Payette Lakes Recreational Water & Sewer District

Special Meeting
April 27, 2026

Directors Present

Ellen Holm, Chairperson (telephone)
Bill Weida, Vice-Chair
Dallas Young
Todd Fereday
Brian Renstrom (telephone)

Advisors Present
Adam Christenson, Legal Advisor (telephone)
David Watkins, J-U-B Engineers (telephone)
Bennett Welco, J-U-B Engineers

Staff Present
Tammie Richardson
Jeff Bateman

Also Present

Todd Fereday called the meeting to order at 9:00 am, and Directors Ellen Holm, Bill Weida, Dallas Young, and Todd Fereday all answered roll call.

Brian Renstrom joined at 9:02 am.

Consider Approval of CM/GC Storage Pond Construction Services Agreement With IMCO, Contingent on IDEQ Approval

David presented the contract with IMCO. It's slightly different than most contracts the Board has seen because it is a CM/GC contract. He went over what the Board is actually authorizing today: the contract itself, along with the scope and fee for what's called pre-construction services. This is the work they're doing as we're wrapping up the design. It includes their cost estimate, their schedule, the construction schedule, the constructability review, all those pieces. Also, a phasing plan for implementing the project, like which tasks get worked on in what order. The fee for this one is $185,700, which covers their pre-construction services. As part of this contract, when they develop the cost estimate, we conduct an independent review. Then we're essentially negotiating what's called a guaranteed maximum price, or GMP. That's your actual construction cost. There will be a large amendment to this contract when they are ready to finalize the GMP. If you agree to that one, then there will be another vote to authorize that amendment, which would include all the construction costs. After that, they put the project out to bid in packages, and subcontractors bid on the pieces. It is slightly different from the Board's past practice with traditional construction, but it is allowed under Idaho law and is a good alternative. It gives us the ability to debate the project's constructability as we finalize the design and reduces the risk of change orders and similar issues. And then there's still a competitive bidding process built into it. Bill stated that he is trying to collect data and asked how they are determining the project's future costs. He would like to know which sources they're using to determine the prices we'll have to pay for this stuff.

David answered that they have a few installers they've worked with a lot, and those installers are registered with three manufacturers that make this type of liner. They're going straight to the source, which is the manufacturer, and just getting up-to-date costs as they work on their

cost estimates. He does not think they'll be doing predictive models at all, but may have some way of estimating inflation to add on to it. Their estimates from the manufacturer should already include: if we order by this date and get it shipped by this date, this is the price.
Bill asked if the manufacturer has an estimate based on inflation in their industry.
David explained that manufacturers are currently saying their bids are only good for 14 days. He thinks that for those 14 days, they have more certainty because they know how much oil they're bringing in and how much they're using today. It was 14 days to execute the order, and then 30 days to ship it from their factory floor after manufacturing.
David explained that the contractor will often be on the phone with the manufacturer. When they're ready to pull the trigger on the liner's price, they should already have the paperwork prepared on your side of the table, so when they find a good period to order, they can. So it'll be on us to work with them to come up with one of the bid packages as the liner, so they can move quickly and put it out to bid to the subs in the window when they know the prices are good. David, there's more prediction involved because they'll have to negotiate and sign the GMP before putting the package out to bid. So it'll be a prediction of potentially 30 days. The Board considers it, and if you sign it, then they will put the liner out to bid immediately. Then they'll select a low bid, write the contract, and sign it without your approval because they've already negotiated the GMP. The Board would have already signed the GMP, which gives IMCO the ability to bid on things. David stated there are spots throughout the contract and the exhibit that are to be filled out with the GMP. That's because until we know the full cost estimate, the percentages they're using, and the District's ability to negotiate through that process, some numbers need to be filled in during that amendment. So that's why some of those spots are blank right now.
Bill stated this is the only way they could proceed with any degree of safety.

Adam commented that Hawley Troxell worked with David and his team on this and revised it in code to reach a point where both sides were agreeable to the terms, and has nothing more to add. David commented that if the Board approves the contract today, make sure it's contingent on DEQ approval. Once it is the final version, he will send it to DEQ. They check to ensure it meets the funding agreement requirements, which we have attached as exhibits. So it should check that box, but they'll look through it. Then he said, probably within a day or two, he should be back with an approval if everything looks good.

Bill moved to approve the CM/GC Storage Pond Construction Services Agreement with IMCO, Contingent on IDEQ approval, it was seconded by Dallas, and the motion carried.

<u>Consider Award of Lift Station 27 Replacement Project to K2 Excavation & Construction LLC, not to Exceed $445,912.50</u>
Jeff reported that we have been working on this lift station to get it approved for a few years now, because it was an old metal wet well. He commented that 15- 20 years ago, we sandblasted the inside to get a few more years out of it and sprayed rock on the inside, which has definitely helped, but it's just deteriorating, and we need to get it replaced. He explained that what took so long was that we had to get a waiver from DEQ to install pretty much just what's there, replace it with a concrete wetwell, because the IDAPA rules have changed significantly in the last 40 years since that station was installed. It was quite the process to get them to agree to let us install it pretty much as it is right now. One of the big things is the footprint area, because it's kind of on a hill and on private property, and we have a very small easement there. He and JUB

worked quite hard to get DEQ to approve it and finally grant us a waiver, and we got it. It is a lot of money for a small station that serves only about 20 houses.
Brian had a question about the schedule on this one and whether liquidated images are appropriate for this contract. Is this something they can complete within one building season, or is there any risk of running over and creating problems? Jeff answered that they must complete it this year; otherwise, we'll have to set up a bypass system all winter long. We can't do it during the middle of summer when the homeowners are right there staying at the house. He has spoken with the contractor and does not see any issue with completing this fall. The schedule may be longer than anticipated, depending on what they find as they excavate to the depth we are requesting for the wet well. They could run into some bedrock right there that takes a little bit longer to bust out. But overall, I don't see us having a big issue getting it done in a timely fashion. Brian asked if the contract is suitably robust to protect the District.
David answered that all the traditional construction contracts we do with the District include liquidated damages, and they are robust.

Bill moved to award the Lift Station 27 Replacement Project to K2 Excavation & Construction LLC, not to exceed $445,912.50, it was seconded by Dallas, and the motion carried.

Dallas moved to adjourn the meeting, which was seconded by Bill and the motion carried.

Submitted by: Tammie Richardson

William Weida, Vice-Chair