

**MINUTES OF THE BOARD OF DIRECTORS' SPECIAL MEETING
GREATER TEXOMA UTILITY AUTHORITY**

MONDAY, JUNE 5, 2006

**AT THE ADMINISTRATIVE OFFICES
5100 AIRPORT DRIVE
DENISON TX 75020**

Members Present: David Wright, Donald Skelton, Bill Johnson, Joe Henderson, Mark Kuneman, Everett Grantham and Paul Kirley

Members Absent: George Rowland

Staff: Jerry Chapman, Carolyn Bennett, Lynn Bowdry

Visitors: Mike Wynne, Nall, Pelley, and Wynne, LLP
David Gattis, Freeman-Millican, Inc.

I. Call to Order

President Wright called the meeting to order at 12:31 p.m.

II. Water Activities

Consider and act upon bids received for Collin/Grayson Municipal Alliance water transmission line project – 30” water line. General Manager Chapman introduced Mr. David Gattis of Freeman-Millican, Inc., the consulting engineer for the Collin/Grayson Municipal Alliance (“CGMA”) water transmission line project. Mr. Gattis identified Fox Contractors, Inc.’s \$3,301,948.15 bid as the low bid from the six bids received on May 24th. The estimate for this component of the project was \$3,100,000; however, the City of Melissa requested an additional 6,000 feet of 30” water line, an increase from the planned 24” water line in this area. This request added approximately \$150,000 to this component’s cost. Taking the additional cost into consideration, and the fact that the estimates were made in 2004, the low bid is very close to the estimated cost. Freeman-Millican, Inc., reported satisfactory experiences with this contractor on other projects and recommended awarding the contract to Fox Contractors, Inc.

General Manager Chapman informed the Board the additional cost for the increased line size requested by the City of Melissa would be paid by Melissa. The difference between the cost per foot of the 24” water line, for which bids will be received on June 8th, will be subtracted from the cost per foot of the 30” water line. The larger line is to be used for a future take-point and provides Melissa with the capacity to transfer water to the north side of the city.

Mr. Gattis indicated the six bids received on May 24th were competitive. Board Member Johnson made a motion to award the CGMA water transmission line project contract for

the 30' water line to Fox Contractors in the amount of \$3,301,948.15. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon bids received for Collin/Grayson Municipal Alliance water transmission line project – pumps. General Manager Chapman informed the Board that, in order to get quality products and equipment for the project, separate bids were received for the pumps and variable frequency drives. Mr. Gattis reported four bids were received for the pumps. Freeman-Millican, Inc., has experience with the low bidder and the quality of the pump specified is satisfactory. Mr. Gattis recommended awarding the contract to Simflo Pumps, Inc., the low bidder.

President Wright indicated the award of the pump contract and the variable frequency drive contract could be made with one motion and asked Mr. Gattis to present his report on the bids received for the variable frequency drives. Mr. Gattis indicated that both Freeman-Millican, Inc., and the City of Sherman have experience with the low bidder, Siemens Energy & Automation, Inc., and recommended awarding the contract to the low bidder.

Board Member Grantham made a motion to award the CGMA water transmission line project contract for the pumps to Simflo Pumps, Inc., in the amount of \$183,718.43, and the contract for the variable frequency drives to Siemens Energy & Automation, Inc., in the amount of \$124,600.00. The motion was seconded by Board Member Henderson and passed unanimously.

Consider and act upon bids received for Collin/Grayson Municipal Alliance water transmission line project – variable frequency drives. (See agenda item above for action on this item)

Consider and act upon rejection of bids received for Collin/Grayson Municipal Alliance water transmission line project – pump station. General Manager Chapman directed the Board's attention to a letter from Mr. Terry Millican of Freeman-Millican, Inc., the consulting engineer for the CGMA project, requesting rejection of the bids received for the pump station on May 24th. Only two bids were received, from Gracon Construction, Inc., and Red River Construction Company, Inc. Gracon built the City of Anna's wastewater treatment plant and the City of Van Alstyne's wastewater treatment plant, and it is a reputable company. Both of these companies recently bid on a similar project in Forney, Texas, and the bids were significantly less. When the consulting engineers analyzed the components in the Forney bids and compared them to the CGMA pump station bids the Authority received on May 24th, the Authority's bids seem to be approximately \$771,000 more than expected. The piping and valve items were approximately \$500,000 more than in the Forney bids, and the electrical appeared to be about \$150,000 more than anticipated. The increase in the electrical costs could be partially attributed to an increase in copper prices.

The Authority and the consulting engineers were surprised by the low number of bids and by how high the two pump station bids were. The situation was discussed with the mayors of Melissa, Anna, Van Alstyne and Howe. No one felt the May 24th pump station bids were representative of current market conditions for this type of project. Even though it will take approximately 60 days to re-bid the pump station component of the CGMA water transmission

line project, the mayors recommended rejecting the two bids and re-bidding this component. Freeman-Millican, Inc., and General Manager Chapman have contacted several contractors who indicated they would bid on this project component if it were rebid. Mr. Gattis explained that one contractor took plans but did not bid on May 24th because of employee vacations and too many other projects bidding at that time. There is a considerable amount of work in the area this month. The new bids for the pump station will be due on June 29th. This will provide adequate time to tabulate and analyze the bids before the July 17th Board meeting.

Vice President Skelton made a motion to reject the pump station bids received on May 24th and re-advertise for bids for the pump station of the CGMA water transmission line project. Board Member Henderson seconded the motion. General Manager Chapman reminded the Board members that the new bids might be the same or higher than the bids received on May 24th. The Board voted unanimously to pass the motion.

Consider and act upon authorization for General Manager to re-advertise for bids for Collin/Grayson Municipal Alliance water transmission line project – pump station. (see agenda item above for action on this item)

III. Adjourn

Upon motion by President Wright, seconded by Board Member Johnson and passed unanimously, the Board adjourned at 12:48 p.m.

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Recording Secretary

Secretary-Treasurer