



CAPITAL & CONSTRUCTION COMMITTEE

Monday, February 5, 2018 @ 4:30 P.M.

Memorandum

Present: Chair Steve Pittman, Committee Member Marilyn Anderson, Board Member Michael Shaver. Others in attendance were Legal Counsel Anne Poindexter, Director Drew Williams, Engineering Manager Wes Merkle, District Engineer Ryan Hartman, Collections Superintendent Aaron Strong and Administrative Assistant Maggie Crediford

Absent: Committee Member Eric Hand

Mr. Pittman called the meeting to order at 4:40 p.m.

PUBLIC COMMENT

There was no one from the public present.

DEDICATION

Mr. Pittman recused himself from the conversation regarding the dedication of sewers at Woodside at West Clay.

Ms. Anderson asked if there is anything outstanding with the project. Mr. Hartman stated that there are no outstanding issues. Ms. Anderson stated that she is in favor of accepting the dedication. It will go to the full Board for a vote.

#1707 NEIGHBORHOOD SEWER PROJECT CONSTRUCTION CONTRACT AWARD

Mr. Merkle stated that the project was publicly bid in December. Construction and engineering fees came in under budget. He recommended awarding the construction contract to TPI Utility Construction for \$210,075.

Ms. Anderson asked if the District has used TPI before and if so how was the experience.

Mr. Merkle stated that the District has used TPI before and they did quality work.

Mr. Shaver questioned if the project is good for both the District and the property owners.

Mr. Pittman said he believes the projects are both beneficial to the property owners and the District. After attending the Budget and Finance meeting on January 26, 2018

he feels comfortable about moving forward with the projects because there is money in the 2018 budget for the project.

Mr. Shaver questioned how construction costs will be recovered. He asked if the District will raise user rates to cover the cost of construction.

Mr. Pittman stated that the Budget and Finance Committee said that there is money in the 2018 budget to complete these projects. If in the future there is concern about the feasibility of a project it can be evaluated independently. He stated that he is concerned if these projects are pushed back it could cause an increase in construction costs.

Mr. Shaver asked if the property owners affected have been notified that if the ownership of the District changes that they could be forced to connect and incur the costs under state law.

Mrs. Poindexter stated that the District could relay to the homeowners that it is the current policy of the Board not to enforce mandatory connection into the system.

Mr. Pittman stated that it is the mission of the District to service its entire area. People who had septic failures would be upset if they need to connect but couldn't because the line wasn't there.

Mr. Shaver stated that he wants the District to notify customers that they could be forced to connect if the line is installed and ownership changes in the future.

Ms. Anderson stated that the construction costs are recouped by the District when homeowners pay fees to connect into the system.

Mr. Williams explained that the costs are paid for out of the Interceptor Fund. The District covers the construction costs initially to make sewers available and the costs are recovered when people connect into the system.

Mr. Pittman stated that he is in favor of moving forward with the neighborhood projects, awarding the construction contract, and using the current Interceptor Fee Ordinance to recoup the costs of construction. Ms. Anderson agreed with Mr. Pittman. They will make this recommendation to the Board at the February 12, 2018 meeting.

Mr. Pittman stated that if there is an instance where the Interceptor Fee Ordinance will not be enough to recover the construction costs for a project, the Board can consider a Local Construction Cost Ordinance at that time for that project.

#1901 LIFT STATION 14 PARALLEL FORCEMAIN ENGINEERING SERVICES

Mr. Merkle stated that Lift Station 14 is nearing capacity. Pumps were upsized a couple of years ago. The goal is to add capacity by constructing a second parallel force main. There are easements that need to be acquired to complete this project. It

is slated for 2019 construction. Staff recommends GRW Engineers for design, permitting, bidding and construction services. Mr. Pittman and Ms. Anderson agreed to recommend the Board approve a professional services contract with GRW for up to \$110,000 for this project.

SPRINGMILL INTERCEPTOR REPAIR REIMBURSEMENT AND OVERHEAD ELECTRIC RELOCATION

Mr. Merkle stated that Duke Energy contractor Henkels and McCoy relocated power poles along Spring Mill Road north of 111th Street as part of a City of Carmel road and path project. During installation, Henkels and McCoy damaged our sewer main even though the main was properly marked. The cleanup and repair cost the District over \$60,000. Mr. Merkle sent a letter to both Duke and Henkels demanding reimbursement of the repair costs and relocation of two poles installed almost on top of our sewer. Duke has energized the transmission lines making it unsafe for the District to access the sewer. The poles are sitting above the sewer, potentially putting excessive stress on the pipe that would cause a failure. The insurance company for Henkels has agreed to pay the entire repair cost but are asking for a release of liability. Staff does not want to consider a release without knowledge of who directed the location for installation of the two poles. Duke sent a tort claim notice to the City of Carmel. Duke also sent the District a letter in which they denied responsibility and said to contact Henkels directly. Mr. Merkle replied to Duke over two months ago requesting clarification and he has not heard back from them. He stated that he would like to pass the issue to legal counsel.

Mrs. Poindexter stated that she would issue a demand letter on her letterhead explaining the steps that the District expects Duke to take to resolve the issue.

Mr. Pittman and Ms. Anderson recommended that Mrs. Poindexter send Duke a letter, and further legal action may be required in the future.

OTHER BUSINESS

Mr. Merkle stated that he is working with Reynolds to resolve changes made during construction of the 106th Street Parallel Force Main project. A final change order capturing all changes on this project could cost \$300,000. The District budgeted 5% for change orders which should cover this amount. The largest change includes additional granular backfill and path replacement because the only space available at the time of construction was near or beneath existing pavement.

Mr. Pittman asked if the surveyor or the engineer have any liability if their design was incorrect.

Mr. Merkle stated that often certain utilities don't get marked completely or correctly during the design process. Less care is sometimes taken by utility locators when shovels are not going into the ground for construction. This is very frustrating for staff because the District provides everyone the courtesy of completing locates and providing information needed for others' projects, but the same courtesy is not

extended the other way. On this project crews ultimately used the only space that was available for installation.

Mr. Williams stated that in some instances engineers have been required to pay for errors.

CAPITAL PROJECT UPDATES

Mr. Pittman asked Mr. Merkle to only address projects that have had changes or updates since the last meeting.

#1705 99th STREET

Mr. Merkle stated that the developer requesting the sewer extension may be ready to move forward next month. They told staff that they have worked through permitting issues on their site.

JACKSON'S GRANT SECTIONS 2 & 6 OVERSIZED SEWERS

Mr. Merkle and Mr. Hartman are pushing the developer to get permits submitted for Section 6, the stretch of sewer that runs northeast of regional Lift Station 26 which will eventually allow the District to take Lift Station 4 offline.

Respectfully submitted,



Wes Merkle
Engineering Manager