

City Corporation  
Board of Directors' Meeting  
Water Treatment Plant  
Tuesday, April 19, 2011, 4:00 p.m.

PRESENT:

|            |   |   |
|------------|---|---|
| Directors: | Dave Palfreeman<br>Don Guess<br>Frank Russenberger                            | Tommy Richardson<br>Art Jones   |
| City Corp: | Craig Noble<br>Rena Taylor<br>Kenny Lutz<br>Brenda Austin<br>Jonathan Shipley | Larry Collins<br>Randy Bradley<br>Jim Lynch<br>Hope Penman<br>Tom Rosenwald |
| Others:    | Gary Bennett<br>Burke Larkin<br>Whitney Snipes<br>Ron Knost                   | Bob Hardin<br>Pam Halverson<br>Clint Bell                                   |

Chairman Dave Palfreeman called the meeting to order at 4:00 p.m.

Approval of the March 17, 2011 Minutes: Art Jones made a motion to approve the minutes. Don Guess seconded. Minutes were approved as presented.

Review and Consideration of the March 2011 Financials: On the water side, revenues were 0.3% (\$1,205.43) under budgeted amounts for the month. The yearly variance is running 6.4% over budget. Total Operations & Maintenance (O&M) expense for the month was 5% under budget (\$20,387.71). The O & M Budget amount was \$408,888.33 with the actual O & M monthly total being \$429,276.04. The yearly variance is 2.6%. On the sewer side, revenues were 4.3% (\$14,337.45) below projected amounts. The budgeted revenue was projected to be \$333,400.00 with the actual total revenue being \$319,062.55. The yearly variance is 4.3% (\$14,337.45) under budget. Total O & M expense was \$111,279.43 over budget. The yearly variance is 17%. The net income for the month was 368.6% under budget. Don Guess made a motion to approve the March 2011 financials. Frank Russenberger seconded. The financials were approved as presented.

Capital Projects Status Report: The PCW Digester Repairs have been completed and both digesters are in service. Garver has completed and resubmitted plans and specifications for the Water Treatment Plant Alum Storage Building to the Arkansas Department of Health. The project will be advertised for construction bids once approved by the Health Department.

Operating Reports: On the wastewater side, City Corporation processed 1,858,750 gallons of sludge across the belt press during the month of March 2011. The maintenance staff has been busy with the regular monthly maintenance tickets at the plant and completed pump repairs. On the water side, plant operations are going well. All online meters were calibrated in the month of March 2011. The elevation of the reservoir is at 456.4 (3.8 down). The lake level was 0.7 feet down in March 2010.

City Corporation Health Insurance: Pam Halverson reported to the Board on the insurance rates returned by the various insurance companies. All rates remained the same for the next enrollment year. One change was that City Corporation's Health carrier, QualChoice will now be requiring that enrollees carry Life and Accidental Death and Dismemberment coverage through them. This change would actually mean cheaper rates on the same coverage that is now contracted through the Principal Financial Group. Art Jones made a motion to accept the rates and begin the renewal process on all current insurance coverage. Tommy Richardson seconded.

Consent Administrative Order Update: Clint Bell with CWB Engineers, Inc. gave an update on the current compliance work being completed in regards to the CAO. City Corporation has submitted all required documents and correspondence according to the established Corrective Action Plan. On March 30, 2011, Craig Noble, Larry Collins, and Clint Bell met with ADEQ to discuss the Phase I SSES Report. The meeting went well and all items from ADEQ were addressed. The final CMOM report was submitted on March 30, 2011.

Bid Item: Four bids were received on the Lawn Maintenance Services at Pump Station and Water Tanks Project. The apparent low bidder was Lawnsapes of the River Valley. Frank Russenberger made a motion to accept the bid. Tommy Richardson seconded. Bid was accepted.

Pre-treatment Ordinance: Randy Bradley reported on the progress of the Ordinance. Changes were made by the City Attorney and given back to City Corporation for review. Copies of the changes have been given to the Board members for their approval. Don Guess made a motion to accept the changes. Tommy Richardson seconded.

Don Guess made a motion to adjourn. Art Jones seconded. Motion carried. Meeting was adjourned.

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Don Guess, Secretary