

**SPRING CREEK IMPROVEMENT AND SERVICE DISTRICT**  
**Special Meeting Minutes**  
**November 11, 2011**

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**Attendees:**

Directors Present:	Ron Harris, Stephen Price, and Derek Goodson
Other Officers Present:	David Hansen, Secretary
Advisors:	Bob Norton, Nelson Engineering

**I. Opening**

- A. Call to Order** – Meeting was called to order at 9:00 am. It was noted that this meeting was rescheduled, by agreement of the Directors and with notice, from its original date and time of November 8, 2011 at 4:00 pm.
- B. Determination of Quorum** – Quorum was established.

**II. Review and Approval of Minutes**

**A. 10/11/2011 Special Meeting**

Motion to approve the minutes.

Motion: Derek Goodson  
Second: Stephen Price  
Unanimous

**B. 10/27/2011 Special Meeting**

Motion to approve the minutes.

Motion: Derek Goodson  
Second: Stephen Price  
Unanimous

**III. Financial Report**

Derek Goodson reported that modest amounts of assessment receipts have been received from the County to date, and that he expects a significant level to be received in the fairly near future as property taxes are paid to the County. There was nothing else new to report at this time.

#### **IV. Old and New Business**

##### **A. Water System Improvements – Controls, Pumps, & Related**

1. Water emergency plan finalization (status)

There was nothing new to report on this item. Stephen Price indicated that he had not yet met with the Amangani manager to articulate details of how water curtailment will be handled for the Amangani homes and hotel in the event of a water emergency, but that he would do so. Bob Norton will then incorporate this detailing into the SCR water emergency plan document.

2. Notification and easement staking

Bob Norton reported that Jackson Land & Cattle has been notified in writing and orally about the water system repair work to be done in the easement area near the SCR wells. He also indicated that the easement area had been staked for the benefit of the contractor's crew.

3. Liability insurance

Bob Norton was asked about liability insurance coverage carried by the general contractor for the project. He replied that an appropriate level of coverage was required and is being carried by Westwood Curtis, consistent with norms for such projects. The SCHOA and SCISD are named insureds on this coverage. The Board directed Bob to ask that Jackson Land & Cattle also be added as a named insured, and to report back immediately if this could not be readily done for any reason.

4. Contract work status, schedule, and issues

Bob Norton reported that the valve replacement at Well #1 is scheduled to occur on Monday, November 14. This work requires that the entire water supply line from the well to the water storage tank be drained. As a result, several hours will be required to reestablish flow to the tank, and some air in the lines may occur. SCR management plans to notify all in-house homeowners as to this work and the possibility of some air coming through the water lines to their homes.

Bob indicated that the contractor is experiencing some delays in delivery of components. At this point, he anticipates that this may affect certain installation start dates but not completion dates.

Bob informed the Board that Westwood Curtis, the contractor for the project, has submitted a request for a change order. This change order is required in order to comply with a change in the County's position with regard to upgrading the electrical panels at the pump houses. As a result, new outside panels will be installed, painted to blend with the color of the exterior walls. He noted that, although there is a cost associated with the change, it will be beneficial in terms of the work space provided and reduced down time on the pump work; it will also eliminate the need for temporary power supply using a generator. The change order cost is \$12,082.35; Bob stated that he believes this price is reasonable, and that the State has approved it. Bob proposes that the District approve the change order (#2).

Motion to approve Change Order #2 to the contract with Westwood Curtis Construction in the amount of \$12,082.35, as prepared by Nelson Engineering.

Motion: Derek Goodson  
Second: Stephen Price  
Unanimous

5. Contractor payment requests and loan draw

Bob Norton reported that he did not receive a payment request from Westwood Curtis for the month of October, and that he had not expected to receive one.

Nelson Engineering did receive a request from WETCO for payment of half of the 10% retainage held by the District on the telemetry project. The payment amount requested at this time is \$5,290.74. A small amount of work remains to be done under the WETCO contract, once certain electrical work is completed in the pump houses (Westwood Curtis project). In view of the limited amount of work remaining under the WETCO contract and its satisfactory performance to date, Bob recommends that the District agree to WETCO's request.

Motion to approve the payment request from WETCO for half of the retainage held by the District, in the amount of \$5,290.74, as prepared by Nelson Engineering, with a check to be issues from ISD funds as soon as sufficient funds are available.

Motion: Stephen Price  
Second: Derek Goodson  
Unanimous

6. Loan draw for eligible engineering design and legal work

Engineering and other professional work that is directly related to the water system improvements (e.g., design, contracting, etc.) can be paid using State loan funds; other professional services (e.g., District organization, etc.) cannot be paid from such funds. Effective 1/17/2011, and continuing for some limited period, the State has new requirements that such services be procured through a prescribed selection process; professional services contracted prior to that time are not required to be awarded through these procedures.

The District's contract with Nelson Engineering was effective 1/5/2011, so it should not be subject to the new State selection requirements. This includes the water meter improvements, which are additional services under the contract. A letter to the Governor has been drafted to deal with this matter (part of the required Certification Statement), as required by the State; Frank Hess is currently reviewing it.

Derek Goodson reported that he has received invoices from Nelson Engineering for engineering design fees related to the District's water system improvements in the amount of \$41,952.33, covering the time period January – September 2011. There have not been any invoices for legal or other types of professional services that contain material amounts associated with the design of the water system improvements.

Motion to authorize Derek Goodson to sign and send the letter to the Governor (in the form approved by Frank Hess) addressing the engagement of professional design services (engineering) by the SCISD, as part of the requirements under the Certification Statement in order to draw for such services against the State loan.

Motion: Stephen Price  
Second: Derek Goodson  
Unanimous

Motion to (a) approve Loan Draft Request #1 for engineering design fees from Nelson Engineering in the amount of \$41,952.33, covering the time period January – September 2011, and (b) use proceeds from the loan draw to pay the associated unpaid invoices to Nelson Engineering.

Motion: Derek Goodson  
Second: Stephen Price  
Unanimous

## **B. Water System Improvements – Water Meter Yokes, Installation, & General**

### **1. Inspection to determine meter locations and excavation requirements**

Bob Norton reviewed his previous report to the Board that there are a wide variety of residential meter locations, some of which will be easy to access for water meter yoke installation and others less so. He had previously indicated his intent to take photos of all of the locations, in order to facilitate accurate and cost effective bids. Upon further reflection, he has concluded that a better and likely more cost effective approach is to ask bidders to quote (a) standard installation in all locations, plus (b) time and materials for extra work. The overall quote amount then is to be based on the bidder's quoted price for standard installation, plus an amount for extra work based on the bidder's quoted labor rate and an estimate of the number of hours of extra work provided by Nelson Engineering in the specifications. The Directors concurred with this approach.

### **2. Water meter system specifications and bidding**

Bob Norton reported that the Water Development Office at the State has approved the two sets of bid specifications (one for the water meters and monitoring software system, and the other for the yokes and installation work). He has not heard back yet from the DEQ, but will follow up by phone; as soon as DEQ approval has been received, the bids can be advertised.

### **3. Advertising of bids**

Bob Norton confirmed that Nelson Engineering will make sure that the advertisements of the two sets of bids are submitted to the appropriate newspapers for publication as soon as possible, as authorized at the last Special Meeting of the Board. The target bid opening date is December 20, 2011, with award anticipated to be made at a Special Meeting of the SCISD on December 23rd.

### **4. State loan paperwork**

Derek Goodson reported that the paperwork has been submitted and all questions received to date have been answered. The District has not yet received notice of approval.

### **5. Loan draw for eligible engineering design and legal work – No invoices have been received yet for this portion of the overall project.**

6. Installation and communication with homeowners

Bob Norton presented his latest timeline information on the major steps leading up to the commencement of water meter installation. Key milestones at this time include:

- 12/7/2011 – Pre-bid conference with interested contractors
- 12/20/2011 – Bid opening by Nelson Engineering
- 12/23/2011 – Bid award by the District
- 1/17/2012 – Pre-construction meeting with installation contractor
- 1/18/2012 – Finalization of installation schedule
- 1/20/2012 – Letter and FAQ sheet to homeowners from the District
- 1/31/2012 – Begin homeowner email notification of anticipated scheduling for each specific home/unit (about 1 week lead time)
- Phone call to each homeowner shortly before installation

This effort will need to be well organized and coordinated among all of the parties involved; and the importance of minimizing homeowner or guest inconvenience must be stressed in the scheduling and execution of the work. In addition to phone calls to individual homeowners before installation, contractor crew members are to wear clean booties while inside a unit, and SCR Housekeeping staff members are to do follow-up checks to make sure everything is clean and in order.

An issue of concern is the timely completion of all of the installation work. Bob Norton reported that the scheduled completion date is May 18, 2012, and that there are material late fees per day and per meter payable by the contractor. The Board expressed its desire that the contractor establish a written schedule of milestones, so that installation progress can be monitored in an effort to help ensure timely completion.

**C. Water System Improvements – Water Meters and Monitoring Software**

1. User friendliness and compatibility with SCR billing system

Bob Norton and Derek Goodson indicated that they are scheduled to meet with potential vendors on November 14-15, for demonstrations and questions. Among the issues of general interest are the expected lifetime for batteries on the meters, handling of upgrades, and migration of meter reading information to user data sets and systems. Bob and Derek agreed to provide prompt feedback to the Directors following these demonstrations.

2.     **Specifications, bidding, and installation**

Bob Norton agreed to ask the potential vendors about delivery times. With regard to the meters, he anticipates that they will be stock items which are readily available; this is of particular concern, since it affects the timeline for installation.

The dates for advertising of the bid, bid opening, and bid award are expected to be the same as indicated in B.6 above for the installation contract.

3.     **Advertising of bid – See B.3 above.**

**D.     Timeline Update**

Basic dates on the timeline were discussed, as described in B.6 above. Bob Norton agreed to update and distribute the timeline spreadsheet to reflect the latest planning information. Timeline changes include moving the date of the Special Meeting for awarding contracts from December 20<sup>th</sup> to December 23, 2011.

**E.     Investment Policy and Finance Committee – Deferred until Bob Pisano completes his assembling of thoughts regarding the overlapping financial oversight needs of the SCHOA and the SCISD.**

**F.     Other Business – None.**

**V.     Conclusion**

**A.     Next Meeting – A Special Meeting will be held on Tuesday, December 6, 2011 at 4:00 pm.**

**B.     Adjournment – Upon completion of the business at hand, the meeting was adjourned.**

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