

**LORENA TIRZ #1 EAST
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY, MAY 14, 2018, AT 6:30 P.M.
LORENA CITY HALL
107-A S. Frontage Rd.
Lorena, Texas 76655**

MINUTES

Call to Order and Verification of Agenda Posting

The meeting was called to order at 6:34 pm and Chairman Coleman noted that the meeting was posted in accordance with the requirements of the Texas Open Meetings Act and a quorum was present. Members Present: Bill Coleman, Chuck Roper, J Fagner, and William Callan. Members Not Present: David Anderton, John Johnston, and Kelly Snell. Also Present: Joseph Pace (City Manager), Kevin Neal (Public Works Director), Jason Mundo and Joe Mundo of Mundo and Associates, Inc. (TIRZ Administration and Program Management Consultants), Ginger Tolbert and Rick Kasberg of KPA, and contractor Bruce Flanigan of Bruce Flanigan Construction.

1. Discussion and possible action to approve Lorena TIRZ #1 East Meeting Minutes – April 2, 2018

The Board reviewed the meeting minutes. Chuck Roper moved to approve the Lorena TIRZ #1 East Meeting Minutes – April 2, 2018. William Callan seconded the motion. The motion was unanimously approved.

2A. Update on Lorena TIRZ #1 East sanitary sewer trunk line project including Path Forward.

Consultant Jason Mundo updated the Board that the sixth month of construction and seventh month of the project was completed. Mr. Mundo noted that there was a new 13% of project construction completed in April and now 61% of overall construction was completed by the end of April. 75% of the initial 25% Lift Station phased construction is completed with the remaining work primarily the lift station access road. 15% of the final 75% Lift Station phased construction is completed. Remaining items regarding the final 75% Lift Station phase include: Civil work / slab has begun in preparation for electrical work; screen wall foundations being constructed; and pumps have been installed. Regarding the 12" and 15" Gravity Line B from Southwinds Drive to Birdie Lane: all 1700 LF of the 12" line have been constructed and all 3000 LF of the 15" line have been constructed. Regarding the 18" Gravity Line B – Waco/WMARSS Connection and Metering Manhole and Line to Southwinds Drive – approximately 3000 LF: Work began at Southwinds Drive and is proceeding eastward on the Fry easement approximately 1400 LF in length. ROW clearing, erosion control measures, and rock trenching has been completed. Approximately 380 LF of 18" diameter pipe has been

installed. ROW clearing is near completion on the Waco / WMARSS Easement approximately 1600 LF in length. To-date, Contractor has not proceeded with the construction pending a Change Order for the Waco/WMARSS plan changes.

Mr. Mundo added info looking ahead to May (Month 8): Regarding Lift Station: Progress on on civil and electrical work and begin ONCOR electrical service work; Regarding 18" Gravity Line B – Waco WMARSS Connection & Metering Manhole and Line to Southwinds Drive – approximately 3,000 LF: Continue work proceeding eastward on Fry Easement – approximately 1,400 LF in length. Begin line / manhole construction on the Waco / WMARSS easement approximately 1600 LF in length. And begin ONCOR electrical service work to Metering Manhole.

The Board entered into closed Executive Session at 6:40 pm.

2B. EXECUTIVE SESSION – CLOSED SESSION:

Pursuant to Texas Government Code Section 551.071 – Consultation with Attorney, the TIRZ #1 East Board shall consult with Legal Counsel in Executive Session regarding legal issues involving:

- (1) Lorena TIRZ #1 East - Phase 1 Wastewater Improvements Change Order #4: Southwinds Levi/Fry Water Line.
- (2) Lorena TIRZ #1 East - Phase 1 Wastewater Improvements Change Order #5: Waco/WMARSS Related Changes.
- (3) Lorena TIRZ #1 East - Phase 1 Wastewater Improvements Change Order #6: In-Progress Change Control Contract Amount Reduction.

The Board reconvened into Open Session at 7:11 pm.

2C. RECONVENE TO OPEN SESSION:

- (1) Discussion and possible action on Lorena TIRZ #1 East - Phase 1 Wastewater Improvements Change Order #4: Southwinds Levi/Fry Water Line.

The Board discussed Change Order #4 with Consultants Mundo and Associates, engineer KPA, and Contractor Bruce Flanigan. Contractor Flanigan had submitted a

Change Order #4 request for \$23,048.97. Mundo had reviewed the request and recommended a Change Order #4 approval in the amount of \$18,209.99 based on KPA Daily Inspection Report entries of steel encasement by bore installed. Both KPA and Contractor Flanigan disagreed with the recommendation. J Fagner moved to approve Change Order #4 in the amount of \$23,048.97 contingent on field measurement of the steel encasement by bore installed. Chuck Roper seconded the motion. The motion was unanimously approved.

- (2) Discussion and possible action on Lorena TIRZ #1 East - Phase 1 Wastewater Improvements Change Order #5: Waco/WMARSS Related Changes.

The Board discussed Change Order #5 with Consultants Mundo, engineer KPA, and Contractor Bruce Flanigan. Contractor Flanigan had submitted a Change Order #5 request in the amount of \$73,966.00. Mundo had reviewed the request and recommended a Change Order #5 approval in the amount of \$48,504.47. Both KPA and Flanigan disagreed with the recommendation. Flanigan stated he set costs for the items as if he were bidding them new. Mundo reviewed each of the 7 items within the Change Order with the Board and noted that the Change Order represents work “changed” from the original contract and payment is for the difference in the changed work from the work already provided for in the contract. The Board discussed splitting the difference between the submitted Change Order amount of \$73,966.00 and the payment recommendation of \$48,504.47. Contractor Flanigan said he would consider the offer and requested calculation information to support the \$48,504.47 recommendation. Mundo said they would send Flanigan the requested information. J Fagner moved to approve Change Order #5 in the amount of \$61,235.24. Chuck Roper seconded the motion. The motion was approved unanimously.

- (3) Discussion and possible action on Lorena TIRZ #1 East - Phase 1 Wastewater Improvements Change Order #6: In-Progress Change Control Contract Amount Reduction.

The Board discussed Change Order #6 with Consultants Mundo. J Fagner moved to approve the reduction of the Contractor construction contract in the amount of \$29,937.45 representing items from the In-Progress Change Control list cumulatively added and deleted from the project to date. Chuck Roper seconded the motion. The motion was unanimously approved.

- (4) Discussion and possible action on Lorena TIRZ #1 East – Phase 1 Wastewater Improvements Change Order #7: ONCOR direct costs to provide electrical service to Lift Station.

The Board discussed Change Order #7 with Consultants Mundo, KPA, and Contractor Flanigan. William Callan moved to approve the ONCOR direct cost increase of \$4,631.17. J Fagner seconded the motion. The motion was unanimously approved.

3A. Update on Lorena TIRZ #1 East Phase II Wastewater Improvements and Path Forward.

Mr. Mundo noted that detailed design of the Phase II was ongoing in its fifth month. During this month of 4/1 – 5/14: Detailed Design was completed including the 8 inch force main and lift station. The Texas Historical Commission Report was filed. The McLennan County Barnes Rd. crossing permit was submitted and received. TCEQ approval was received. The Loera signed easement was received. Construction plans, specifications, and bidding documents were completed and the following bid schedule was planned and implementation begun: Advertisement in Waco Farm & Labor Journal 4/20 & 4/27 2018; Pre-Bid Conference held on 5/1/18; Opened bids on 5/8/18; TIRZ Board consideration and recommendation 5/14/18 of the low bid of Bell Contractors Inc. of Belton TX = \$844,483.76.

Looking ahead to the coming month 5/14 – 6/1/18 schedule: City Council consideration and approval on 5/21/18. Notice of Award on 5/23/18. Notice to Proceed on 6/1/18. Groundbreaking Ceremony TBD; Construction Duration = 6 months. Completion estimated 11/30/18.

3B. Review, discussion, and possible action on recommendation to City Council to award Phase II Wastewater Improvements Project Construction Contract.

The Board discussed the bids and reviewed the bid tabulations with Consultant Mundo. Mundo noted that the low bidder, Bell Contractors Inc. of Belton Texas met all bid requirements and qualifications. Chuck Roper moved to recommend to City Council to award the Phase II Wastewater Improvements Construction Contract to Bell Contractors Inc. of Belton Texas in the amount of \$844,483.76. J Fagner seconded the motion. The motion was unanimously approved.

3C. Discussion and possible action on Engineering Construction Administration On-Site Representation Scope of Services ES 18 05 14 with KPA and Construction Phase Program Management Task Order PM 18 05 14 with Mundo and Associates, Inc.

The Board tabled this agenda item to the June meeting and took no action.

4. Discussion and possible action(s) to approve the following Financial Reports and Invoices: the following:

- A) Lorena TIRZ #1 East Financial Report and Cash Flow Report;
- B) Mundo and Associates invoice representing Administration services April 2018.
- C) Bovey Law invoice for TIRZ legal services April 2018;
- D) KPA invoice for Phase 1 Wastewater Improvements Engineering Construction Administration and On-Site Representation Services April 2018.
- E) Mundo invoice for Phase 1 Wastewater Improvements Construction Phase Program Management Services April 2018.
- F) Bruce Flanigan Construction Inc. invoice for Phase I Wastewater Improvements Construction Services April 2018;
- G) KPA invoice for Phase II Wastewater Improvements services April 2018;
- H) Mundo invoice for Phase II Wastewater Improvements Program Management Services April 2018.
- I) Bruce Flanigan Construction Inc. invoice for ONCOR related services as part of Phase I Wastewater Improvements Construction Services.

The Board reviewed and discussed:

- A) the Financial Report and Cash Flow Report prepared by Mundo and Associates;***
- B) the Administration invoice from Mundo and Associates;***
- C) the invoice from TIRZ legal counsel Bovey Law for legal services;***
- D) the KPA invoice for Phase 1 Wastewater Improvements Engineering Construction Administration and On-Site Representation Services;***
- E) the Mundo invoice for Phase 1 Wastewater Improvements Construction Phase Program Management Services;***
- F) the Bruce Flanigan Construction invoice for Phase I Wastewater Improvements Construction;***
- G) the KPA invoice for Phase II Wastewater Improvements services;***

H) the Mundo invoice for Phase II Wastewater Improvements Program Management Services.

I) And the Bruce Flanigan Construction Inc. invoice for ONCOR related services.

J Fagner moved to approve items A through I listed below:

A) Lorena TIRZ #1 East Financial Report and Cash Flow Report;

B) Mundo and Associates invoice representing Administration services April 2018 in the amount of \$4,200.

C) Bovey Law invoice for TIRZ legal services April 2018 in the amount of \$1,725.50;

D) KPA invoice for Phase I Wastewater Improvements Engineering Construction Administration and On-Site Representation Services April 2018 in the amount of \$11,792.43.

E) Mundo invoice for Phase I Wastewater Improvements Construction Phase Program Management Services April 2018 in the amount of \$1,800.00.

F) Bruce Flanigan Construction Inc. invoice for Phase I Wastewater Improvements Construction Services April 2018 in the amount of \$217,205.96;

G) KPA invoice for Phase II Wastewater Improvements services April 2018 in the amount of \$48,841.75;

H) Mundo invoice for Phase II Wastewater Improvements Program Management Services April 2018 in the amount of \$3,000.00;

I) Bruce Flanigan Construction Inc. invoice for ONCOR related services in the amount of \$60,411.08;

William Callan seconded the motion. The motion was unanimously approved.

5. EXECUTIVE SESSION: *The Board entered closed Executive Session at 10:36 pm*

Executive Session pursuant to Section 551.087 Texas Government Code, for the purpose of discussion and deliberation regarding Economic Development; Closed Meeting.

- (1) To discuss or deliberate regarding commercial or financial information that the government body has received from a business prospect that the governmental body seeks to have locate in the territory of the governmental body.

***Lorena TIRZ #1 East
Minutes of Regular Meeting of the Board of Directors
Monday, May 14, 2018***

6. RECONVENE TO OPEN SESSION:

And take any action necessary as a result of Executive Session.

The Board reconvened into Open Session at 10:41 pm. No action was taken.

7. Adjournment

The meeting was adjourned at 10:41 pm

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Bill Coleman, Board Chairman, Date

Chuck Roper, Board Secretary, Date