

TOWN OF SAGUACHE
Board of Trustees
Special Session
December 5, 2011

The Town of Saguache Board of Trustees met for a Special Session on December 5, 2011, with Trustees being present as follows:

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| Mayor Milton Jones | Present |
| Mayor Pro-Tem Dario Archuleta | Present |
| Ruth Horn, Trustee | Absent |
| Lyn Miles, Trustee | Present |
| Tina Serna, Trustee | Present |
| Carla Quintana, Trustee | Present |
| Kate Vasha, Trustee | Absent |

Town of Saguache employees present as follow:

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| Therese Garcia, Town Clerk | Present |
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Town of Saguache Attorney present as follow:

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| Eugene Farish, Attorney | Present |
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Citizens in Attendance: Jim Willschau, SLV Earth Movers; Andy McEwen, SLV Earth Movers; Bob Williams, Williams Engineering.

Call to Order: The meeting was called to order by Mayor Jones at 6:05 p.m.

Moment of Silence and Pledge of Allegiance: was led by Mayor Jones.

Review/Discuss: Contract/Letter – SLV Earth Movers: Mayor Jones invited Mr. Willschau to begin the discussion. He mentioned that the change orders were re-arranged by the engineers and are confusing. He believes that the engineers left out about \$5000 in the change orders. There was discussion of the change orders, and of the letter sent by the Town to Mr. Willschau. The change order for catch basin alteration was not approved, because when the boxes were placed Justin placed the boxes at the given elevation instead of the grates. Approved change orders included additional curb along the buildings, additional curb radius at 4th, and sidewalk at the Post Office.

NOTE: Recorder stopped recording maybe a fifth of the way into side one

There was discussion in regard to who was responsible for the materials for the storm water system improvements. Addendum No. 1 that was done by Williams Engineering stated that the Town will furnish all the materials for the storm water system, so the amount of \$21,716.99 was null and void.

Side two: when the tape starts again,

There was discussion on the Class 6 material—Bob Williams quotes an email from Justin stating that the project was bid at 1330, but they actually hauled 1620 yards, which would increase the cost of the item up to \$11,600. Jim Willschau said that Justin didn't take into account the millings, which were also short. Bob Williams mentioned that additional material had to be hauled when the road was supposedly done because it was not shaped correctly.

Jim Willschau offered to pay Larry of SLV Quality Concrete \$3600 to correct the electrical boxes.

All parties agreed on change order 6, the alterations to the manholes, and that the Town would provide certain materials as stated in the contract. The remaining item to decide upon is the liquidated damages. Mr. Willschau stated that at the last meeting, Mayor Jones had indicated that as long as they were done by Rural Philanthropy Days the Town would be satisfied. Mayor Jones mentioned that the punch list wasn't completed in a timely manner. Mr. Willschau explained that they waited to complete the punch list because the paving was being done, and they didn't want to bring heavy equipment onto the new asphalt until it set up. Mayor Jones mentioned also that Justin had told Andy that the contract didn't require them to backfill behind the curbs, but it did actually require it.

Mr. Willschau said that he overran \$11,600 on gravel. The liquidated damages are \$17,500. Mr. Willschau suggested that he not be reimbursed for the gravel, and pay to get the electrical boxes fixed, if the Town will not pursue the liquidated damages. Then the Town would pay for the last two change orders and whatever is in retainage. Clerk Garcia reported that SLV Earth Movers has been paid \$184,509.13 to date. There was no retainage withheld. Mr. Willschau said he would only agree to liquidated damages if he is shown proof that Justin was given the grade changes before they started curb.

Mr. Williams asked what Mr. Willschau wants to receive. Mr. Willschau said he wants to be paid for the outstanding change orders, which is \$20,334, for the colored concrete and the additional sidewalk. He reported that, without including office time or his own time, he is \$9800 in the hole.

Bob Williams said that the Town has approved a contract amount of \$205,000 and has paid \$184,000. There is \$20,000 retainage. Mr. Willschau said that if there is \$20,000 retainage, then the Town owes him \$40,000--\$20,000 for the change orders and \$20,000 retainage. There was additional discussion of amounts and reference to the letter that was mailed to Mr. Willschau. Mr. Williams stated that the \$205,000 includes the final change orders, so the Town owes \$20,000.

Mr. Jones stated that the remaining undecided items are the surveying, the engineering fees, and \$516 for plug covers for sub drains. The Town will pay for supplies and use them as matching funds. The surveying fees, the engineering fees and the correction of the electrical boxes come to \$8203.

To summarize, Mr. Williams said that the agreed contract cost is \$205,000. If the materials were to be paid by the contract, that brings it up to \$226,000. Mayor Jones pointed out that the materials should not be included. So with no adjustments, the Town would owe SLV Earth Movers \$20,501.02. The only remaining back charges are for the surveying fees, the engineering fees and fixing the electrical boxes. With the back charges, the balance due to SLV Earth Movers will be around \$12,000. Mr. Willschau said that he will pay the surveying fees and engineering fees, and will pay SLV Quality Concrete \$3600 to fix the electrical boxes. There was discussion of whether the contract needs to remain open. The decision was that if SLV Quality Concrete is paid upfront by Mr. Willschau, then the contract can be closed and he can receive his final check. The final numbers were:

\$20,501.02 is the balance due on the contract.

1,440.00 is the engineering fee

3,163.00 is the surveying fee

\$15,898.02 is the balance due when the engineering and surveying fees are subtracted. Mr. Willschau will pay \$3,600 to Larry at SLV Quality Concrete.

SLV Earth Movers will invoice the Town for \$15,898.02. The Town will cut a check for payment of that invoice after the meeting on December 19th. Then there needs to be a public meeting, with proper notice, for the closing of the contract, and the check will be held until after that meeting.

Mayor Jones said that the repairs on the buildings will be only a bit over a thousand dollars, so the Town will reimburse property owners. Mr. Willschau mentioned that he has video and photographs of all the buildings from before the beginning of the project. Mr. Williams said that he will send a change order for the balance due on the contract by email the next day. Mr. Willschau said that he'd like a letter stating that the liquidated damages are not being required. Mr. Williams said that the change order will include that the Town accepts \$15,898.02 as the final amount.

Adjourn: There being no further business, the meeting was adjourned at 7:22 pm.

TOWN OF SAGUACHE BOARD OF TRUSTEES
SAGUACHE, COLORADO

Milton Jones, Mayor

ATTEST:

Therese Garcia, Town Clerk