

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, August 16, 2011, 4:00 p.m.

PRESENT:

Directors:	Dave Palfreeman Don Guess	Tommy Richardson Art Jones
City Corp:	Craig Noble Rena Taylor Hope Penman Brenda Austin	Larry Collins Jim Lynch Randy Bradley Kenny Lutz
Others:	Burke Larkin Brooke Smith Whitney Snipes Bob Hardin	Gary Bennett Garland Steuber Clint Bell Mayor Bill Eaton

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

Approval of the Minutes for July 19, 2011: Tommy Richardson made a motion to approve the minutes. Don Guess seconded. Minutes were approved as presented.

Review and Consideration of the July 2011 Financials: On the water side, revenues were 8.3% (\$45,149.65) over budgeted amounts for the month. The yearly variance is also running 8.3% over budget. Total Operations & Maintenance (O&M) expense for the month was 3.9% under budget (\$14,103.04). The O & M Budget amount was \$360,736.00 with the actual O & M monthly total being \$346,632.96. The yearly variance is also 3.9%. On the sewer side, revenues were 5.6% (\$19,290.28) below projected amounts. The budgeted revenue was projected to be \$344,575.00 with the actual total revenue being \$325,284.72. The yearly variance is 5.6% under budget. Total O & M expense was \$56,473.10 under budget. The yearly variance is 18.1%. The net income for the month was 112.3% over budget. Don Guess made a motion to approve the July 2011 financials. Tommy Richardson seconded. The financials were approved as presented.

Capital Projects Status Report: Garver has sent Grinder Pump specifications for the Standard Water and Sewer Specifications to City Corporation for further approval. Changes made will be incorporated in the standard specifications. Kurt Jones is modifying the documents in preparation for bidding the South Detroit Utilities Relocation Project. Quotes were requested for the Cove Landing Sewer Replacement Project. Crow Paving was the low quote. Modifications to the Huckleberry Creek Dam Repair Project are being made to the weir to handle storm water flows and will be added to the construction contract when complete. Garver continues design on the 36 inch water line

across I-40 and along Reasoner Lane. The sewer line portion of the project is on hold until City Corporation completes overall system study.

Operating Reports: On the wastewater side, City Corporation processed 1,114,200 gallons of sludge across the belt press during the month of July 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 July 2011. Staff had to make repairs to the lime auger and pulled the three backwash pumps out of service for repair. The elevation of the reservoir is at 454.8 (5.5 feet down). The lake level was 4.9 feet down in July 2010.

Cryptosporidium Testing Presentation: Randy Bradley gave a brief presentation to the Board regarding testing of the utility's two additional water sources. This testing will be to detect the presence of oocysts of the protozoan Cryptosporidium.

Consent Administrative Order Update: Clint Bell with CWB Engineers discussed the updates to the work regarding the Consent Administrative Order.

Bid Item: Due to all vehicles for the State Contract being sold, the Board was asked to accept the next lowest bidder regarding the replacement truck #514. Action was taken in last month's meeting on this vehicle. The next lowest bidder after the State Contract was Cogswell Motors in the amount of \$21,444.00. Tommy Richardson made a motion to accept. Art Jones seconded. Bids were requested in the beginning of July for the Cove Landing Sewer Line Repair. The apparent low bidder was Crow Paving at \$28,196.30. Art Jones made a motion to accept. Don Guess seconded. Bids were received on a Certification of Deposit which is now at Liberty Bank. The CD expired on August 28, 2011. One bid was received at 0.637% APR from Liberty Bank. Don Guess made a motion to accept. Tommy Richardson seconded. Motion carried.

Appointment of City Corporation Board Selection Committee: Dr. Tommy Richardson will chair this committee. Don Guess, Art Jones, and Frank Russenberger will also serve. Dave Palfreeman will serve as ex-officio.

Huckleberry Creek Reservoir Update: Craig Noble updated the Board on the status of the Huckleberry Creek Reservoir. On May 3, 2011, City Corporation closed the public access to the reservoir due to recent anti-terrorism military actions of the United States government. The reservoir has remained closed since that date. Tommy Richardson made a motion to re-open the public access after September 11, 2011. Art Jones seconded.

Don Guess made a motion to adjourn. Tommy Richardson seconded. Motion carried. Meeting was adjourned.

