

CITY OF SANGER, TEXAS

MINUTES: REGULAR CITY COUNCIL MEETING
December 18, 2017, 7:00 p.m.
502 Elm Street, Sanger, Texas

COUNCIL MEMBERS PRESENT: Mayor Thomas Muir, Councilman Bill Boutwell, Councilman David Clark, Councilman Allen Chick, Councilman Gary Bilyeu, Councilman Lee Allison

COUNCIL MEMBERS ABSENT: None

The Mayor and all Council Members were present constituting a quorum.

STAFF MEMBERS PRESENT: Acting City Manager Alina Ciocan, City Secretary Cheryl Price, Neal Welch, Director of Public Works

1. Call Meeting to Order, Invocation, Pledge of Allegiance.

Mayor Muir called the Regular City Council Meeting to order on December 18, 2017 at 7:31 p.m. Councilman Allison gave the invocation and Councilman Chick led the Pledge of Allegiance.

2. Citizens Input: (Citizens are allowed 3 minutes to speak. The City Council is unable to respond or to discuss any issues brought up during this section).

No citizens present who wished to speak.

3. CONSENT AGENDA:

a) Approval of Minutes:

- 1. City Council Work Session, December 4, 2017**
- 2. City Council Regular Meeting, December 4, 2017**

b) Disbursements

Councilman Boutwell had a few questions regarding disbursements which were answered to satisfaction by Acting City Manager Alina Ciocan.

A motion made by Councilman Boutwell to approve the consent agenda as presented. The motion was seconded by Councilman Bilyeu. The motion carried unanimously (5-0 vote).

4. Consider any Items Removed from Consent Agenda.

None.

REGULAR AGENDA

5. Consider, Discuss, and Possibly Act on Approving and Authorizing the Acting City Manager to Sign Change Order #1 Between the City of Sanger and Felix

Construction Regarding the Contract for the Wastewater Treatment Plant Construction.

Public Works Director, Neal Welch was recognized to present the change orders. He noted that some items have been added, subtracted and adjustments made. On Change Order #1 we take back \$64,800 for adjustments that were made at the wastewater treatment plant. Mayor Muir noted that the discussion will be on both Items #5 (Change Order #1) and #6 (Change Order #2) but Council will vote on each item separately.

Public Works Director Neal Welch noted that Change Order #2 is the same thing. Councilman Bilyeu noted that he saw the financial part, but also noted there were 15 days added and asked for clarification on what the extra time was for, if there was a completion date.

Jeff Caffey, Alan Plummer and Associates was recognized, and summarized that the project has three phases. The first phase is rehabilitating Plant 1, building the new pump station, peak flow storage basin, clarifiers to go in Plant 1, and UV. This is a major part of the work, which takes approximately 16 months to substantial completion, and then we have 4 months to rehab plants 2 and 3. We are about 8 months in so we have 260 days left and that is where we add the 15 days. The timeline includes building everything, starting it up and running it for 30 days before handing it over. For completion of Phase I, they will probably start it up in about 6 months. Then Phase II, around July 4th and Phase III, around August 3, 2019.

Councilman Boutwell noted that on Change Order #1 there would be an adjustment in our favor of \$64,800 but in Change Order 2 we would owe more money. Neal Welch, Public Works Director noted that there are some more changes coming in our favor but we do not know the exact figures yet. Mr. Caffey noted that there is a large bid item of \$100,000 in reserve for unseen things. Typically, we would use it first before doing the change orders, but on this project the contractor is rehabbing Plant 1 and we would like to reserve the \$100,000 until we are done with Plant 1. That is why you are seeing the \$122,000, but we would have normally used the \$100,000. Instead you are seeing it first so we can use the bid item later.

Mr. Caffey noted that the contractor is doing a really good job and have been a pleasure to work with. They have been working with them even to the point of brainstorming on savings items. One of the credits back was where Felix Construction got a cut from the manufacturer after they turned in their bid. They didn't have to tell us about that and could have kept that money to themselves but they brought it to the table. Councilman Allison noted that these are most difficult types of contracts to administer and noted he appreciated everybody's involvement and having this discussion. That it helps keep everyone up to date and straightforward. It helps the Council be accountable to the public. Councilman Chick asked if Council could get a summary of the changes.

Mr. Caffey summarized some of the changes in relation to cost and credits. He noted on cost, the Peak flow basin floor valves (CMRA) \$28,000 – when they realized that costs were going high because they underestimated rock excavation. They redesigned the peak-flow storage basin and raised it up out of the rock layer. We were anchoring it down with rock anchors and debated a more expensive

design. When they dug it, it was not consistent at the top it was breaking apart and we had to go to a more expensive way to relieve the hydrostatic pressure with pop-off valves and you have to put rock down to move the water to the pop-off valves, so it was a little more expensive. The next item, the largest expense is the four-channel rotary press. It is a dewatering press (sludge press) this was an attempt on their part to save some money. You need a 4-channel press when you are at design capacity of 1.86 mgd. Right now, the plant is at about .7 and they thought they could do two channels now, and add the additional two channels later. But there are trade-offs with the two-channel press you only have half of the capacity and it has to run twice as long, more wear and tear, and more labor costs. He noted that Felix Construction has worked with them in that the cost is mainly from the manufacturer to add the two channels and that would be cost we would have to pay in the future, and they are going to have it install it anyway. Since they bid it they have been running the press full time. With full capacity of the four-channel press, the system could be run within regular hours. He noted that Felix Construction has not done any markup on the manufacturers costs except for bond markup which is about 3-1/2 % and is required by the insurance company. He noted you would not get this any cheaper, and that is where Felix Construction has been very beneficial.

Councilman Allison noted that he thought there was a typo on the Description of Change Order No. 2 it says "Per CMR No. 10, Contractor shall provide a four-channel rotary press in lieu of a two-channel rotary press"; however, on the II. EFFECT OF CHANGE it says "e. CMR-10 Peak Flow Berm Width Reduction Lump Sum". Mr. Caffey noted that Councilman Allison was correct and it is a typo and he will have it corrected. It was noted the amount is correct but the description for CMR-10 is wrong in the cost amount summary and would be corrected by Alan Plummer. It was noted that CMR 5 is the Peak Flow Berm Width Reduction (Change Order 1).

Mr. Caffey summarized the next largest change which is the clarifiers and the dewatering building. This is his error, and he said that he should have caught it earlier. Some of the sheets had detail and others did not so they bid it and did not have the select fill under the structures. They did look at ways to do it without having it but, but have determined it is necessary.

Mr. Caffey explained the fence grounding. The spec for grounding goes out to about every 1000 feet but our electrical engineer advised when you have fence running where there is overhead you need to ground it because you can get discharges from it. Typically, he does that and in the original design would normally bury the line, but when Sanger Electric saw it, they told them they could not bury the line because it still serves a couple of houses down the way. By addendum it was changed but they did not go back and put the grounding for the overhead in. On the electrical valve operator, the 12-inch plug valve is an important valve. When they raised up the storage basin they originally had one line feeding the storage basin by gravity and one line draining it by gravity. It was a deep line and they had a side gate on the structure to control flow of coming back in. The slide gate had an actuator on it and when they raised the valve they could use the same line and were pumping in and could use it to drain back out. The electrical engineer did not catch to move the valve and this is a critical path item and takes some extra days. Councilman Clark asked where the water escaped to. Mr. Caffey stated it does not escape. It is a pressure controlled valve so when you have hydrostatic pressure underneath it is

going to open up and the water is going flow into the basin. If there is water in the basin it is going to be closed, so water can escape out but it can not come in. There will be nine valves in the slab on the floor. There was additional technical discussion between Mr. Caffey and Councilman Clark.

Mr. Caffey noted that the good news is that they have been through all of the major equipment. He summarized credits noting that there are three credits that he currently knows of that will come back to the City. There was a redesign on the UV structure and they should have that back to them this week which should be between a \$30,000 and \$40,000 credit. They allowed them to do shock crete on the sides of the peak and they are doing the work this week and we should be getting a price for what they spent on that. They proposed changing some of the routing on the 24" line (the new line coming in for the pump station) and they are going to be able to do less bypass pumping related to that tie-in and once they do that they are going to give us a credit back on bypass pumping. The need to know how much they actually spend on that before they give us a credit back.

Mayor Muir summarized noting that this all just keeps the process rolling and things are staying on course for the most part. It was noted with all of the credits coming that we are pretty close to even right now. He noted that there may still be some things that will come up. Councilman Chick noted he was impressed that the contractor came back with some cost savings. Councilman Clark noted that Felix Construction has a pretty good track record.

A motion was made by Councilman Bilyeu to approve and authorize the Acting City Manager to sign Change Order #1 Between the City of Sanger and Felix Construction Regarding the Contract for the Wastewater Treatment Plant Construction. The motion was seconded by Councilman Boutwell. The motion carried unanimously (5-0 vote).

6. Consider, Discuss and Possibly Act on Approving and Authorizing the Acting City Manager to Sign Change Order #2 Between the City of Sanger and Felix Construction Regarding the Contract for the Wastewater Treatment Plant.

See discussion on Item No. 5 above. Discussion on Items No. 5 and No. 6 were combined but the motions to approve were made separately.

A motion was made by Councilman Bilyeu to approve and authorize the Acting City Manager to sign Change Order #2 between the City of Sanger and Felix Construction regarding the contract for the wastewater treatment plant. The motion was seconded by Councilman Allison. The motion carried unanimously (5.0 vote).

7. Consider, Discuss, and Possibly Act on Approving and Authorizing the Mayor to Sign Change Order #1 with Pavecon Construction.

Neal Welch Director of Public Works was recognized and noted this is where the contractor got the wrong slope on 1100 feet of concrete pavement and it sloped one way instead of having a crown in the middle. We agreed to allow them to leave it after the engineer assured us that it would work and not interfere with the structure. They gave us a \$70,000 credit, so with the \$70,000 credit we approached them about using the credit to improve one of our streets and they agreed to do it with an

additional cost. Mayor Muir noted the last time the Council visited on this that there was discussion on the prep work and it was noted that this has all been addressed. It was noted that it would be 6 inches of asphalt. Councilman Allison wanted to know if someone is setting the lines and grades. Mr. Welch advised that they will have to change the west railroad track and raise it up with the east one which is going to change all of the grades. The contractor will have to meet the new grade with the railroad and the existing grade with the concrete. The grades will be defined and they will have to match them. This is being done so the tractor trailers do not drag when they are going across the track. Councilman Allison asked if an engineer would be looking at it for drainage. Mr. Welch advised there should not be a problem because the asphalt is already higher than the ditch is right now, but we can get the engineer to look at. There were additional technical questions regarding the construction. It was noted since we were raising the track that the railroad would work with us on the flagger which is required by insurance. There was brief discussion regarding future street construction funding.

A motion was made by Councilman Allison to approve and authorize the Mayor to sign Change Order #1 with Pavecon Construction in the amount of a net cost of \$88,969.04. The motion was seconded by Councilman Bilyeu. The motion carried unanimously (5-0 vote).

8. Consider, Discuss and Possibly Act on Approving the Fourth Amendment To Option To Lease and Water Tower Lease Agreement Between the City of Sanger and New Cingular Wireless PCS, LLC.; and, Authorize the Mayor to Sign Contract.

Alina Ciocan, Acting City Manager summarized the request. This is an agreement that was actually worked on by Mike Brice. The contracts were sent for signature and it seemed to have not been approved by the Council nor reviewed by the City Attorney. The City Attorney, Rob Dillard has reviewed the contract and made some changes, mainly related to our ability to terminate the agreement. He added a paragraph which gives us a little more flexibility should we choose to terminate. We have had this agreement since 1998. They are currently renting space on our water tower on Acker for their antennas, and have had them there for 20 years. This agreement is for an initial term of 5 years, with six additional terms, lumped all together, you are looking at 30 years, if we choose to continue the agreement. It provides for a rent increase of about 10% more than what we are currently receiving; and, at the expiration of every 5 years it will go up an additional 10%. It has been reviewed by Rob Dillard, our legal attorney and he did not have any other concerns.

Councilman Boutwell noted that he read in the contract that it could be paid in one lump sum or in a monthly rate and asked how it was being paid now. Ms. Ciocan noted that the previous contract was monthly but would have to check with our Finance Director to see how we were receiving the payment. It was noted that it brings the City about \$19,586 per year.

Councilman Clark asked what kind of language we had in the contract for when we go to paint the tower because we have it on our list of projects. He noted concern regarding the antennas having to be removed and perhaps affecting their service, etc. Councilman Allison noted we could use the money we get from this trying to protect the antennas while we are painting. Acting City Manager Alina Ciocan

advised that she would contact AT&T. She noted that they were anticipating the contract would be completed by the end of the year. The current agreement does allow for us to continue to get our current payment amount. If we want to terminate the agreement we have to give them 180 days notice to terminate. It was noted after lengthy discussion on this item there would be no action taken in order to give staff and legal time to have discussion with AT&T about the language necessary to address the concerns brought up and move forward with the contract. No action was taken.

9. INFORMATION ITEMS:

a) Financial Investment Report

b) All American Dogs Update

There was no discussion on Information items.

10. ADJOURN.

There being no further discussion, Mayor Muir adjourned the meeting at 8:25 p.m.