

SEELEY LAKE MISSOULA COUNTY SEWER DISTRICT
Board of Directors Meeting
September 21, 2010

Attendance:

Glen Morin	President	PRESENT	Mike Lindemer	Director	PRESENT
Scott Smith	Vice-President	PRESENT	Randy Gordon	Consultant	PRESENT
Bob Skiles	Director	PRESENT	Felicity Derry	Secretary	ABSENT
Tom Morris	Director	PRESENT			

OPENING:

The meeting was called to order at 12:03pm by President, Glen Morin at Lindey's Steakhouse located on Highway 83 N.

CONTRACT WAGES:

Glen Morin noted that this item was tabled from the previous meeting. The proposal was that the Gordon Professional Services' wage should be raised from \$25 per hour to \$30 per hour. Felicity Derry had requested \$16 per hour.

Randy Gordon said that the last two months he had worked 104 and 100 hours each month, prior to that he had been averaging 85-90 hours per month. That was well below what had been budgeted. He had agreed to work for \$25 per hour for one year, that year was up. He felt that being a contract employee with overheads \$30 per hour was not out of line. Scott Smith said he had calculated that to pay an employee \$20 per hour, taking in to account of benefits, social security, unemployment tax, etc it would cost an employer \$36 per hour. Bob Skiles said as the project is progressing there is now an end in sight. Personally he did not think that a \$5 per hour raise was out of line. Scott Smith agreed that there was a means to an end and that the District was moving forward. He thought that the District would be spinning their wheels if Randy Gordon were not here. The goal was to move forward. Glen Morin requested a motion on this. Tom Morris added that the timing was really bad when the economy in the community was as low as it had been in a long time. Some people's wages are still down 3% from 2007. From that point of view the timing is bad. He anticipated an outcry from the public. Mike Lindemer said taking everything in to consideration \$5 per hour was not going to break the bank. Randy Gordon said that Great West Engineering was charging the District \$120 per hour for what he was doing. Mike Lindemer said that he did not have a problem with a raise to \$30 per hour.

Bob Skiles moved increase the hourly wage for Gordon Professional Services from \$25 per hour to \$30 per hour per contract, Scott Smith seconded. The motion passed. Tom Morris abstained.

Glen Morin said that Felicity Derry had requested \$16 per hour. He recommended a flat \$150 up to ten hours per month and then anything over that \$16 per hour. Scott Smith thought that was more than fair as she provides her own equipment and does a good job with the minutes.

Scott Smith moved to pay Felicity Derry \$150 per month up to 10 hours per month and \$16 per hour above 10 hours, Tom Morris seconded.

Glen Morin recommended that this be retroactive to last month. Scott Smith amended his motion to start in August, Tom Morris seconded. The motion passed.

SURVEY OF COLLECTION SYSTEM & RFP DESIGN:

Randy Gordon noted that there had been some questions about the project budget. He circulated to the Board the operating budget that was voted on in January 2010 and a budget for the project. It showed all of the work that had been done previously totaling \$161,000. There was \$20,000 for the Environmental Analysis (EA), \$70,000 for the discharge permit, \$430,000 for the treatment plant and collection system design, \$30,000 for the consultant and a 10% contingency of \$64,000. We do not plan on spending the contingency, but it is on every contract. The US Army Corps of Engineers estimated that their costs would be \$14,000. The total project is \$789,000. This is to get the project to bid. The Federal match is \$591,750. The non-Federal match \$197,250. The \$161,000 that was spent to date could be used as in kind funds. The District has \$50,000 of RRGL funds and the \$100,000 loan that the District will get through the Intercap Program. The latter will only be spent if we absolutely had to. That gives us \$150,000. The WRDA grant is \$415,000. The District has to have the matching funds in order to spend the \$415,000 from WRDA. That totals \$565,000 match for this portion, plus the \$161,000 previously spent. That leaves us with an unfunded balance of \$63,000. The contingency is \$64,000.

If we decide to go with the RFP where the Board chooses a vendor to design the plant for us, we will save money because we will not be paying Great West Engineering to design the plant. The vendor will do their portion of the design. Scott Smith surmised that the only thing Great West would have to engineer was the collection system as well as to double check the vendor's design for the treatment plant. Randy Gordon agreed. Great West Engineering would also oversee the design by the vendor and double-check everything. Ultimately Great West Engineering was responsible for the treatment plant to work. Scott Smith added that their professional insurance would cover their design. Randy Gordon said from the research he had done having the vendor design the plant would save approximately \$2 million. Phase I would need a treatment plant for 78,000 gallons per day, Phase II would be another 78,000 gallons per day. That was only 160,000 gallons per day. If the new areas of the District were added that would be another 100,000 gallons per day. That would put the District close to the anticipated 0.25 million gallon a day plant. We would give the vendors all of the data and EDUs and they would come back with proposals for the Board to compare. Glen Morin agreed to get bids for SBRs and MBRs. Randy Gordon said that Great West Engineering would rather they designed the plant; however he was afraid of that. His research showed that Great West Engineering had done a lot of sewers and collection systems, but not that many high tech plants. He was not saying that they couldn't do it. Scott Smith asked what the warranty for the system would be. Randy Gordon replied that most systems come with a 1-year warranty after final completion.

Tom Morris moved to put a request for proposals for both MBR and SBR from all vendors, Scott Smith seconded. The motion passed.

Randy Gordon said that the RFP would go to a clearinghouse and then it goes to all of the vendors. He would work with Great West Engineering on the RFP. He then explained to the Board the bid process. Scott Smith requested that each vendor send 5 copies of the bid as well as a digital copy.

TOPO:

Randy Gordon informed the Board that the current project that Great West Engineering has been told to do in the notice to proceed is to survey phase I. After reviewing the project budget we all understand that we are \$64,000 short. The most complete thing would be to topo the entire town while they were here. Their bid of \$24,000 came in high. Craig Pozega, Great West Engineering said it was high. This would be to survey phases I, II, III & IV, but not the proposed additions. If somehow the funds become available to do the project all at once then the topo would need to be done. If the topo were not done now, due to weather it would be not able to be done until May 2011, meaning that it would probably be completed in June 2011. This would delay us if we were able to do the project all together. It would not be ready to go for bid in 2012. We would only be ready to go to bid for the plant and Phase I. He talked to Missoula County about the benefits of a survey and requested that they pay the 25% matching funds, \$6,000. After not making any progress he has asked Dale Bickell to talk to the County Commissioners. The sewer is a County project and they are not contributing any of the tax dollars paid in Seeley Lake to help Seeley get a sewer.

The additional survey of phases II, III & IV would cost an additional \$24,000. Scott Smith asked what the total bid for the surveying was. Randy Gordon said that the surveying for phase I was part of the \$430,000 and it was not broken out. Scott Smith noted that the treatment and collection system with the additional surveying would cost \$454,000. Randy Gordon agreed that would be the figure if the Board decided to go ahead with the additional surveying. There are pros and cons. Scott Smith asked where the money would come from. Randy Gordon said that he just keeps hounding people to try to get more money. He had been trying to get TSEP to release some of their funds, but they refused to do it until the funding package was complete. Other funding agencies suggested that he write a letter to the Governor explaining the situation.

Glen Morin said he did not see why the District could not wait to do the surveying. We are not sure that the project could be done all together and the bid is high anyway. Randy Gordon said that it was high. Bob Skiles asked if the surveyors actually walked around town. Randy Gordon replied that they did and he was out there watching them. Bob Skiles suggested getting another bid for the surveying. Randy Gordon said that could be done, but if another company did the topo then the engineering company (Great West Engineering) would not be responsible for the design. Bob Skiles said that he could get another bid to keep them competitive. Mike Lindemer recommended writing a letter to the Governor to have him get TSEP to release the \$750,000. If they did release the funds then they could do the additional surveying. Otherwise the Board should hold off. Tom Morris said if the project were built in phases then the funding agencies would not approve of the District spending the funds given for Phase I on Phases II, III & IV. Randy Gordon agreed that the District would have to get approval from WRDA to do this. WRDA noted in their Project Management Plan that the project was not entirely funded and would have to wait for next year's funds to finish paying for the project. Hypothetically if WRDA was funded in 2011 as they were in 2010 then the District could receive another \$230,000 grant. The problem is that Tester and Baucus are supportive of this, but Rehberg is against any grants.

Glen Morin surmised that the Board should wait for the additional funding and table this topic

Tom Morris said that the numbers on the summary go back to the beginning of the PER. There was \$39,000 of public money that was raised to help pay for it. Could that money be used as matching funds?

