

**CIBOLO CREEK MUNICIPAL AUTHORITY
MINUTES OF THE SPECIAL MEETING
January 26, 2017**

1. Call to Order: The meeting of the Cibolo Creek Municipal Authority was called to order at 6:00 p.m. at CCMA's office at 100 Dietz Road, Schertz, TX

2. Roll Call: Present for the meeting: Mr. Ken Greenwald, President; Mr. Richard Braud, Vice-President; Mrs. Regina Agee-Secretary-Treasurer; and Mr. Bobby Greaves, Director. Mr. T. "Jake" Jacobs, Director, was absent. Staff present: Mr. Clint Ellis, General Manager; Ms Christine Budnik, Assistant to the General Manager; Mr. Brandon Bradley, Special Projects Manager; Ms Shirley Taylor, Controller; Mr. Ryan Madsen, Business Manager and Mr. Nick Sherman, CCMA Project Manager. Mr. Robert Dabney, Utility Director, was absent.

3. Citizens to be Heard: There were no citizens present.

4. Executive Session Held in Accordance with: (a) Section 551.071 of the Texas Government Code, for consultation with Attorney Regarding Pending or Contemplated Litigation with Green Valley Special Utility District/Contract and Procurement Issues and (b) Section 551.072 of the Texas Government Code, to Deliberate the Purchase, Exchange, Lease or Value of Real Property: As legal counsel was not present, executive session was not held.

5. Board Reconvenes into open Session to Authorize the General Manager to take any Action(s) on Discussions in Executive Session (a) and (b): No action was taken as executive session was not held.

6. Consideration/Approval of the Minutes from the December 8, 2016 Directors Meeting: Mrs. Agee motioned for approval with Mr. Greaves seconding and all Directors voting aye.

7. Consideration/Approval of FY2016 Audit: Mr. Madsen introduced Ms Janet Pitman with ABIP, who distributed copies of the audit to the Directors. She stated the draft audit had been reviewed with the audit committee and management of CCMA. She went over the Independent Auditor's Report, Financial Highlights and Overview of Financial Statements. She noted the ending general fund balance was \$10,014,115.00 and there were no instances of noncompliance. No material adjustments were made and the Public Funds Investment Act had been complied with. She did note one comment under Cash Disbursements regarding processing of checks. The auditors had recommended that an individual not involved with adding new vendors and processing payments to vendors receive the signed checks back to be mailed. Mr. Madsen said this recommendation would be addressed under Item #13 on tonight's agenda. There was no further discussion and Mr. Greenwald thanked Ms Pitman. Mr. Greaves motioned for approval of the FY2016 audit as presented. Mr. Braud seconded and all Directors voted aye.

8. Consideration/Approval of the Selection Committee's report and recommendations relating to the evaluation of proposals for pre-selected equipment for the Odo J. Riedel Regional Water Reclamation Plant to determine the proposals that will provide the best value for CCMA. The Board will not take action to award contracts directly to the offerors. Such selected equipment would be furnished under the construction contract, if awarded by the Board, for construction of the Odo J. Riedel Water Reclamation Plant Expansion and Improvements: Mr. Sherman drew the Directors attention to Tab 1 in their packets under which was included scoring breakdown for the advertised scoring system. Scores were generated by Alan Plummer, Mr. Bradley and himself. Factors other than cost were considered during the scoring in order to provide CCMA best value. Robert Adams with Alan Plummer had also provided a letter of recommendation found under the tab. Mr. Sherman

noted several bids were received late and not considered. He felt comfortable with the best value selections. Mr. Adams added that most vendors were required to be within a serviceable area within a day's drive of the project. There was discussion regarding Krueger filters proving to be the best value as they would work with the existing structure and would be less costly to incorporate into any future expansion. Mr. Adams noted the pre-selected equipment holds a two year warranty and a few items with a one year warranty. Krueger did offer somewhat of an extension of their warranty. Discussion concluded and Mr. Braud motioned for approval of the selection committees report as presented. Mr. Greaves seconded and all Directors voted aye.

9. Consideration/Approval of the Selection Committee's Report and Recommendations Relating to the Evaluation of Bids from Prequalified Bidders for Construction of the Odo J. Riedel Regional Water Reclamation Plant Expansion and Improvements. The Board may take Action to Award a Contract: Mr. Sherman referenced information provided under Tab 2 in Board packets and stated APAI's recommendation letter as well as a copy of bid tabulations were included. According to that information, Pepper Lawson was the apparent low bidder with a price of \$27,738,000.00. This price includes all pre-selected equipment. He then explained the discrepancy on unit price vs extended price for structural backfill. Pepper Lawson has agreed to honor the lower price. General discussion on unit pricing followed. Mr. Sherman introduced Mr. Mike Watson with Pepper Lawson who further explained potential differences between bidders' costs. Mr. Ellis noted cost of the project over TWDB funding will be pulled out of impact fees. There were no questions and Mr. Braud motioned for bid award to Pepper Lawson in the amount of \$27,738,000. Mr. Greaves seconded and all Directors voted aye.

10. Discussion on Systems Information: Mr. Bradley had no additional information to provide other than what was included in packets. Mr. Ellis stated work is being done at the admin. office building to make needed repairs. Attic insulation will be removed and replaced. As we have a surplus of round bales of hay currently priced at \$30 per bale, Mr. Ellis would like to reduce that to \$15 or \$20. He will also contact local FFA groups. Ms Budnik will contact the Wildlife Refuge and any other organizations that may be able to use the hay. Discussion moved on to the pump at Town Creek Lift Station with Mr. Ellis saying the pump recently purchased is not performing as needed. He and staff are working on a solution. There was also a single day ammonia excursion at the plant and may be due to having run only one blower. As two blowers can now be run, the ammonia looks much better. Mr. Ellis reminded the Directors that SAWS will be coming off the system, but will continue to send flow during rain events and which will be metered. Regarding plant operations, Robert Adams is working on blower specifications and the lift station is being cleaned due to a tremendous amount of ragging. Adding another bar screen is being accessed. Mr. Sherman noted the second train for the Woman Hollering Plant should be arriving soon. Robert Adams is addressing several modifications. Mr. Ellis added a third train may also be considered and concluded discussion by stating SSLGC will be coming across a small piece of plant property that is not in use next to the Crescent Bend Park.

11. Discussion on Town Creek Lift Station: Mr. Ellis and Mr. Madsen distributed debt model information that had been developed by SAMCO Capital Markets, Inc and Mr. Mark McLiney. Mr. Ellis noted construction needs to begin as soon as possible as the lift station is currently overloaded during rain events as well as rapid growth in the area. The Schertz lift station will also have to be addressed in the near future. He recommended issuing debt for the Town Creek lift station which could be funded as soon as this April. Mr. Greaves wanted to see a schedule of needed projects and associated financing. It was the consensus of the Directors that the General Manager move forward with the bond issuance process through SAMCO.

12. Consideration/Approval of Change Order #7 for Dietz Creek Lift Station Project: Mr. Sherman explained this change order was for no cost and time only for days not included in change order #6. Ten

days is requested by the contractor which is reasonable for the scope of work. Mr. Greaves motioned for approval with Mrs. Agee seconding and all Directors voting aye.

13. Consideration/Approval of Updated Check Signing Policy: Mr. Madsen stated the policy had been updated to reflect the recommendation of the auditor discussed earlier, as well as to update Mr. Bradley's job title. Mr. Braud motioned for approval of BOD 17-1 as submitted. Mrs. Agee seconded and all Directors voted aye.

14. Administrative Section: 14.1) Quarterly Investment Review in Accordance with Public Funds Investment Act: Mr. Madsen reviewed the report with no questions being asked. **14.2) End of Quarter Reports-1st Qtr.:** There were no questions on this report after review. **14.3) End of Month Reports-December:** There were no questions on Report #1, #2 or #3. Mr. Madsen noted the Capital Budget will be updated to include the bid award for the OJR expansion. **14.4) Approval of Expenditure List-December 30, 2016:** Mr. Bradley explained the expenditure to Texas Radios by stating this included service calls due to lightning strike and radios in new vehicles. TML will reimburse for the lightning strike expenditures. There was no further discussion and Mr. Braud motioned for approval of the list in the amount of \$116,645.58. Mrs. Agee seconded and all Directors voted aye. **14.5) Approval of Expenditure List-January 26, 2017:** Regarding the expenditure to GVSUD, Mr. Madsen explained this was for a feasibility study prior to providing water. Being no further discussion, Mr. Braud motioned for approval of the list in the amount of \$970,614.73. Mrs. Agee seconded and all Directors voted aye.

15. Staff Reports Pertaining to: (1) Update on OJR Plant Expansion: Mr. Sherman had nothing further to add to previous discussion. **(2) Update on South Plant:** There was no new update. **(3) Update on Dietz Creek Lift Station:** Mr. Sherman said the contractor is making good progress. Coordination with TxDot for a required water line extension along FM78 is being finalized. **(4) Update on Town Creek Force Main:** Final coordination with Cibolo and SSLGC is underway.

16. Requests by Directors and/or General Manager for items to be placed on a Future Agenda: Mr. Ellis noted a request for approval to bid the project will most likely be on next month's agenda. He will also work on developing a project schedule and funding presentation.

17. Adjournment: Being no further business, the meeting adjourned at 8:03 p.m.

AUTHORITY SEAL

APPROVED:

ATTEST:

Ken Greenwald, President

Reginna Agee, Secretary-Treasurer