

Spring Valley Water Supply Corp.
Special Meeting of the Board of Directors
December 16, 2021

Page 1 of 3

President	Larry Hobbs
Secretary	Bert Hernandez
Director	David Morrison
Director	Zandy Goode -- absent
Director	Gerald Theut
Director	Kyle Grigsby
Director	Darrell Bledsoe

ITEM 1. CALL TO ORDER, ROLL CALL

The meeting was called to order at 3:30 p.m. by President Larry Hobbs.

ITEM 2. RECOGNITION OF VISITORS

There were no visitors

ITEM 3. APPROVAL TO PAY BILLS

Larry Hobbs made a motion to pay bills for December 2021. David Morrison seconded the motion. On vote, the motion passed.

ITEM 4. DISCUSSION AND POSSIBLE ACTION: APPROVE SYSTEM IMPROVEMENT BIDS

The meeting was turned over to Johnny Tabor, our engineer, to present the bids. He reported that he sent out bids to 8 companies for plant improvements and eight companies for waterline improvements. We received back one bid for plant improvements and three for waterline improvements.

The first bid presented was from Jorgensen Pump, LLC for well improvements on the Judd and Moses wells. Each well had the same work bid on each so the bid for each was \$ 67,905 for improvements on each well for a total of \$ 155,810.

The next set of bids presented were on the waterline improvements. Three bidders submitted bids – Breton Backhoe, Barlow Tank, and Bear Contractors. Breton was the low bidder at \$198,121.50 for the base bid. Next was Barlow at \$ 219,833. The final bid was from Bear Contractors for \$ 321, 099.50 for the base bid. There were some alternate bid items each bidder was requested to bid on and these were itemized on the bid compilation sheet. A discussion ensued about these alternate items.

One of the alternate items was the use of 4" lines vs. 2" lines and it was estimated that it would cost an additional \$5/ ft. more to use 4" lines vs. 2" lines. Johnny Tabor pointed out that there were limited growth areas that were in compliance with 2" lines and that it would be fine to replace those lines with 2" rather than 4" lines as the Board favored replacing lines with 4" lines in anticipation of growth. The footage of lines that could use new 2" lines was known at this meeting however.

The single bid for the plant work was Barsh Pump Stations. The Judd plant bid was \$ 812,612 and the Moses plant was \$ 755,004. The total was \$1,567,616 for the base bids. There was discussion of whether the one bid was a good bid and whether the project should be put out for bid again. Johnny Tabor felt the bid was a good one and that it should not be rejected because it was the sole bid received.

The alternate bid items were discussed. Included in these items were alternatives for tanks, pump house sizes, and generators and their installation. The discussion on the stand-by generators was prompted by Johnny Tabor reporting that the TCEQ requires a plan to maintain service during a 100 year event such as the freezing weather this past February. The generator at the Judd plant running a well pump and two new booster pumps might require more power than the current generator provides. The alternate bid would move the Judd plant generator to the Tate plant and install two new generators at the Moses and the Judd plant. Options were sourcing water from a pressurized system, having a back up electric power supplier, or having standby generators. Installing two new generators and moving the Judd generator total \$284,837 on the alternate bid.

Optional awards were discussed including Engineering costs. The base bids were \$ 2,124,979.33. The base bids with generators were \$ 2,471,400.98. The base bids plus generators with the larger pump houses totaled \$2, 474,310.95.

ITEM 5. ADJOURN INTO EXECUTIVE SESSION AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

An executive session was called by President Larry Hobbs under the auspices of Texas Government Code Section 551.074. No actions were taken during these discussions.

ITEM 6. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTIONS REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSIONS

The open meeting was reconvened by President Larry Hobbs. The first action item was to ask Johnny Tabor to obtain letters from those who were solicited to bid stating why they did not bid. The second item was to determine how long the bids were good for on those bids that were obtained. Johnny Tabor responded that the bids were good for 30 days. This would allow approval of the bids at the next regular meeting of the Board. Bert Hernandez agreed to explore what could be done on the financing of the \$ 352,742 financing shortfall for the generators and the additional \$67,905 for well rehabilitation. Johnny Tabor was asked to get bids on improving the area around the Tate plant that was going to be donated to the SVWSC by Ken Cooper for plant expansion. We also asked Johnny Tabor to identify the areas that two inch lines would be used as replacement lines instead of four inch lines. Gerald Theut was going to

check with Frank Alexander to see if the SVWSC could handle the additional debt load from the well rehab and the generators. Meter rates are to be put on the agenda for the next regular meeting of the Board.

ITEM 7. DETERMINATION OF THE NEXT BOARD MEETING

The next regular meeting of the Board of Directors will be on Tuesday, January 12, 2022 at 3:30 p.m. at the Aqua office at 7025 Sanger Avenue, Waco, TX 76710.

ITEM 8. ADJOURN

Kyle Grigsby made the motion to adjourn. The motion was seconded by Bert Hernandez. On vote, the motion passed and the meeting was adjourned.

Submitted by: Humberto Hernandez January 6, 2022
Humberto Hernandez
Secretary, SVWSC