**KEYES COMMUNITY SERVICES DISTRICT**

**BOARD OF DIRECTORS MEETING**

**Date: Tuesday, September 26, 2017**

**Time: 1:00 p.m.**

**Place: Keyes Community Services District, 5601 7th St., Keyes, Ca.**

1. **Call to Order.**

The meeting was called to order at 1:00 pm.

1. **Pledge of Allegiance.**
2. **Roll Call.**

Present were President Parker, Vice President Bernal, Director Alexander, Director Jones and Director Landers. Also present were General Manager Garza, Maintenance Supervisor Michael Jones, Cynthia Ortega took the place for Board Secretary Michelle Harris, Engineer Lee Fremming, Attorney Rod Attebery and Attorney Andy Pinasco.

1. **Public Comment on Agenda and Non-Agenda Items.**

None

1. **Consent Agenda.**

**A) Approve Minutes of August 22, 2017**

**B) Approve Warrant Register for September 26, 2017.**

There was a motion made to accept the Consent Agenda by Vice President Bernal and a second by Director Alexander. Vice President Bernal(M), Director Alexander(S), President Parker(AYE), Director Jones(AYE) and Director Landers(AYE).

1. **DISCUSSION/POSSIBLE ACTION ITEMS**

**A) Discussion and Possible Action to form an ad-hoc committee to discuss the possibility of replacing water meters.**

Maintenance Supervisor Mike Jones asked if there were any questions in regards to the ad-hoc committee after reading the information he provided. Maintenance Supervisor Mike Jones asked for volunteers and a staff member to join the ad-hoc committee to discuss a meter replacement strategy. Director Davie Landers and Director Bill Alexander volunteered for the ad-hoc committee. No action needed.

**B) Discussion and Possible action to award the construction contract for the Arsenic Mitigation Project and authorize the General Manager to execute all contract documents.**

General Manager Ernie Garza stated in his staff report that on 8/24/2017 the District and Jacobs personel opened bids for the Arsenic Treatment Facility. We received 5 bids. The low bidder was Clark brothers Inc., for the amount of $11,772,000. Second low bidder was Overaa Construction for $11,785,000. The bid was way over the original estimate of approximately $7.7 million that did not include contingency. Included in your packet is a letter from Jacobs addressing the cost estimate with a number of reasons for this drastic increase. Overaa Construction submitted a bid protest letter on 8/31/17 stating they consider Clark Brothers bid to be non-responsive because they did not comply with the bid conditions and they did not meet the experience requirements specified to bidders. On 9/25/17 Overaa Construction also submitted another letter as a follow up on the bid protest. The District contacted respected legal counsel regarding the bid protest. It is our understanding that after review of the bid protest letters by both the Water Board Attorney and District Attorney, they have determined the protest letter is without merit. Based on the determination made by legal counsel. The decision to award the arsenic mitigation project may be made by The Board of Directors. Jeff Naff with Overaa Construction spoke to the Board regarding the protest letters. The bid documents had very clear experience requirements in them. Clark Brothers has only had 1 project that was half the size of this project. They were removed from this project due to the lack of payment to the sole sourced equipment supplier on the project. Most importantly are the DBE Forms that were not completed. There was clear language in the instructions to bidders that if you did not fill out these forms you will be found non-responsive. That is the case here twice. At two different times the forms were not completed. This is mandatory language by SRF for them to loan the District the money and we must comply otherwise we can be found non-responsive. There were no questions for Mr. Naff from the Board. There was a motion made to award the construction contract for the Arsenic Mitigation Project to Clark Bro’s for $11,772,000 and authorize the General Manager to execute all contract documents by Director Landers and a second by Vice President Bernal. Director Landers (M), Vice President Bernal(S), President Parker(AYE), Director Alexander(AYE) and Director Jones(AYE).

 **C) Discussion and Possible action to award the construction contract for the Water Transmission and Distribution System Improvements Project and authorize the General Manager to execute all contract documents.**

Engineer Lee Fremming said the bidding was on September 12, 2017. The low bidder was Mozingo Construction at $2,413,285. Engineers estimate for this projects including the contingency was $2,349,330. Low bid was about 2.7% higher than engineers estimate including contingency. They are waiting for the State to concur that the legal compliance documents have been filled out correctly. Engineer Lee Fremming recommended that the board approve awarding this contract to Mozingo Construction, contingent upon the approval of The State Water Resources Control Board. Director Landers asked if this bid included the other projects like the mobile homes and teen ranch? Engineer Lee Fremming said this was just to get the wells hooked up to the Arsenic Treatment Facility and enough distribution improvements to spread the water out. The consolidation project will start next year. There was a motion made to award the construction contract for the water transmission and distribution system improvements to Mozingo Construction and authorize the general manager to execute all contract documents contingent upon the State Water Resources Control Board approval of documentation by Director Landers and a second by Director Jones. Director Landers(M), Director Jones(S), President Parker (AYE), Vice President Bernal(AYE) and Director Alexander(AYE).

1. **Items from General Manager.**
	1. **Maintenance Staff Report**

Mike Jones explained that we have a 20% decrease from 2013 to date for the water usage. We are still almost 20% on baseline that was set prior to the drought. We are increasing due to the new homes that are built.

* 1. General Manager Ernie Garza said Michelle was out at a Conference this week.
	2. Engineer Lee Fremming said he received information that the RCAC loan was approved. It is a line of credit approved by the RCAC last week for $4,770,000. The money we would be able to draw on to make timely payments to contractors so we don’t get behind and must pay penalty’s or interest. The paperwork should be coming before the board at the next meeting to be approved.
1. **Staff Comments.**
	1. **Lee Fremming**

Engineer Lee Fremming said Black Water is 75% submittal done by October 6, 2017. Blackwater is working some issues out with the Mobile Home Parks and Teen Ranch on which of the existing on site wells they will keep and which ones they will destroy. Any wells to remain will be disconnected from the public water supply. Bonita Ranch Unit 6 is wrapping up. They are installing some street lights, installing concrete and pulling wire. The Main Lift Stations electrical plans are finished. The only thing to do is the Condition of Use Permit which Lee will start.

1. **Director Comments:**

Director Landers said he received a flyer from the County regarding a tire recycling program, he will post the flyer around town. Mike Jones asked if it was only for the Keyes area. President Parker said it was for the Grayson, Empire, Keyes, Knights Ferry, La Grange, Salida and Wesley area. Director Landers said whoever participates may need to take a voucher to Bertolotti. Director Landers said he will find out more of the details and will have it posted on the Keyes City News. President Parker said he would do that for Director Landers.

1. **Adjournment**

There was a motion made to adjourn the meeting at 1:22 p.m. by Director Alexander and a second by Director Landers. Director Alexander(M), Director Landers(S), President Parker(AYE), Vice President Bernal(AYE) and Director Jones(AYE).

**Minutes taken by: Cynthia Ortega**

**Minutes typed by: Cynthia Ortega**