

Waterworks District No. 2, Parish of Beauregard

MINUTES

The Board of Commissioners, governing authority of Waterworks District No. Two (2) of the Parish of Beauregard, Louisiana, met in an open and public session at 6:00 p.m. on Monday, June 12, 2023 at the regular meeting place of said Board, at 9252 Hwy 27, Singer, LA.

***Jerry Cooley, President** of the Board of Commissioners called the meeting to order and on roll call, the following members being present: Jerry Cooley, Bill White, Richelle Bowman, Lisa Gearen, and Caroll Johnson*

Absent: 0

Others Present: *Mathieu Rose, Mark McCarty, and Debi Pruitt-b1Bank representative*

Public Participation: *There was no one in attendance for public participation*

Approval of Minutes:

Richelle Bowman, 2nd by Bill White, moved to adopt the Minutes of the May 10, 2023 meeting and to forego the reading thereof, motion carried without opposition.

Approval of Financial reports:

Richelle Bowman, 2nd by Bill White, moved to adopt the financial reports as written for May 2023, the motion was carried without opposition.

Payment authorization:

Richelle Bowman, 2nd by Bill White, moved to pay monthly invoices for June 2023, the motion was carried without opposition.

New Business:

Debi Pruitt, a representative of b1Bank came and gave a presentation on services the bank was offering, and just to name a few were the ATM and ITM availability. She provided the Secretary with a presentation folder offering a variety of services for a NOW Account.

Unfinished Business:

Mark McCarty, of Meyer and Associates, the District's Engineer discussed that he has spoken with Keith of Griner Drilling, and the Corporate Office told him not to attend the meeting to discuss the motor rental for Fields Well 5.

To his knowledge a rental contract was not signed between the District and Griner renting the 60hp motor for Well 5. He also stated that according to record it seems that Jeremy Joffrion does not recall renting the motor for Well 5, but believed that it was a temporary motor until Griner could get the permanent motor delivered. A copy of the rental policy from Griner was emailed to Jeremy and Paula in July 2022, but it was for Well 2 and Well 4 that were damaged by storms. The motor for Well 5 was not delivered until November 2022, which would have been two separate incidents. Mark stated that Keith with Griner said that the motor was brought because Jeremy was having water demand issues.

The Board discussed that the Ice Storm wasn't until December 22, 2022, and that they were under the impression the motor that was brought in November was a show of good faith due to the issues on getting a permanent motor. Then in March when the motor was burnt or damaged, the District received an invoice requesting payment for renting and repairing the motor.

Bill White questioned Mark on the contract where Griner was to supply a permanent motor, they had to use some motor to test it, so what happened? This situation falls under some sort of category because they failed to supply a motor per contract in a timely manner.

Mark said that he is not sure what transpired between Griner and Jeremy Joffrion, because he was not involved in the transfer of motors. I don't know why they brought a temporary motor, maybe Jeremy asked them too. He said he knew that Griner was so far behind in the project that they had substantial amount of out-of-pocket expense.

Bill White said that he wasn't sure where this was going to end up. They send a second-hand motor for us to use, in which they say we rented, and want to charge a price of a new one to repair.

Jerry Cooley, stated that he cannot see renting a motor for Well 5, when they are so far behind on this project. Was the damage to the used motor a lightning strike or was it just a motor failure?

Mark said he did not know, and Mathieu Rose said the motor failed after a storm in March, and Kellogg Electric did not state the cause of the motor failure, only that it burnt up.

Jerry Cooley said that it being a used motor, and we have no idea if it was already failing, or if it was the storm conditions, or even how old this motor was. The cost of a new motor versus a used motor that we have no idea of what shape it was in, is unacceptable.

Mathieu Rose stated that he does not remember the motor being a rental, just that it arrived in November 2022, and the ice storm was in December 2022.

Mark McCarty said that the invoice from Griner states the motor rental was for 95 days, and the damaged was to the Stator Rewind, Windings, etc. The rental cost is \$2,375.00, and the motor repair is \$4,139.00. He further stated that he would not have charged the District because of how far behind they are on this project.

Paula Rose gave Mark McCarty a timeline of when the District rented motors for Well 2 and Well 4 in June and July 2022. The temporary motor for Well 5 was brought in on November 23, 2022, and she wasn't informed that the motor was a rental for Fields.

The Board requested for Mark to address Griner as their representative on the invoice for the motor rental in questions, disputing the invoice because they do not have a signed contract or anyone being able to verify that it was a rental agreement.

Bill White asked Mark McCarty what his thoughts were on supporting liquidated damage by the District for this project, since he was hired by them as consulting engineering firm. What dollar (\$) figure would he offer

As the consulting engineering firm of Meyer and Associates, he (Mark) believes \$10,000 in liquidated damages would be sufficient. Also, without a rental agreement, and Jeremy's text's saying he does not remember agreeing to a rental agreement for Well 5, he would take that amount off of the table.

Bill White told Mark that he was stuck on the \$10,000 amount 200 days ago.

Mark McCarty said that (unintelligible), it all goes away, but the rental part will definitely be taken off the table at this point. If there are some areas that you can show that are substantial where the District suffered a financial loss, you could calculate that in. He further stated that he just did not see where the District suffered a financial loss.

Bill White stated that the District suffered the loss of 2 motors that were burnt up from overloading, because we were sending water to Fields at that time. The strain on the motors, and when the motor was finally installed at Well 5, it reduced the strain to the main plant in Singer. It has cost us financially, no matter how you look at it.

Mark McCarty said, he was only being honest, that Singer was already supplying water over the past years to Fields anyway.

Bill White said in his opinion he was thinking along the lines of \$25,000, and that was being very conservative. He isn't sure what the Board's thought are on liquidated damages.

There was further discussion on how Griner wanted to proceed with the situations, but according to their actions, it seems as if they have already decided to go to court.

Mark McCarty reiterated his approach as being that \$10,000.00 is sufficient for liquidated damages. He would like to see this come to an end with a mutual agreement, and not go to court. He just isn't sure there is enough justification on the \$25,000.00. If court is the final resolution, the Board will have to prove financial loss, even though the contract states \$250.00 on liquidated damages. The board should contact legal counsel, Mr. Joseph Delafield.

Bill White, discussed if the time frame had only been a 6-month delay, but Griner has went way beyond 6 months, and he could see looking at the Covid era, and may have been lenient on the \$25,000.00 until they pulled this, and refuses to come to meetings.

Paula Rose, asked for clarification on what Mark had said about the \$250.00 per day liquidated damages, and the purpose of having a contract, or increasing it to \$1,000.00 in future contracts if it is not binding?

Richelle Bowman asked if it is a signed contract and they are bound by it, why are you now saying that it isn't valid? Griner is 477 past contract time, at \$119, 250.00 according to your (Mark's) calculation? What is the purpose of having the clause, if it has no standing?

Mark McCarty stated that he couldn't answer that question, Mr. Jay would have too. If we were just talking about a week or so over, but something of this magnitude, just falls into a different ball game. I can't even think of another narrative where contract time has gone over this long.

Richelle Bowman stated that if we had signed a rental agreement contract for the motor on Well 5, wouldn't we be liable for it, and expected to pay? Griner entered into signed and binding contract knowing that they could be facing a \$250 per day liquidated damages if they went over contract time.

Mark McCarty said that he understood, and it makes perfect sense, he is just not sure of the precedents of the liquidated damages. What he was taught in continued education classes is the owner has to prove that the contractor is at fault for the damages.

Bill White, said he understood that Mark was in between a rock and a hard place, but he was hired as the District's representative, and he wasn't sure if Griner was going to still find favor in Mark.

After further discussion, Paula Rose-Secretary, asked for clarification on the \$25,000, if that was an offer to Griner? Mr. Bill White stated, No, it was just his opinion.

Lisa Gearen asked Paula for the remaining balance due to Griner Drilling on this project.

Paula Rose gave the amount of \$52,034.50 as the final balance due on the contract. She also explained the balance had not been paid, and if you took the total Liquidated Damages \$ amount due, and subtracted that from what we owe Griner, they still owe the District with the motor rental and repair being included, \$58,927.90, and if you exclude the repair and rental it comes to \$67,215.50.

Bill White said that once this goes to litigation, it may be more with additional fees included. We will wait on the advice of legal counsel.

Mark McCarty stated that this is so far out there, that he can't say this is reasonably sufficient.

Bill White stated that he (Mark) could not be supporting Griner, because he was hired by the District for representation.

Mark McCarty, said, No, he would just like to see it come to a reasonable solution, and not go to court. It will come down to the number of days, and Mr. Jay will have to come to that conclusion.

The Board, asked Mark to respond to Griner Drilling with a letter disputing the rental and repair on the motor that was installed on Well 5 in Fields. Mark, agreed to send the letter, and let the board know of their response.

Jerry Cooley asked for confirmation on what was said concerning settling for \$25,000, and his figures with that amount comes to only 100 days of the 477 days of loss contract time. He agrees with the District not being liable for the motor at Fields reiterating that they were unaware of any rental agreement, nor knowing what shape the motor was in prior to installation.

Richelle Bowman, 2nd by Bill White, moved to consult with Mr. Joseph Delafield on how to proceed with damages against Griner Drilling. The motion was carried without opposition.

Unfinished Business continued:

The Board was informed that the truck decals, and uniform shirt monograms were a work in progress. A-1 Design and Christy Cooley, had been contacted, and are working on emblems.

New Business:

Mathieu Rose discussed and submitted the cost of repairs to the Komatsu Excavator in the amount of \$46,145.96 by Waukesha-Pearce Industries formerly H.E. Equipment. With the Komatsu being permanently disabled, he was down to only the Bobcat, which he just got out of the repair shop. He is concerned that if the Bobcat breaks down, he will be in a difficult situation with no way to repair water lines, serve customers, and they would not have the means to repair water mains in the event of an emergency.

Lisa Gearen, asked if the company could sell the old Komatsu outright, or what is the correct procedure? Also, what about a state contract on cost and availability?

Paula said she would check into it, but she thought it had to be auctioned.

Mathieu Rose explained that he wasn't against using state contract, it is just that everyone is getting away from the procedure because companies that offer state contracting are struggling to get parts to build the excavators and it is taking 8 months to one (1) year to get equipment delivered, if even then.

The following quotes were submitted:

CLM:	Hitachi	EZ-Z050	\$60,706.90
Bobcat	Bobcat	E50	\$85,358.00
Waukesha-Pearce	Komatsu	PC55	\$72,500.00
John Deere		JD50G	\$78,680.00
Bobcat		E60	\$87,631.00

Small Excavators:

Waukesha-Pearce	Komatsu	35MR	\$54,000.00
Hammer Equipment	Kubota	KX040	\$67,000.00
CLM	Kobleco	EK45	\$59,829.00

State Contracts (If parts are available to build is waiting period of 8 months to 1 year)

Bobcat	E50	\$74,000.16
Bobcat	E60	\$74,956.44

The Board discussed the different brand names, some of which they had no knowledge of, or their dependability. There was a discussion on Bobcat excavators, and the problems of continually breaking down, and the hydraulic hoses always needing to be replaced. There was an agreement that the John Deere Brand for \$78, 680.00 was the better of all choices, but it seems like everything is on a long waiting period.

Bill White, 2nd by Carol Johnson, moved that purchasing an excavator would be contentious on availability, the motion carried without opposition.

Maintenance Report: Mathieu Rose

1. A system overview report was given.
2. Fields Storage Tank: Mathieu stated that he had spoken with Mark, and they looked at the last report which was fair to poor on the tank. He reached out to Wayne Reeves on funding support for a new storage tank in Fields. In order to bring the old one down for repairs, and

still supply water to the customers, the District was in need of an additional storage tank. Mr. Wayne Reeves is trying to obtain at least \$100,000.00 on the project from the Police Jury. The project is currently in the Capital Outlay request for funding, but not sure if that is feasible. Mark sent an email that Singer could not support Fields on a bypass alone, in the event of a catastrophic emergency.

The Board discussed that on the Police Jury Agenda the request was made for only \$50,000.00 for the storage tank.

Richelle Bowman, 2nd by Lisa Gearen, moved to table the project until they knew the definite amount the Police Jury was able to help with. The motion carried without opposition.

Richelle Bowman asked Mathieu if he had a routine schedule on maintaining the trucks and equipment?

Mathieu Rose said the company trucks have routine maintenance at Sam's Tire, and the equipment has a routine maintenance schedule in house.

Lisa Gearen wants the interior routinely checked on the trucks also. Mathieu agreed.

Mathieu Rose discussed how he was working on scheduling the employees with John on work orders, and William and Walter on minor leaks, and locates. The Board tabled hiring of new personnel at this time.

Secretary Report: Paula Rose

Lisa Gearen, 2nd by Richelle Bowman, moved to approve for William Dunham to attend the LRWA Conference on Monday, July 17, 2023 at 1:30 p.m., and on Wednesday, July 19, 2023 at 11:30 a.m., leaving from work and returning to work at the end of nomination and acceptance of becoming a LRWA board member. The motion was carried without opposition.

Lisa Gearen, 2nd by Richelle Bowman, moved to approve for Mathieu Rose and Paula Rose to attend the LRWA Training Conference the week of July 17, 2023-July 23, 2023 for training in Business Management, Lead and Copper, and any new technical support provided. The motion was carried without opposition.

The Board discussed security, IT vendors, and what other opportunities are available to the system.

Richelle Bowman, 2nd by Lisa Gearen, moved to cancel the services of Dellimagine IT, and to go in a different direction at this time, hiring Arbinek, LLC . The motion carried without opposition.

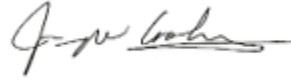
Adjournment:

There being no further business, upon a motion by Lisa Gearen, 2nd by Caroll Johnson, the meeting was adjourned, the motion was carried without opposition.

I DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the minutes of the business meeting held on Monday, June 12, 2023 @ 6:00 p.m. at the regular public meeting place at 9252 Hwy 27, Singer, LA



Paula Rose- District Secretary



Jerry Cooley, President