



SPECIAL CITY COUNCIL MINUTES

Irrigon Special City Council Meeting

March 3, 2009

6 p.m.

Irrigon City Hall

500 NE Main Avenue

1. Call to Order/Roll Call

Mayor James Ray called the special council meeting to order at 6 p.m.

Mayor Ray asked for everyone to stand for the Pledge of Allegiance.

Council Members present: Ken Matlack, Robert Flournoy, Jack Johns, Eleanor Partridge, and Harold Poeling. Councilor David Burns arrived at 6:53 p.m.

Staff members present: City Manager Gerald Breazeale, Utility Billing Clerk Penny Moore and Public Works Director Keith White.

City Manager Gerald Breazeale introduced City Attorney Bill Kuhn to be present to help the council with contractual issues.

Citizens present: Amy Sandy, Dave Wildman, David Wood, Gloria Wood, and Chuck Little of Hermiston.

2. Water Improvement Project

City Manager Gerald Breazeale stated that this is a special meeting and was advertised as such with the understanding that this is only for the water improvement project for contract adjustments for engineering and for change-order projects.

a) Anderson Perry Request for Amendment to Engineering Contract

Manager Breazeale stated that Dave Wildman from Anderson Perry was here to request an increase of \$104,000 in the contract amount from what was provided under the agreement that the city had signed with Anderson Perry. The contract is presently at \$602,500; the lump sum for the preliminary design phase is \$264,500, the bidding and construction phase is \$330,000, and the post-construction phase is \$8,000.

Councilor Ken Matlack asked what the anticipated additional cost request was. Manager Breazeale stated the amount is \$94,600. Manager Breazeale stated that there is no breakdown of how the engineering dollars have been spent to date on the design portion to show that Anderson Perry has exceeded the \$264,500 in time and materials to get the additional amount. At this time, all the funds that are left to be spent are the

grant funds, and those funds are through USDA. Mayor Ray asked how much grant funds are left; Manager Breazeale stated that unspent funds at this time are \$385,127.55. City Manager Gerald Breazeale stated that \$3,500 for the property at the reservoir will be allotted from the \$385,127.55.

At this time, Manager Breazeale gave details to the master plan map, explaining the project locations, including showing Well 3 and Well 4, and how this feeds into the system at Washington Avenue and Fourth Street at Oregon Avenue.

Councilor Ken Matlack questioned the method used by Anderson Perry in requesting additional funds. Councilor Matlack wanted to know why Anderson Perry did the work first and then asked for the money after the fact. Councilor Matlack stated that he is not familiar with business being done that way.

Dave Wildman responded by saying it is not customarily their practice to review the contract to see if it is included or not, then make the amendment and submit it to the customer for approval. They typically do the work and then submit the request for payment; however, he understands that the council wants to approve the work before it is done. Councilor Ken Matlack stated that the council has discussed at times the issue of contractors doing work and expecting to get paid before the council has been advised of work being done.

City Attorney Bill Kuhn stated that he was trying to understand the extra engineering cost and why the extra cost was not in the original agreement. He stated that he was taking notes and would get back to the council.

Councilor David Burns arrived at 6:53 p.m.

Mr. Wildman went over the breakdown of the page captioned "Summary of Additional Services," stating that most of these tasks have been completed but not all tasks have been paid for yet. Mr. Wildman stated that in the original contract budget, \$40,000 was set up for other engineering services, which covers the well permitting process, acquisition of easement, getting permits from ODOT, testing and more; this is not part of the design engineering or construction engineering because of unknown possibilities. Rural Development finalized the agreement and requested that the other engineering services original budget amount of \$40,000 be removed and put into the contingency fund.

When each item was paid, it was paid using construction engineering funds rather than contingency funds. The contract engineer budget was short on money, so the money needed was taken from the contingency fund and put into the construction fund.

Mayor James Ray asked for a more detailed breakdown on the line items of all "yes" tasks that have been completed on the page captioned "Summary of Additional Services."

The council wants more documentation showing how Anderson Perry arrived at the provided figures outside of the scope of the existing contract. The council invited Anderson Perry back for the March 17, 2009, meeting.

b) Change Orders for Swaggert Brothers

City Manager Gerald Breazeale stated that Swaggart Brothers are asking for compensation of \$14,000, the extra cost of additional manhole slope protectors, reservoir sampling station, and Well 3 pump station retaining wall.

Councilor David Burns commented that the description of the additional engineering tasks looks like every possible cent and no matter who's at fault or mistaken, we will get the City of Irrigon to pay for it.

Councilor Harold Poeling moved to approve \$14,000 on contingency of approval from USDA to pay Swaggart Brothers for change order number 2 for additional manhole slope protectors, reservoir sampling station, and Well 3 pump station retaining wall. Councilor Eleanor Partridge seconded the motion. The motion passed unanimously with a no vote from Councilor David Burns.

Change Order No. 3 and Change Order No. 4 were tabled until more information was obtained.

Adjournment: Mayor James Ray moved to adjourn the meeting at 7:25 p.m. Councilor Harold Poeling seconded the motion. Motion passed unanimously.

Next Regular Meeting Date – March 17, 2009

If you would like to attend and need assistance, please call Irrigon City Hall at 1.541.922.3047 or TTY relay 1.800.735.2900.

Mayor James Ray

Attest