other locations. He also notified the Board of a written notice of differing subsurface conditions at MH #12 and stated he would address more in a future agenda item.

Wayne also updated the Board on the Phase 5/6 PER and said he would go in more detail on a future Agenda item also.

Director Gary Svider asked how things were going with the Area 3 refinancing and Pam stated that it is slow going and that she is working on getting a list to the County Assessor's office to get the FCV's needed by Mark Reader to explore some financing options. We did find out we don't qualify for the WIFA refinancing due to the Davis Bacon laws.
5. Executive Session – Not needed
6. (Action Item) Discussion and possible approval of CNB Excavating, Inc. No Cost Change Order #4 in the amount of \$0 for the construction of the Phase 4 Wastewater Conveyance System Project. Wayne handed out some revised documents to the Board for this item that he received at the very last minute and went over the Change Order #4. He explained that it was a no-cost Change Order and was done to amend the Contract Documents interpretation by the District, Rural Development and CNB Excavating. This relates to Pay Request #6 that the Board approved in February pending RD's approval. The bulk of that Pay Request included Stored materials and there was some disagreement on what was required for the payment on these stored materials. He referred to the contract documents Sections 14.07 B. and 15.01B as well as the Section 00800 that addressed stored materials and how they are reimbursed to the contractor. After much discussion, an understanding was determined between CNB Excavating, Inc. and Rural Development and this Change Order addresses that so that Pay Request #6 can be paid. He also stated that it should be

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noted that CNB is required to pay their stored material vendors after they receive these funds. He said that himself and Monte Wilson, CM from Slater Hanifan Group believe this is reasonable and recommend for the Board to approve Change Order #4.

Director Hinson asked if this was just for language and Wayne stated yes.

Director Jay Clagg made a motion to approve Change Order #4 in the amount of \$0.

Chairman Jeff Daniel seconded for discussion

Vote – 4 ayes 1 -nay Motion passed

Director Pat Jones said he would like to explain his vote due to not receiving the updated documents in a timely manner.

7. (Action Item) Discussion and possible action to approve the February 2017 progress payment application for CNB Excavating, Inc., subject to USDA Rural Development funding agency concurrence in the amount of \$61,364.35 for the Phase 4 Wastewater Conveyance and Treatment Plant Improvement Project.

Wayne explained that this is the March Pay Request #7 for CNB Contracting, Inc. and is contingent on Rural Development approval. There are some other stored materials on this pay request as well. Director Svider asked for clarification on the meaning of stored materials. Wayne explained that there are materials that the contractor orders for the job such as sewer pipe, manholes, pumps, etc. and that they are either delivered to the site or held at the manufacturer and they need to be secured and marked as belonging to the District when stored offsite. Director Jay Clagg and Pat Jones had some concerns over materials sitting along the side of the road for months and what if someone were to damage or steal them...who is responsible. Wayne explained that everything is the responsibility of the contractor until we accept the project.

Director Andy Hinson made a motion to approve as read pending Rural Development approval

Director Pat Jones seconded

Vote – 5 ayes Motion Passed

8. (Action Item) Discussion and possible action for the Board to approve Western Technologies Inc. authorization for services for additional geotechnical engineering services for the Phase 4 construction project on an as-needed basis not to exceed \$10,000.

Wayne explained that CNB had submitted a notice of differing subsurface and physical conditions that were encountered at MH#12. Per the Phase 4 Specifications section 00700 the contractor must conform to the spec 00700 5.04 and allow the District to have the CM's engineer inspect the site and not to disturb the conditions or perform any work. The District will then issue a written statement permitting the contractor to continue to work at the site after inspection. In July 2012, the District hired Western Technologies to perform geotechnical evaluations of the Area 4 Project which included 48 separate borings and a report which included the description of the subsurface materials, moisture and approximate depth of where ground water was encountered. On March 15, 2017 Monte Wilson inspected the site at MH #12 and immediately issued a written response to CNB indicating the site conditions were observed to be consistent with the contract documents and there was no differing site condition and the work is contract work.

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Director Andy Hinson asked if the fees would be reimbursable by Rural Development from the proceeds and Wayne stated yes. Director Pat Jones asked if on the geo-tech borings, how many times have they been wrong and Wayne stated none.

Director Jay Clagg made a motion to approve additional geo-technical engineering services for the Phase 4 construction project on an as-needed basis not to exceed \$10,000.

Director Pat Jones seconded

Vote – 5 ayes Motion passed

9. (Action Item) Discussion and possible action for the Board to approve Energy & Water Solutions Consulting Engineers Phase 5/6 PER contract Amendment #2 in the amount of \$8,020.

Wayne explained that in March 2013 EWS submitted a proposal to conduct a PER for the proposed Phase 5/6 project. The report was completed and submitted to Rural Development in April 2014. In February 2015, a comprehensive review was completed by RD and the PER required some revisions. At that time the District was notified by RD that the existing residences could potentially be eligible for additional funding for residential lateral connections and the PER had to have more revisions. In February 2017, the District was informed of the funding status of the Phase 5/6 project and several questions were raised on how RD calculates the funding percentages between the loan and grant amounts. To receive the maximum amount of grant funding and with the new information the District has received from RD, the PER will need to be updated. EWS has expended all the funds allocated for the PER work on the Phase 5.6 project and is asking to transfer the balance of the Phase 4 project funds in the amount of \$8,020 to finish the work. This amendment #2 is a reimbursable expense from the RD funds. Director Andy Hinson asked for clarification and Wayne went over it with him.

Director Pat Jones made the motion to approve Amendment #2 to the EWS Phase 5/6 PER contract in the amount of \$8,020 and move the funds needed that were left over from the Phase 4 Project.

Director Jay Clagg seconded

Vote – 5 ayes Motion passed

10. (Action Item) Discussion and acceptance of the 2015-2016 BSD Audit by Henry & Horne LLP.

Pam presented the 2015-2016 Financial Audit to the Board and went over the Revenues and Expenses. She discussed that the staff is looking to go out with an RFQ as the cost of this audit with the current firm is way too high and that this next fiscal audit will also require a single audit due to the federal funds over \$750,000 from Rural Development.

Director Jay Clagg made the motion to accept the 2015-2016 BSD Audit by Henry & Horne LLP

Director Andy Hinson seconded

Vote – 5 ayes Motion passed

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11. (Discussion Item) Presentation of the 2017-2018 Budget to the Board

Wayne presented the Budget to the Board for their review. He and Pam explained that the numbers all need to be revised a few times as we get closer to finalizing this Budget. There were questions from the Board on how to separate out the funds and show expenses that are earmarked for the Phase 5/6 project and Wayne said that he is developing a couple ways that it can be shown for the Board's consideration.

Open Comment:

Director Hinson asked if Wayne had had conversations from the people at Moonridge and Wayne stated that he has met and talked with some property owners and with Heather who manages the HOA there. He explained that information will typically flow to people that is without merit and his door is always open to anyone that has questions.

Director Gary Svider asked about the manhole at Riverside Dr and Rio Vista Rd. Wayne explained that the road is sinking, but the manhole is OK inside and until they fix the road we can't make repairs to the level of the manhole.

Chairman Jeff Daniel adjourned the meeting at 7:50 p.m.

Minutes approved _____ Dated _____
Chairman Jeff Daniel

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