

MINUTES  
JULY 18, 2013, 4:30 P.M.  
SPECIAL MEETING

**CALL TO ORDER** 4:33 P.M.  
**ROLL CALL** Keller, Benson, Robustellini and Aiello  
**ABSENT:** Gray  
**OTHERS:** C. Tyhurst, D. Kincade, J. Bray, S. Buecker, Y. Rooker, N. Cushman, R. Vendrame

**PUBLIC COMMENTS:** None.

**SPECIAL MEETING AGENDA:**

1. Discussion with Waterworks regarding bid opening for the (new) Water Treatment Plant Project.

Buecker opened the discussion by stating that six bids were received for the Water Treatment Plant Project and that the lowest apparent bidder was Cushman Contracting Corporation at \$5.35 million, which was about \$12,000 more than the \$5.34 million Water Works and the City projected that the project would cost. Buecker said he, Tyhurst and Bray have been working hard on figuring it out and believe that the City can get the project completed for the \$5.35 million. Buecker recommended to the Council that they proceed with an award to Cushman Contracting Corporation as the responsive and responsible bidder.

Bray then went over his revision of projected water system revenues and expenses showing the impact of pending water treatment plant upgrades. He projected revenues at \$451,954 and expenses at \$234,139. Then allowing for inflation and adding projected increases in plant operations and maintenance with the new plant, the sludge hauling and disposal now required by the Regional Board and loan account payments, the projected annual expenses and debt servicing add up to \$326,846. The loan account payments actually build up a small reserve in the account because the City will be required to deposit \$36,000 annually, but the payments are \$28,000 per year. Bray's accompanying memo talks about the reasons for the decrease in revenues, but that the current water rates and deliveries should provide adequate revenues to fund the water system, including the additional expenses and loan payments resulting from the contemplated plant improvements and provide an additional \$125,000-130,000 for Capital Replacement Reserves. This is less than his previous engineering studies have recommended, which was \$240,000, but his opinion is that current water rates are at a point of diminishing returns in that they are so burdensome to the city residents that any increase in rates would only result in further reductions of water use, so that there would be little or no significant additional revenue. Bray ended by stating that the City has to do something with the water treatment plant and recommended that, based on revenues and expenses, the City can afford to go ahead with the project, even though it will impact the capital replacement reserves.

Tyhurst then brought an issue to the Council's attention, that of a protest that has been received from a competing bidder about the electrical subcontractor Cushman proposes to use. He said Water Works Engineers' attorney told them it was not a problem and the City Attorney John Kenny also said it was not a problem.

Buecker said this protest was filed as an official protest after Water Works sent out the notice of Intent to Award the contract. Water Works will have to make an official response to the protest, but it does not have to be prior to award of the contract. Protests can be pursued after award. Buecker said they are confident that there is no merit to the protest. He said there is more detail that invalidates the protest, including that Cushman is capable of self-performing the electrical work so that there is no financial advantage to the bid.

In answer to a question from Benson, Buecker said the state requirement is that a protest must be made within thirty days from award of the contract and that the protester can ask a court to halt the project. In response to a question from Keller, Buecker said that it would be best to include in the motion to approve that the City will respond to the protest and the protest will be denied.

2. Discussion/possible action to award bid for the construction of the (new) Water Treatment Plant Project.

Rooker mentioned that she had some wording that needed to be included in the motion to specify where the supplemental funding was coming from. Tyhurst explained that the bid was higher than the City expected and the additional funds need to be committed now, even though there is a possibility that the contract may come in under the amount awarded. Tyhurst asked for a supplemental amount of \$11,388 and later the Council increased that amount to \$11,500. In answer to a question, he said that they were not going to use their ability to request a one-time change for this item. Bray explained that any one-time request for a change would increase the loan amount, which they are opposed to doing.

Robustellini moved to award the bid for construction of the new water treatment plant to Cushman Contracting Corporation and deny the protest from RTA Construction and authorize the City Clerk to supplement the grant with \$11,500 from the Water Capital Reserve account.

Seconded by Benson. Ayes: all.

3. Discussion/possible action to approve a redesign of Water Treatment Plant Project. Tyhurst explained that there were meetings the week before with Robustellini, Benson, Buecker and Bray and that the decision was that the City was better off doing it as planned. NO ACTION.

Tyhurst then introduced the representatives of Cushman Contracting, Roger Vendrame, Superintendent, and Neil Cushman, one of three brothers who own the company.

Robustellini made the motion to adjourn. Benson and Aiello seconded the motion. Ayes: all

**ADJOURNED: 4:52 P.M.**

**ATTEST:**

**CITY OF MONTAGUE**

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Clerk, Yvette Rooker

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Mayor, Jayne Keller