

RED LAKE WATERSHED DISTRICT  
Special Board of Manager's Meeting Minutes  
September 29, 2008

President Dale M Nelson called the Special Board meeting to order at 9:00 a.m. at the Red Lake Watershed District office, 1000 Pennington Avenue South, Thief River Falls, MN.

Present were: Managers Orville Knott, Arnold Stanley, Jim Votava, Lee Coe, Dale M. Nelson and Gene Tiedemann. Absent: Vernon Johnson. Staff Present: Myron Jesme, Tammy Audette and Legal Counsel Delray Sparby.

The Board reviewed the agenda. A motion was made by Coe, seconded by Tiedemann, and passed by unanimous vote that the Board approve the agenda.

Discussion was held on the bids received for the Improvement and Lateral to Polk County Ditch 53, RLWD Ditch 12, Project No. 169. After reviewing the apparent low bid by TS Holte Construction, Administrator Jesme and Legal Counsel Sparby discussed errors in the bid. It appears that there was a unilateral mistake in the bid in regard to both the asphalt pricing and the omission of labor costs in regard to installation of culverts. Sparby stated that a bidder can be relieved of the obligation to enter into a contract because of a unilateral mistake if all of the following apply:

1. The mistake is so substantial that it is unreasonable to suppose the contractor would have submitted the bid containing the mistake;
2. The mistake was not the product of the bidder's gross negligence;
3. The contractor gives prompt notice of the error to the entity calling for the bids; and
4. The entity calling for the bids has not changed its position in reliance on the bid and has suffered no damage other than the loss resulting from the bid mistake.

Administrator Jesme stated that TS Holte Construction has submitted a letter explaining his mistakes on the bid and his reasons for rescinding his bid. A motion was made by Tiedemann, seconded by Stanley, to allow TS Holte Construction to rescind his bid amount. Motion carried.

Motion by Knott, seconded by Coe, to accept the apparent second lowest bidder, R.J. Zavoral and Sons, Inc. in the amount of \$488,491.76. Motion carried.

Motion by Votava, seconded by Knott, with motion carried to adjourn the meeting.

  
Vernon Johnson, Secretary