

UNION WILLIAMS PUBLIC SERVICE DISTRICT

Special Board Meeting

October 12, 2005

Roll Call:

H. E. Seufer, Chairman
R. J. Mullenix, Secretary
S. L. Nulter, Treasurer

Attending:

Pauline Lowers, UWPSD
Dominick Cerrone, Cerrone Associates
Jonathan Carpenter, Thrasher Engineering
Steve Hardman, Bowles, Rice, David, McGraff, and Love
Jason Billups, WVDEP
Kathy Emery, WVDEP
Amy Harries, MOVRC
Dave Trembly, Trembly Builders

Location and Time:

5:30 P.M. District Office

Minutes by:

J. L. Dotson

H. E. Seufer called the meeting to order.

Dominick Cerrone provided a summary of the project budget and expenditure information he had sent in response to the board's request. Steve Nulter asked if a change order was issued for the deletion of Twin Fawn Trail. Dominick said a change order was not done for that area, but it was not necessary because the payments were issued by quantity of work completed. The board agreed that a change order should be issued to provide a clean trail of the project scope. Dominick said that one can be done, but the dollar value for the project in general will be established with a final adjusting change order. The board determined that a change order should be issued for Twin Fawn Trail. Dominick agreed to prepare the change order.

Steve Nulter discussed the fact that the remaining funds in contract #2 is below the 5% that was supposed to be held for retainage. The retainage should be \$152,190.16, the remaining budget for contract #2 is \$137,829.57 according to Dominick's spreadsheet. Dominick will check with Randy Cole at Cerrone's office to determine why it is below the retainage number. Mr. Nulter said that, since the budget is already below the retainage amount, and since there is due cause to maintain the retainage, the board should not be approving any pay requisitions for contract #2 at the regular board meeting next week.

Discussed the budget for power connections and the power company's negligence in connecting services throughout the project.

MINUTES & TREASURER'S REPORT

APPROVED

BY: *Randy Mullenix*

DATE: *October 19, 2005*

Kathy Emery asked about the contingency for contract #6. Dominick said there is no contingency money left. Kathy expressed concern that the District still has an entire contract, specifically a decommissioning contract with a high potential for unseen conditions, with no contingency money left in the budget. The board expressed the same concern and instructed the engineers that they would be responsible to monitor the costs, and do everything possible to control costs for contract #6.

Discussed projected costs. Jonathan Carpenter said that inspection through July was \$40,000 and about \$26,000 through the end of September. There will also be some inspection costs for contract #6, but it should be handled on a part-time basis. An inspector should only be necessary when critical work is being done, not when sludge is being pumped. Steve Hardman said they are keeping legal fees to a minimum, and they do not currently anticipate additional fees. Jerry Dotson asked Mr. Hardman how much the District has paid toward the Webb Management condemnation. He said a small amount has been deposited, and more should be anticipated. Amy Harries said the administrative amount on the budget is the MOVRC rate and the District's administrative expenses. MOVRC is a flat rate budget item and will not exceed the \$25,000 originally agreed upon.

Discussed anticipated revenues. Jerry Dotson explained that once a customer is connected, the District bills a month behind, so it is one and a half or two months before the District receives the revenues. The District is prepared to mail the three IJDC payments, and one SRF payment from tap fees. There are still two SRF payments due by December 1. There is also the issue of the reserve accounts. This issue was discussed in a conference call today between the funding agencies, the District's manager, and the District's legal representation and bond council. Another issue is the reserve account payments. Steve Hardman explained that one solution that was suggested is to delay the reserve account payments until a later date when the District has collected enough revenues to be stable. Mr. Dotson had suggested during the call that the reserve payments, which are supposed to begin at the end of construction, be delayed until substantial completion of contract #6, but the funding agency representatives did not respond to that suggestion. Another call is scheduled for next Thursday to discuss this further. Mr. Dotson said the District will probably be in position to make another SRF payment by the first of December, which will put the District one payment behind. Mr. Dotson said he also told the funding agencies that there may be an overrun on the project, so the District may need more money to complete the project. The agents for the funding agencies asked what the amount of the anticipated overrun might be but did not offer any solution for the source of the additional funds at this time.

Meeting adjourned at 8:00. P.M.