

CITY OF GLADEWATER  
CITY COUNCIL SPECIAL SESSION  
MINUTES  
OCTOBER 29, 2009  
6:00 P.M.

MEMBERS PRESENT: Mayor Walter Derrick, Mayor Pro-tem John Ussery, Judith Burlison, Joe Derouen, Scott Owens, Charles Meadows

MEMBERS ABSENT: Jimmy Williams

STAFF PRESENT: Jay Stokes, Melba Haralson

GUESTS PRESENT: Pat Derouen, Delbert Burlison, Haskell Ballew, Mark Carpenter, Karen Morgan, Ray Cumbie Jr., John Ringler, James Draper, Chris Meeks, Alton Risinger, Don Beale, Alfred Lacy, Norma Lacy, Kevin Bush, John Choice

I. CALL TO ORDER

Mayor Derrick called the meeting to order at 6:00 p.m. and welcomed those in attendance.

II. CONSIDERATION of awarding bid for the Water Treatment Plant Improvement Project

John Ringler, KSA Engineers presented bid tabulations to the Council and explained there had been an error in addition from Gracon Construction. However, even with the correction in addition, they were the low bidder at \$4,726,450. The project was originally estimated to cost about \$7.5m.

City Manager Stokes explained the program is part loan and part grant. The loan comes first so we can't reduce the amount we are borrowing. However, we can reimburse ourselves for the cost of the project over the past 6 years (approximately \$400,000-500,000). He said there are always contingencies. If we still have remaining grant funds we will find another need at the water treatment plant. The clear well needs a proper cover, which was written up by TCEQ. He said we weren't planning to do anything to the building but now we may be able to repair the leaking roof.

John Ringler said we need to award at the bid amount and we need to exclude the generators from this project which is included in another grant. He said the next step will be for RUS to approve the bid.

Mayor Pro-tem Ussery moved to award the bid to Gracon Construction Inc. for \$4,635,450, contingent upon approval by RUS. Motion was seconded by Councilmember Meadows. Carried 6-0.

III. PUBLIC PARTICIPATION OPPORTUNITY regarding contracted privatization services with Veolia Water

Mark Carpenter, 2301 Woodbine, said he just wants to make sure the City can't do it for less money. If we can, then we shouldn't privatize.

IV. WORKSHOP regarding contracted privatization services with Veolia Water

City Manager Stokes presented the cost comparisons of the five cities he surveyed; Gilmer, Kaufman, Crockett, Winnsboro and Carthage. He said each city has its own unique set of circumstances. Two of the cities thought it would be very difficult to find licensed people and hard to keep public works directors.

Councilmember Burlison received clarification from Mr. Stokes that in his surveys Enterprise Fund includes billing and Public Works does not. Mrs. Burlison asked whether consideration had been given for the free housing and utilities for the

Water Treatment Plant manager. Mr. Stokes said we will need to adjust for in-kind services.

Councilmember Owens presented reports from the PSG Review Committee dated October 21, 1999 and from Beason & Jacks CPA dated June 15, 2000 to which he applied the Consumer Price Index (CPI) from the U.S. Department of Labor website. His calculations applied to the PSG Review Committee report indicated an additional cost of \$293,173.67 to the City to contract with Veolia. Conversely, when the same inflation calculation was applied to the Beason & Jacks CPA report it showed an additional cost of \$53,621.01 if the City were to staff public works in house. He explained that Ms. Jacks took a very analytical approach and had to make some very significant assumptions, which may make some estimations inaccurate and very difficult if not impossible to update.

V. ADJOURN

Councilmember Meadows moved to adjourn at 6:50 p.m. Adjourned by consensus.

---

WALTER DERRICK, MAYOR

ATTEST:

---

MELBA HARALSON, CITY SECRETARY