



KAREGNONDI WATER AUTHORITY
Special Meeting
Lapeer County Drain Commission
(810) 732-7870

MINUTES OF MEETING
September 27, 2013

Meeting Convened 11:07 a.m.
The Pledge of Allegiance was recited.
Invocation was given by Greg Alexander.

Roll Call –

Members Present:

Greg Alexander, Dale Kerbyson, Joseph Suma, Jamie Curtis, Dayne Walling

Also Present:

Jeff Wright, CEO

Kevin K. Kilby, Corporation Counsel

Minutes:

- ❖ Motion for Approval of September 23, 2013 Minutes by *Jamie Curtis*; Supported by *Greg Alexander*; Voice Vote – Motion Passed Unanimously

Reports: None.

Communication:

- September 23, 2013 Letter from Hanson Pressure Pipe
- September 24, 2013 Letter from Ater Wynne, LLP

Consent Agenda: None

Public Comment – Agenda Items Only:

Tom Baas from Northwest Pipe Company wanted to address the process which lead to the procurement decision made at the last meeting. He wanted to clarify that the letter sent states the basic facts of their concerns in that the proposal submitted for the 36, 60, and 66 inch pipe is in strict conformance with the RFQ. The proposal of \$75,062,475.06 is approximately \$4,356,000 lower than the proposal that was put forward. He stated that John O'Brien informed him that the differential was overcome when they added a fuel surcharge to Northwest's proposal. Mr. Baas believes the addition was not properly added. That proposal would not have made the bid higher than American's in that after you add the \$900,000.00 for fuel surcharge increase, their price is still over \$3,450,000 lower than American's. That fuel surcharge is not necessarily always an add – it could be a deduct as well. He indicated that Northwest had some Value Engineering proposals that we would like to discuss with the County that would further lower the price of the pipe. They never received that opportunity. The primary facility

from where the product would be supplied is approximately 400 miles away. The facility that is going to be used by American is nearly 1000 miles away. Northwest Pipe also has multiple facilities to bring pipe to the project if acceleration is needed. Northwest did not include any requirement or indexing of the cost of steel coil. Steel coil would be a fixed price for the life of the project. In conclusion, Mr. Baas indicated Northwest Pipe would like to see the proposal re-evaluated and awarded on the lowest price. They would recommend that the original RFQ be thrown out, issue a new one, receive the bids from qualified suppliers, open the bids up in a public forum, and award the lowest price of the qualified supplier.

Old Business: None.

New Business: None.

Second Public Comment: None

Board Comment:

Trustee Kerbyson indicated that he re-reviewed the proposal from Northwest Pipe. He stated there is absolutely no ambiguity in the phrase "will be applied", indicating that the proposal doesn't say may, it doesn't say possibly, it doesn't say could be less than -- it says, "a fuel surcharge for truck freight will be applied". That is the biggest issue here -- that variable. Therefore, he finds no possible issue with the Board's previous position.

Trustee Curtis indicated that this Board has always prided itself on due process and fundamental fairness, and he also did go back and review the issue, and he wanted to thank the CEO and Legal Counsel for doing due diligence in the review process, and he is satisfied with it.

Greg Alexander thanked Mr. Suma for hosting.

CEO Wright indicated there are many factors that go into consideration for any project. He believes all three companies are good companies, further stating that he and his staff went through a very extensive bidding process that included multiple interviews, visits to all of the facilities of all of the participants and made the final decision based on multiple factors, including cost but not limited to that. He is still comfortable with the original position and recommendation.

Dayne Walling thanked Mr. Suma for hosting the meeting. He thanked all of colleagues and staff that worked on this and indicated that KWA will continue to meet in an open format to make sure that all of this body's business is conducted under the Open Meetings Act. He is looking forward to seating the larger KWA Board at the next meeting.

Adjournment

❖ Motion for Adjournment of meeting by *Jamie Curtis*; Supported by *Dale Kerbyson*.

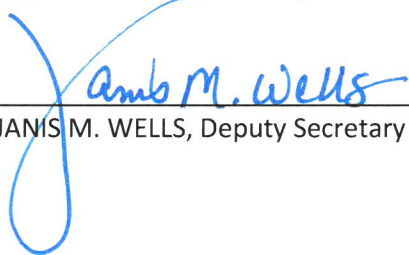
Meeting Adjourned at 11:28 a.m.

MEETING MINTUES DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss:
COUNTY OF GENESEE)

I, Janis M. Wells, Deputy Secretary of the Karegnondi Water Authority Board, do hereby certify the foregoing is a true and complete copy of the Minutes of Meetings of September 27, 2013, adopted by the Karegnondi Water Authority Board, acting in Genesee County, at a meeting held on October 16, 2013, and that public notice of said meeting was given pursuant to Act 267 of the Michigan Public Acts of 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature on this 16th day of October, 2013.



JANIS M. WELLS, Deputy Secretary