

PUBLIC WATER SUPPLY DISTRICT #13
Minutes of the December 14, 2011
Regular Session of the Board of Trustees

The Board of Directors of Public Water District #13, Jefferson County Missouri met in regular session at 7:00 p.m. on December 14, 2011 at 5706 N. Lakeshore Dr., Hillsboro, Missouri.

Roll Call of Directors

The following Directors being present or absent as indicated:

<u>Name</u>	<u>Present/Absent</u>
Marilyn Meyer	Present
Rich Hirsch	Present
Rick Lippitt	Present
John Hindrichs	Present
Ken Jost	Present

Also in attendance was Janet Hirsch (JWH, LTPOA Board member).

Approval of Agenda

Motion was made by John Hindrichs and seconded by Ken Jost to accept the agenda. On voice vote, all Directors were in favor of accepting the agenda.

Approval of Minutes of Past Meetings

The regular session Minutes of the Nov. 9, 2011 meeting were emailed to the Directors prior to the meeting. Motion was made by Rick Lippitt to approve the regular session Minutes as written. Second was by John Hindrichs. On voice vote, the regular session Minutes were approved.

Treasurer's Report

Billing issues -- Billing and payment options

Janet reported that a brochure describing billing and payment options was sent out with the last invoice.

Delinquent payment issues

According to Jennie, seven homeowners are two months late in paying their sewer bill. With the bill mailed January 1, we should start adding 10% to the bill for delinquent accounts. We should also send out a revised "final notice" to account owners that they are two or more months behind in payment.

One problem is that we have not strictly enforced deadlines in the past. The best example of this is the deadline for installing the electrical circuit. That deadline was not enforced until the contractor was ready to connect the house gravity line to the STEP tank.

There was a lengthy discussion of how to word the letter warning delinquent homeowners that there sewer service will be turned off if they don't pay their sewer bill. More work is needed on the letter. MM will contact an administrator at Cedar Hill Lakes to find out how they handle delinquent accounts.

Update report from Jennie

Jennie has not yet completed the cash flow report for Nov. 2011 for USDA-RD due to a lack of time. JH pointed out that Jennie's time to work on sewer district issues will become scarcer when we get closer to tax time because of Jennie's full time job.

Approval of settlement with Brunjes

Janet requested that MM sign the agreement she received from Bob Sweeney and 1) Send one copy to Donna (USDA-RD) with a note that saying that the \$10k had already been approved by the District at a previous monthly meeting; 2) Send another copy to Bob for his files; 3) Send another copy to Carol instructing her to

send a check and signed copy of the agreement to Mr. Brunjes' attorney when the money is deposited into the construction account by USDA-RD; and 4) Keep a copy of the agreement for the sewer District's files.

Lump sum payment to LTIA for Comm. House well connection

A motion was made by John Hindrichs that \$200 be paid to the LTIA for letting the sewer district connect a water line to the Community House water well. *[This water line will be used to provide water for the new plumbing facilities at the sewer office at 5706 N. LSD.]* Motion was seconded by Ken Jost. Motion passed.

Invoices to be approved

Ten payments were submitted for payment approval. These submissions are listed below.

Date	Category	Payee	Invoice amt	MO DNR 40% grant	USDA-RD loan
11/30/2011	Eng testing	Taylor Eng	0.00	0.00	0.00
11/30/2011	Eng admin.	Taylor Eng	0.00	0.00	0.00
11/30/2011	Eng inspection	Taylor Eng	5,739.00	2,295.60	3,443.40
11/30/2011	Construction	TGB Inc	79,813.29	31,925.32	47,887.97
11/21/2011	O&M	Hirsch, reimbursement	109.34		
11/30/2011	O&M	Lakenan Insurance	3,664.00		
11/30/2011	O&M	AmerenUE	270.76		
11/30/2011	O&M	LTIA, water use utility	200.00		
12/06/2011	O&M	MO Lawyers Media, election ad	49.00		
11/30/2011	O&M	WRM, WWPT Operator	775.00		
		Total	547,427.53	218,166.80	327,250.19

Notes

- a) There was no Eng. admin. charge for this month, since 98% of the budget had already been paid out.
- b) For this period TGB is billing the District for work completed (\$112,922) minus material-on-hand (\$24,240). Because there is a retainage of 10%, the invoice amount is \$79,813.
- c) TGB's payment is for 13 installed and operational STEP systems, 2,154 ft of lateral lines, and additional 1.493% of the WWTP completed (total = 97.03% of budget).
- d) Payment to Lakenan Insurance was for liability insurance and is for 1 year.
- e) JWH calculated that as of Nov. 30, 107.6% of the scheduled construction time has been consumed and 87.6% of the budgeted amount for construction has been spent (includes credit for stored materials).
- f) Hirsch reimbursement for padlocks (3) and keys TP, and telephone for sewer office.

Motion was made by Rich Hirsch to approve payment of the above invoices. Second was by John Hindrichs. On voice vote, payment of the invoices was approved.

Bank Administrator appointment

Jennie requested and Eagle Bank suggested that JWH be named Bank Administrator for the Eagle Bank accounts. JWH's main duties will be assigning user IDs and providing technical assistance to Carol and Jennie. While JWH will be able to view the District's accounts, she will not be able to move or withdraw funds.

Motion was made by John Hindrichs to appoint Janet Hirsch as Bank Administrator for Eagle Bank accounts. Second was by John Hindrichs. On voice vote, her appointment was approved.

Auto payment of electric bill

Motion was made by John Hindrichs to pay the Ameren electric bill by automatic deposit. Second was by Rick Lippitt. On voice vote, the motion was approved.

Old Business

Homeowner's questions/problems/concerns, progress in resolving -- Homeowner's manual update

JWH is still reworking the homeowner's manual given to us by Orenco. When contacted, Orenco said that they would design and print a manual specifically for Lake Tish, but JWH has not heard from them lately.

Construction update

Access road easement expiration

On Dec. 12 TGB was told by an employee of Mr. Telle that the easement to the TP had expired and TGB could no longer bring in materials over the access road. TGB had scheduled a rock delivery on Dec. 12 for the TP.

The agreement with Mr. Telle was signed in March, 2010. In the agreement the district was given 365 days to use the road after it was deemed complete by the District. Based on the Minutes, that was in Oct. 2010. So we have had use of the road for longer than the time period granted by the agreement. When the agreement was approved, everyone thought that 1 yr. would be more than enough time to complete the TP.

Attorney Bob was asked to contact Mr. Telle and see if he would allow an extension for TGB. Bob said that Mr. Telle was willing to give the District until the end of the year in exchange for 1) Payment by the district for a load of gravel to repair the road to cost no more than \$2000 and 2) Correction of the 2010 IRS form 1099. Mr. Telle wanted the \$77,500 payment listed as "other income" instead of "nonemployee compensation".

TGB declined to pay for Mr. Telle's gravel as they believed 1) \$2k was excessive and 2) The weather may not allow moving the rock by Dec. 31. Additionally, they have to place rock on the dam anyway, so there will have to be some truck traffic on top of the dam anyway. TGB said that Jeff County restricts load weights so the loads will be less than 18 tons.

So it looks like we'll be taking the rock over the dam in slow, limited loads.

Road repair and retainage

To help us calculate a reasonable retainage amount, engineer Tim sent us an estimate of the cost of completing the project without TGB. Tim's explanation of his estimate of \$101,500 is attached at the end of these minutes. Steve (TGB) told Tim that they believe 3% to 5% retainage is adequate. His rationale:

"As far as the estimate for yard restoration I don't have a problem with that assessment. We will self-perform the asphalt restoration and had figured between \$38-\$42/SY, which equates to around \$26,000. We were aware of the potential for damages when we started the process on the south side and took precautions to lessen the possible damages. For argument sake for now we can agree to the doubled figure. We have addressed many property owner concerns already and Mike, with Bob, discussed the outstanding concerns yesterday. I would agree that 5% retainage is more in line with the outstanding scope of work. Can you request a 5% retainage change order?"

There was a lengthy discussion of retainage. Everyone on the Board believed that 5% was too low. This was based on the documented items left to finish and the uncertainties of the items left in the punch list. Also, while we accepted TGB's estimates of what their costs would be to finish the project, we doubted that we could find another contractor to work as economically as they would.

Motion was made by John Hindrichs to reduce the retainage from 10% to 7% and re-evaluate the situation on a monthly basis. Second was by Rick Lippitt. On voice vote, the motion was approved.

RH will notify Tim to prepare the change order to reduce the retainage to 7% (\$290,553 -> \$203,387).

Operator Update

There was no operator update for the December meeting. *[As it turns out, Dave's report was mailed to the district and was mistaken as a sewer payment and given to Jennie. -- rhh]*

Sales Office Modification Update

Rent to LTPOA discussion

There was a discussion of what rent is a reasonable amount to pay to LTPOA for use of the office at 5706 N. LSD. There were various opinions including:

- The new windows and toilet facilities were installed, because the building is to be used as the sewer office.
- The new windows cost \$3600 and could be paid for over a 10 yr. period at \$30/month.

- The bathroom installation will probably cost about \$3k and could be paid for over a 10 yr. period.
- The LTPOA will use the office for document storage and occasional meetings and so will get some use out of the building.
- The cost to rent could be set based on square footage and average rental costs at a strip mall.
- Until the District gets a handle on our monthly costs, we should only pay the building's sewer and electric bills.

There was no decision made on rent.

New Business

April 2012 election

The filing period for director openings in Districts 1 and 2 began Tuesday Dec 13 at 8am. The election notice appeared in the Dec. 9 issue of *The Countian of Jefferson County*. RH monitored the Sewer Office for candidates from 8am to 10am on Dec. 13. No one came. Instructions were given in the election notice to call the sewer office for an appointment if anyone wishes to file as a candidate at any time during the filing period. The office will also be open 3pm to 5pm for filing on Jan. 17, the last day of the filing period.

Norrick Closing PWSD #13 file.

A letter was received from the district's previous attorney F. Norrick that the PWSD #13 file would be closed.

Attorney's Report

There was no attorney's report.

Engineer's Report

There was no engineer's report.

Adjournment

There being no other formal business to come before the Board, a motion to adjourn was made by Rick Lippitt and seconded by John Hindrichs. Motion passed with all Directors in approval. Meeting ended at 8:45.

Respectfully Submitted,

Rich Hirsch
Recording Secretary

Approved this 10th day of January, 2012.

Secretary
December 29, 2011

Chairman

Jeff #13 Retainage Reduction

From: Tim Robbs [mailto:engrtr@sbcglobal.net]
Sent: Wednesday, December 14, 2011 9:52 AM
To: Sharon Tielke; Steve Tielke
Cc: Mike Larensen
Subject: Jeff #13 Retainage Reduction

Sharon, Steve,

The pay request for November was accepted yesterday by the board and should be approved tonight without any trouble. We also discussed the retainage issue yesterday in our meeting. After a lengthy discussion, the Board has decided to reduce the retainage to 7% right now. However, they are open to reducing it more as you guys get more work done. They have offered to consider the issue on a monthly basis.

The contract states the following: *The 10% retainage maybe reduced by CHANGE ORDER if completion and acceptance of the WORK is delayed due to valid circumstances and the WORK is usable for its intended purpose by the OWNER. If the reduction in the retainage is approved the remaining retainage shall be an amount sufficient to complete the WORK.*

The problem is determining the exact cost to complete the work.

Attached is a cost estimate that I put together for the work remaining to complete the yard work and asphalt work. It should be self explanatory as to how I came up with the numbers. The total price comes to \$101,500.00. On top of that number, there is the cost to complete the punch list items on the north side and then next spring there will be a cost to complete the punch list items on the south side. This is the biggest unknown to the District and they feel they need to keep a significant amount back to cover the unknown costs. If you have some hard pricing on any of these issues, the board will take them into consideration.

The other key in the contract is that any reduction in retainage has to be approved by change order which means Rural Development and DNR will have to concur. I think it will be hard to get anything less than 5% approved by RD without some solid justification. They recently told me that while it does not apply in this case, future contracts will state retainage will not be reduced below 5% + 200% of the cost of the work to be completed. They are going to want to make for sure there is plenty of money held over to complete the work and they will question everything we submit.

If you concur with the 7%, please let me know and I will prepare the change order. I think the Board is going to approve the 7% tonight anyway, but if you let me know today if it is acceptable I will let them know for sure.

If you would like more than the 7% at this time, please provide me with as much justification as possible as to why and I will get it to the board for discussion.

Finally, I still need an idea of timing from you guys. We discussed time frames for completion next spring. They would like to put a deadline stipulation in any change order. It was discussed that they would like all work done by May 1st. They do not want to even come close to Memorial Day.

Thanks
Tim Robbs, P.E., Taylor Engineering, LLC