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**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT MINUTES
TUESDAY JULY 21, 2011
Town Hall Council Chambers
12:00 P.M.**

I. CALL MEETING TO ORDER – Board President Aragon, Board Member Cotton, Board Member Hart, Board Member Pierce, Board Member Volger

II. NEW BUSINESS

1. Brilliam Engineering Agreement Update for USDA Requirement - The USDA requires an up to date copy from the 2007 engineering agreement for the original wastewater plant design contract. This agreement also has some changes that reflect USDA requirements of engineering. USDA will not proceed with processing the final paper work unless the updated engineering agreement is submitted to them with the Plans & Specs. Mr. Bob Cole, Town Attorney, has suggested changes to the agreement and these changes have been accepted by Brilliam Engineering. Mr. Cole explained to the Board the changes of the new agreement to include insurance changes, and allowing Brilliam to approve necessary items. Additional items include basic compensation to a factor of 1.04. He explained the insurance section G604C has been amended to include a \$1million dollar liability and G604B would be specified as \$1million per claim and \$1million per aggregate with \$2million total aggregate, Mr. Cole feels is appropriate. Section 6.10A indemnification by engineer includes the final design work that has already been completed by the engineer. Mr. Cole reviewed the use of an outside contractor to represent the District to oversee the project, rather than having the engineer/designer oversee the project. He recommends allowing contractor oversight be completed by Brilliam Engineering. Board Member Pierce would like to request per aggregate and total aggregate to be \$2million. Sanitation District Supervisor, Phil Starks, said he has trust in Brilliam Engineering and Patrick O'Brien who is a local resident and has seen Patrick work well and respond to the Board and all of their requests. Board Member Volger is impressed with the Board's expertise in looking over the contract and Brilliam's willingness to work with the Board's requests. Board Member Hart disclosed that his company Hart Construction is a sub-contractor on a project that Brilliam Engineering has worked on. He believes that the resident contractor should be a person who is paid and working for the District to make sure the plant is being built the way the project is designed. He is concerned with the costs of the project and wants to be careful with agreeing to spend money. Mr. Phil Starks explained the original agreement with Brilliam for \$370,000 was for design of the project, when the treatment plant was redesigned and relocated, after the Board decided to go with USDA, there was an increased cost of approximately \$89,000 in engineering. Brilliam has worked with the CDPHE on behalf of the Town regarding the plant. Mr. Cole addressed the financial exposure of the District, he explained there are limits to the engineer's services costs at \$162,700, also the resident project costs are limited to \$187,200, and the exposure of overtime has to be agreed upon in advance. Additionally, estimated compensation amount the contractor is obligated to come to the Board for any overruns. Board President Aragon addressed the review of the contract and a balance reached and would like to move forward with the project. Council Member Pierce moved to approve the July 18, 2011 agreement between the Pagosa Springs General

Improvement District and Briliam Engineering for professional services with the following changes to the original agreement, page 10 6.10A 4th line after project add “and final design work under existing contracts, work orders and agreements between Owner and Engineer”; Section C 2.03A change factor from 1.0 to 1.04; Section C 204 #5 change factor 1.10 to 1.04; renumber Section C from 5,6,7,8 to 1,2,3,4; Exhibit G 6.04C #1 insert \$1 million dollars #3 insert \$2 million dollars; G 6.04D #1 \$2 million dollars #2 insert \$2 million dollar #3 insert none; Exhibit K #5 renumbered to #3, Board Member Volger seconded, Board Member Hart asked about allowing another person to complete the resident project manager, Board Member Volger would like to take Mr. Cole’s advice and allow Briliam to complete the resident project manager work, Board Member Pierce is comfortable with Briliam Engineering being the resident project manager, as does Board President Aragon. Briliam Engineering will provide daily reports to the staff and the Board. Motion carried with one nay, (Board Member Hart). Mr. Starks explained the contract will go to USDA for approval, with hopes to have it back within a few weeks. Once the USDA approves the agreement the District will be ready to go to bid.

III. DEPARTMENT HEAD REPORT

1. **District Manager Report** – July’s flows were .202 MGD on average with 97% removal rate for BOD and no violations in July.

IV. NEXT BOARD MEETING AUGUST 2nd, 2011 AT 12:00PM

V. ADJOURNMENT – Upon motion duly made the meeting adjourned at 2:50pm