

SUPERVISOR COMMENTS ... NOVEMBER 2017

Saganing Tribal 2% Distribution was last Friday, 11/17/17 at 1:30 p.m.

Good news! Sims Township came away with a check from the Saganing Tribe in the amount of \$4299.99. We appreciate the tremendous amount of work the Tribe puts into this program that benefits 17 townships in two counties. Since the distribution program began, the Tribe has distributed over \$245 million and all the school districts also benefit greatly. AuGres-Sims schools collected a check for \$68,733.00, Standish-Sterling, \$98,737.00 and Pinconning came in at \$70,061.00. There were two grant requests we submitted, one for paving assistance for Baum Rd. in the amount of \$18,000.00 and another for \$3299.99 for a back-up generator for our township hall. We received the second amount for the generator and will re-submit the one for Baum Rd. next Spring. We picked up a 17KW (17,000 watts) Honeywell/Generac last night from Costco in Auburn Hills. The unit is in storage and will be installed before Christmas '17 by Goyette out of Oscoda. So please, keep visiting the Casino, as your losses – in moderation only - may be lost to you but certainly not to others!

Regarding the generator source, unfortunately, a local distributor did not respond to separate inquiries by both Sam and myself over the course of several weeks.

When will the water from the new water plant begin flowing?

Great question! The word we have as of our last meeting with Spicer on 11/16 is 12/13/17! Hurray! To be on the cautious side – because stuff has been known to happen with every project mankind undertakes – we'll say that somewhere between that date and the end of the year, the new plant will be fully operational. The transition is nothing for the residents to be concerned, as the process will be fully automated, where an old valve will close and a new one will open. Residents will not have to do anything different and certainly will not have to boil water for 2-3 days due to the change. That's everything we know now.

Water Plant Updates from Spicer Engr. Jean Inman ...

Oct 20 ... The minutes from the progress meeting on Tuesday pretty much sums things up. John E Green was onsite this week working on the piping inside the new building. Countyline was onsite installing the pole by the gate and the cameras. The generator start up and training was on Tuesday. Evoqua will be onsite next week Wed (10/25) for a pre-installation check before start up and testing the week of 11/13. **Oct 27 ...** John E Green and Countyline were on site this week continuing to install equipment and instrumentation in the new building. Evoqua was on site on Tuesday to review installation of the microfiltration equipment and coordinate with Countyline and John E Green. RCL was onsite as well, grouting under pipe supports, CIP pumps and installing concrete pipe supports. **Nov 3 ...** John E Green and Countyline continued to work on the checklist of items to be completed for Evoqua's onsite visit for the week of November 13th. The painters were also onsite. Attached is a tentative schedule from Evoqua. Some of the items are scheduled further out due to all the holidays (Thanksgiving, Christmas and New Years.) Bob London from MDEQ was onsite this week. **Nov 10 ...** John E Green and Countyline continued to work on the checklist of items to be completed for Evoqua's onsite visit next week. Evoqua will be onsite next week to begin their start up and programming. As a

clarification, the schedule that was sent with last weeks update was a generic schedule listing the items that Evoqua is performing. It is not a site specific schedule. When the Evoqua rep is onsite on Tuesday and gets a better idea of how things are installed, he will provide a more detailed schedule. Evoqua only has 23 field days in their original proposal. Evoqua is also supposed to be bringing some more parts that are missing. We reviewed start up and testing requirements with MDEQ. Attached please find the letter from Midland Glass regarding the windows. In the email from RCL, they stated the following "Give us the time needed to resolve and provide the proper screen for the internal blinds. One way or another, we will make it right." - Sam Luedke, RCL. We know that this is an issue that some people are upset with and everyone involved wants to make the board and the operators happy, but some things take a little time. Now is not necessarily the time of year to be taking out the windows. There will be time in the spring to remove and replace the windows if it comes down to that. There won't be any payment on the casement windows until the board and the operators are satisfied. **Nov 17 ...** Evoqua was onsite this week working on testing the system. The air systems and the valves are all working and communicating properly. John E Green and Countyline were onsite coordinating with Evoqua and completing terminations. Perceptive Controls was onsite working on programming. The painters were onsite working on painting the piping. Speaking with the Evoqua rep his schedule is tentatively as follows: Week of November 27th - he will be wet testing the system and testing the sequence of operations. Week of December 4th - he will be running the system in limited operation and will be running the filters for several days. He will also be testing the CIP system so the chemicals onsite will be used. Week of December 11th - will be operator training and the plant should be fully commissioned before Christmas. Yesterday during the board meeting, the pavement repair was completed and it turned out great. I spoke with Lawrence from our office and he will be sending Kim recommendations for both a laptop and desk top computer. And I wanted to clarify a few things from the public comment portion of the meeting yesterday. In no way has "Spicer stopped working for you". We have worked very hard to keep this project moving forward and trying to keep everyone informed. There was misinformation provided by the public regarding the timing of the notice of potential changes. ***The following was the weekly update I sent on August 11th. Countyline was onsite this week working. The rough electrical inspection passed, so they are working on installing the lights, cover plates, etc. Consumers was onsite this week and installed the new electric and gas service for the new building. Sterling is delayed again and won't be onsite until the week of the 21st now. When Evoqua was onsite, they indicated that there was additional piping needed for the CIP system (the cleaning system for the microfiltration skids). This was a surprise since Evoqua reviewed our drawings before the project was bid and they didn't say anything then. In total, it's a few more bends and about 30-40' of piping, so not a lot, but something. We are issuing a bulletin to RCL today to get pricing. The progress meeting is next Tuesday, August 15th at 10 am at the plant. If you have any questions, please let me know.*** So as you can see, it wasn't after the fact that we told you what was going on. We issued the bulletin on August 11th. We received the first round of pricing information back from the bulletin on September 5th which was \$112,884 which was unacceptable to us. We met with John E Green and RCL and had several follow up phone calls and received the revised pricing September 14th and we attended the September 21st meeting to present the information. We know that this was a large dollar change and it can be looked at several ways. If they had read the plans completely, their original bid would have been higher to reflect the additional work. Yes, the Evoqua shop drawings were included with the bidding documents, but they are very difficult to read. We could have stopped the project to dispute the dollar amount and go to mediation, but then you lose your schedule and spend the money on legal fees instead. While every project has its bumps along the way, overall, this project has gone relatively well. Were there some things that needed to be changed, or redone to meet everyone's satisfaction - yes. Is that typical for construction projects - yes. RCL took care of those items and is continuing to work to correct issues as they arise to ensure that you are satisfied. The project is not over. No one is leaving the job. We would like to have the board to the site for a project walk through so everyone can see first hand how everything

is coming along. We were thinking November 30th at 10 am if that works for everyone. If not, please let me know a better time and date.

Sims Supervisor Response To The Aforementioned ... The water plant project has been going along quite smoothly, with the only issues being the windows for the plant are not what we expected, but Spicer will eventually make it right to the satisfaction of all. The other issue was an overcharge to the tune of \$71K that we were hit with unexpectedly that did not set well with any of the Water Authority members. We felt we had to approve the payment to keep the project moving forward, otherwise we would be forced to go to mediation and court possibly and in the interim, the project would stop. That was a risk we did not want to assume, so we were under duress and held hostage to approve a payment we did not believe we should have had to approve, since everything was bid out originally. Spicer and the contractor have been informed by the Water Authority that we will in no way approve any additional overcharges. The \$71K figure was approved but has not been paid by the Authority as the work for that job order has not been completed. The Authority Treasurer, John Gehris will be contacting the attorneys Foster-Swift to determine our options at this point. See email following that was sent to Spicer regarding the overcharge and window matter ...

Bobber Max <bobbermack@yahoo.com>

To:Jean M. Inman,Darrick W. Huff

Cc:Judy Mackie,Kimberly Anderson,Don Becker,John Gehris,Sharon Boenschand 3 more...

Oct 19 at 3:24 PM

Jean & Darrick ...

Quite a spirited discussion at today's meeting I would say! You folks haven't heard too much from the Sims side as of late, as we have had no issues of concern, and we feel everything has been running well. Except for one item, actually two. Darrick heard all about the first item today. Every member of the board is upset about the \$70K hit we took recently. You heard we felt we were being held hostage by Mr. Green to approve or else. We did not have time to de-lib-er-ate as is what board's do and we were all left with a bad case of buyers remorse, when all was said and done. Today we are all in agreement that \$70K needs to find it's way back into our coffers somehow. As you heard, that entire thing was handled poorly. If you were to send out customer surveys today, no contractor would be pleased with the comments from a customer service or marketing perspective. But that's fixable.

As you may recall, this mess all started a few weeks ago when we had a water board meeting where the board had to approve a \$70K plus overrun for hiccups caused by the manufacturer, or contractor or sub-contractor or whoever. We not sure on how this shakes out, but it would seem to the board, that money should have come from the contractor's performance bond, which as we understand, is a type of insurance policy. We do not think it appropriate that Sims-Whitney is having to pay for someone else's mistakes when there were bid-packs in place and some type of a contingency fund/performance bond in place to cover such mistakes, as that is our understanding. If the manufacturer was at fault, then either Spicer and/or RCL should be going back to them and making it right and not dinging the client as was done. That meeting was not one of those progressive milestone items the board would typically be approving to move the project forward. This was something different and as you saw today, no one is happy about the situation and about being held hostage in particular.

We do understand there was a reduction to achieve the 70K plus number, but it should have been taken care of completely to zero via the bond or contract provisions as far as the board is concerned. For the sub-contractor to hold the board hostage and threaten to leave the site until the funds were approved was also not appropriate or warranted and there should be some type of consequence for that type of behavior as well within the bond or contracts themselves. Again, that is why the bond and contracts are in place to prevent work stoppage of that type and Spicer is the on-site cop to make sure those types of delays for that type of reason does not occur, is our understanding. We felt that last meeting was a

situation of pay or else and we do not desire to be put in that situation going forward. We approved the money to keep the project moving forward and did in no way, waive our right to the performance bond by agreeing to pay for that particular overrun. As of now, Spicer needs to review all the elements within the bond and contracts and what is required by all parties and at some point, we suspect and hope that money in the amount of the overrun plus interest, should find it's way back into our account.

We get a little nervous about these types of matters considering what Flint has experienced and we do not want to find ourselves in similar straits legally or any other way. We trust you can appreciate our concern.

And less we forget, there is the second item which is aluminum windows. Again, no one was happy about the sweating and blind issue, and all were convinced that a set of vinyls or wood or composite from Menards or wherever probably would be a better choice?

Other than those two items, I feel that overall, you folks have done a very good job of getting us to where we are now and we'll look forward to a great outcome within the next few weeks. I do not need an immediate response to our concerns, but a response would be appreciated at some point within the next few weeks.

*Bob Mackie
Sims Township Supervisor*

All major projects, anywhere in our world, encounter problems of some sort at some point and ours is no exception. As you can see, none of the Water Authority members are of the temperament to bury our collective heads in the sand or roll over and play dead as it regards the \$71K overcharge and window issue. We are determined to prevail, whether it be the easy way through mediation or the hard way via court.

This report is much longer than most, but a lot has been going on since our last meeting. This is the easiest way for me to communicate everything to you. If I had to resort to pontificating at the meeting, those meetings would take up more time and most of you might begin zoning out, as you may possibly be doing right now!

Final Thought ...

This is the time of year where our attention naturally turns toward the things for which we are thankful. We are reminded that **“A thankful heart is not only the greatest virtue, but the parent of all the other virtues.”** (Cicero)

A very Happy Thanksgiving to all of you and to your families ...