

SPANISH VALLEY WATER & SEWER IMPROVEMENT DISTRICT

Regular Meeting -----August 19, 1998

The meeting was called to order by the Chairman, Paul J. Morris at 7:02 p.m. at the District office. Other Board members present were George White, Dan Holyoak, Neal Dalton, and Karla VanderZanden.

Others present were Dale Pierson, Marsha Modine, Rhonda Riberia, John Chartier and Rusty Jones of Sunrise Engineering; Brent Rose of Clyde, Snow and Swenson, Al McCleod Grand County Councilman, Brian Golbach of Capitol Indemnity Corporation, Dave Cozzens of Cozzens Construction, Len & Cheryl Sorensen

After calling for additions or corrections to the minutes of the meeting of July 15, 1998, and hearing none it was moved the minutes be approved as circulated to the Board. Motion: Neal. Seconded: George. Motion carried.

Check approval: Motion: Karla. Seconded: Dan. Motion carried.

Citizens Concerns:

Len Sorensen, 4575 Spanish Valley Drive, presented the damages done by Ralph Olsen Construction Company to Len's property. He stated he sent letters itemizing damages to Ralph Olsen Construction and to the District. Len stated he was told Capitol Indemnity Corporation would be responsible for the damages, which include damage to his chain link fence, corner post, removal of flowers, fence pushed in with heavy equipment damaging fence and lawn, 3 evergreens damaged by a broken hydraulic hose, and more. Brian Golbach asked Len for an estimate of repair costs, to which Len responded \$4200.00. Len added he had already done a lot of work himself, and that he had photos of the damage if they are needed. Brian stated he would take care of this, but could not guarantee a price. Dale stated he has documentation regarding this matter.

Len
Sorensen

County Council Concerns:

Al McCleod presented the Grand County Council's concerns regarding roads that are in disrepair. He stated that the Council was receiving numerous complaints from citizens. Brian stated that Ken Condie, (who is the subcontractor currently under consideration to complete the work), plans to have subcontractors out to get remedial work and clean up started as soon as possible. Brian also stated that if needed bids could be taken to do temporary chip sealing. Brian assured Al that the County's concerns over the roads will be taken care of.

Grand
County
Council
Concerns
Regarding
Roads

Sewer Project:

Brent Rose recapped the August 6, 1998 meeting in Salt Lake City between himself, Brian Golbach, Capitol Indemnity Corporation's Counsel David Zimmerman, Dale Pierson, John Chartier and Val Kolfoed of Sunrise Engineering, and Ken Condie of Condie Construction. At that time, Condie & H & K Construction Companies were requested to visit the work site, review the project, and submit bids by August 17, 1998 to CIC. Brian was to contact County Administrator Dave Hutchinson to discuss temporary repairs to the roads, and agreed to meet tonight with the Board to present plans for moving the project forward. Also agreed upon was the Pre-Construction meeting August 20, 1998 at 11:00 am at the District Office. Brian stated he did not know if David Zimmerman had contacted the County Administrator or not. Brian recapped the history of the projects problems to date, stating that CIC agreed to bond

Sewer
Project

Ralph Olsen Excavation based on financial data. A year later, CIC realized that Ralph Olsen Excavation had problems, as Ralph was deceased and his company had been taken over by his widow Jacki, and his son. Grand County revoked its encroachment permit due to the amount of roads that required repair. Ralph Olsen Excavation filed for Chapter 11 bankruptcy last winter. Brian stated the Contractor must be in default for CIC to take over. CIC was told at that time, that they could not get asphalt, as the supplier had shut down for the winter. Ken Condie will not have that problem as he has found a different supplier, according to Brian, who will stay open for the winter due to the amount of asphalt needed for this project. Brian stated Ken Condie is fully capable, and plans to have 2-3 crews working on restoration, laterals, clean up, etc. Condie cannot start on the untouched portion of the project until November 1, 1998 due to prior commitments. CIC was worried about going over bond limits, and would not give a 1 - 1.2 million dollar project to a contractor who would not bond back to CIC. CIC did have another bid from a contractor who could start immediately, but they bid \$200,000.00 higher, according to Brian. Ken Condie won't know the final price, but CIC is confident Condie won't go over bond limits. Brian apologized for the state of the project, saying Ken will be back again to do more investigation, check out pipe, etc. Ken estimates 3 months to complete the full project once started in November, CIC estimates four months. Paul asked if a contract was sent to Ken. Brian said no, he had just received Ken's numbers today, and would probably have a contract for Ken next week, as David Zimmerman was in trial until next week. Dale asked if Ken was coming tomorrow for the Pre-Construction meeting. Brian said no, it was too soon for Ken to do that, he did not have all his numbers. Al asked how much of the project was completed. Brian stated 82% is what he was given. Dale estimated 80% as far as physical pipe in the ground, but likely less due to problems, clean up, poor workmanship (which may not be discovered until a future date given the nature of the project). Old Mail Trail, Red Cliff Rd, Lemon Lane, etc. require patching. John asked when Ken would be down to repair roads, and what timeline we could expect. Brian said Ken would be here as soon as he could. John stated we are already over the County Council's timeline for road repair. Al stated the worst case to be a problem sawing the roads, taking out poor work. Brian said that CIC is not anticipating problems, as all areas have been well inspected. Al asked if Condie begins on November 1, jumps in with 2-3 crews, how long will it take? Brian stated Ken felt 3 months, but CIC estimated four. Dale noted weather will affect the time frame. Brian said he did not know the specs on temperatures for asphalt. John said there is a minimum temperature for working with asphalt, and you cannot work with asphalt in the snow. Al stated the total standstill is frustrating, folks will be happy when work starts. Al stated the County Council would need a timeline, when could they expect Ken to get started repairing the roads? Karla asked for clarification of whether the contractor had signed a contract yet. Brian said no, but CIC had 8 years of experience working with Condie Construction, and is sure a contract will be signed. Dale reiterated that Ken needs to state a time frame for road restoration or temporary patching. Al asked if Ken would be here tomorrow. Brian said no. Dale suggested calling Ken and asking him to call Dave Hutchinson, County Administrator, directly. Brian said he did not know what was expected at tomorrow's meeting. John said a timeline was needed, and suggested Ken attend. Brian asked why Ken should be there, as it was too soon. Brent explained that the State of Utah required assurances. Karla asked for clarification, asking Brian to explain his statement that the reason the Bonding Company did not respond for six months was due asphalt not being available. Brian responded that he has copies of letters in a thick file starting either November 13 or 14. The default letter did not go out until over the Christmas holiday, and CIC could not take over for the Contractor until the default letter was sent. Karla responded that we have a credibility issue here, for example, why are we just now hearing about the

asphalt? Paul added there was plenty of work that could have been done without asphalt, that asphalt is not the only reason for the delay. Brian responded that you cannot work a project that way, doing it piecemeal. Paul said, there is work to be done, the asphalt could have been procured from another company, this is not a viable excuse. Brian said no one local wanted to supply the project, and he couldn't get a contractor. Paul said his company could not get a contract from CIC, that the contract that he and Rocky Mountain Excavation had received was deemed unacceptable by the Attorneys of both Paul and Rocky Mountain Excavation, which is why Paul asked about Ken receiving a contract. Brian said he was not worried, Ken didn't need a contract, and that the other Contractor worked out of a shack, and Brian never sent him a contract. Paul asked "You never sent him a contract?" Brian answered no, he lives in a shack. Paul asked again, and Brian said he believed Rocky Mountain Excavation might have been sent a contract. Brian added he wanted to get someone working on the project in February of 1998, and almost brought in a contractor from Michigan, but no one in Utah wanted to supply the project. Brian was sorry about the project mess, but stated he was not taking the full blame. Neal asked Brent if he was satisfied with what he was hearing. Brent said not so much from a legal as a business standpoint, but the presented plan seemed sound, yes. Brent said the District needs a clear understanding of who is in charge, very clear, in writing as to who will be the superintendent. Brian said he did not understand why Ken would not want to do that himself, that Ken is authorized to speak for CIC. Ken can take care of small fixes, high ticket items would require approval. Brent stated we need to know when and how pay requests etc. will be handled. Brian said pay requests would be done by Ken, sent through the normal funding agency pay request channels and then sent to Brian at CIC to be approved and paid. Dale noted that was for contract items, but questioned what the procedure would be for non-contract items being paid. Brian stated that small fixes won't go through the District, but straight to CIC. Paul thanked Brian for his time, and reconfirmed the Pre-Construction meeting August 20, 1998 at 11:00 am at the District Office.

Georgia Hamblin Concern: The Board was presented with copies of letters sent to Georgia. Steve Russell sent a letter explaining that as property owner, Georgia was in fact responsible for the bills incurred by her tenant. The District sent a letter stating that 30 days from receipt of said letter, the bill would be due and payable. If the bill went unpaid, the water would again be shut off. The certified letter from the District was received by Georgia July 29, 1998.

Georgia
Hamblin

Sewer Variance Policy: Dale presented a draft of a Sewer Variance Policy to the Board. Brent said that since County Ordinance dictates that properties within 300' of the sewer line must hook up, and the Ordinance states that said properties must pay the monthly fee regardless of whether they are hooked up or not, the District could not institute a variance. The next step would be to have the County Ordinance revised to specify it was okay for the District to vary from this Ordinance. Likewise, if the City of Moab is bounded by the same Ordinance, they would need to be contacted, as a variance could affect them. Brent also said that sewer bond documents need to be reviewed to determine if variances could be allowed under their restrictions. This issue was tabled for research of Moab City Ordinances and Bond documents.

Sewer
Variance
Policy

Water Project: Dale attended a meeting in Tropic, Utah at which the project was awarded a 2.4 million dollar loan at .535% interest and a \$600,000.00 grant. The balance of the monies needed would come from local contributions, Rural Development, and CIB, State Revolving Fund which was only for projects for existing

Water
Project

needs, not for new development. Likewise, this would only be done with the approval of the public. Dan made the motion to submit an application to Rural Development for a \$450,000.00 loan and \$450,000.00 grant as well as an application to CIB for a \$300,000.00 grant. Seconded: Karla. Motion carried.

Water Conservation Plan: Karla and Neal will head the Water Conservation and Education Committee. A public notice and a news release were published in the Times Independent. Letters of interest were received from Janis Adkins, and Audrey Graham. Karla requested that Dale draft letters notifying Janis and Audrey of their acceptance on the Committee. As public response was minimal it was suggested to send letters to Gil McDougald, George Roberts, or others asking them to consider serving on the Committee.

Water
Conservation
Plan

Request for Recycling Donation Collection Plan: The District was requested via a letter in the Times Independent to join the City of Moab and accept \$3.00/month donations for the Recycling Center on the monthly bills. Rhonda explained the rigidity of the current billing system precluded adopting this easily or efficiently. Dale stated this item was on the agenda basically as an FYI for the Board. Karla stated she did not feel that Water and Sewer District billing was the appropriate format for funding recycling.

Recycling
Donation
Collection
Request

Financial Statement: The financial statement was presented to the Board.

Items from Staff:

Request for a Contribution to Project WET: A letter from Lyle Summers, Chief of Water Education/Conservation for the State of Utah Department of Natural Resources, Division of Water Resources requesting a contribution to Project WET was presented to the Board. Last year the District contributed \$100 to the Water Education Program. Karla made a motion to contribute \$100.00 to Project WET. Seconded: Dan. Motion carried.

Spanish Valley Water & Sewer Service Agency:

GCWCD & GCSSWD approved the Interlocal Agreement and makeup of the Operating Committee at their Regular Meeting August 13, 1998. A memo is forthcoming regarding the first Agency meeting and what decisions will need to be made at that meeting. Dale stated that the Agency needed to be up and running by November 1 in order for the budget process to proceed smoothly.

Meeting adjourned at 9:15 p.m.

ATTEST:


Paul J. Morris, Chairman


Neal K. Dalton, Clerk