

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, July 19, 2011, 4:00 p.m.

PRESENT:

Directors:	Tommy Richardson Don Guess	Frank Russenberger Art Jones
City Corp:	Craig Noble Rena Taylor Hope Penman	Larry Collins Jim Lynch
Others:	Burke Larkin Nicollette Milam Ron Knost Bob Hardin Mayor Bill Eaton	Gary Bennett Garland Steuber Whitney Snipes Clint Bell

Vice Chair Tommy Richardson called the meeting to order at 4:00 p.m.

Approval of the Minutes for June 21; June 23; June 27; and June 29: Art Jones made a motion to approve the minutes. Frank Russenberger seconded. Minutes were approved as presented.

Review and Consideration of the June 2011 Financials: On the water side, revenues were 2.8% (\$14,163.45) under budgeted amounts for the month. The yearly variance is running 3.9% over budget. Total Operations & Maintenance (O&M) expense for the month was 5.9% over budget (\$20,964.35). The O & M Budget amount was \$354,649.37 with the actual O & M monthly total being \$375,613.72. The yearly variance is 3.6%. On the sewer side, revenues were 4.4% (\$14,690.20) below projected amounts. The budgeted revenue was projected to be \$333,400.00 with the actual total revenue being \$318,709.80. The yearly variance is 1.3% over budget. Total O & M expense was \$61,209.20 over budget. The yearly variance is 20.8%. The net income for the month was 105.3% under budget. Chair Richardson asked if all the loss was attributable to the Consent Administrative Order. General Manager, Craig Noble stated that was correct. Don Guess made a motion to approve the May 2011 financials. Art Jones seconded. The financials were approved as presented.

Capital Projects Status Report: Garver has incorporated all comments from City Corporation into the fourth draft of the Standard Water and Sewer Specifications. Kurt Jones has assembled the documents in preparation for bidding of the South Detroit Utilities Project. He will furnish Garver a final set for review prior to advertisement and

bidding. The PCW Digester Repair project has been completed and both digesters are in service. The second set of comments has been received from the Arkansas Health Department regarding the new Alum Building at the WTP. A response is being compiled by Garver. The Russellville North Phoenix Water and Sewer Relocation Project was bid on June 30, 2011 and the apparent low bidder was Bowden Specialties Inc., of Russellville. City Corporation staff is currently monitoring sixteen (16) local developments at this time.

Operating Reports: On the wastewater side, City Corporation processed 1,036,755 gallons of sludge across the belt press during the month of June 2011. The maintenance staff has been busy with the regular monthly maintenance tickets at the plant and completed pump repairs. Maintenance staff installed a ventilator at the PCW shop. The #1 turbine from the digesters has been returned and is in operation. On the water side, plant operations are going well. All online meters were calibrated in the month of June 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 457.2 (3.1 feet down). The lake level was 2.8 feet down in June 2010.

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

RJN Phase II SSES Update: Craig Noble asked the Board to approve a proposal to enter into an agreement with RJN Group for continuation of Phase 2 SSES for basins 1, 2, 8, and 11. Frank Russenberger asked if the verbiage was the same as the previous agreement. Craig Noble stated that it was. Art Jones made a motion to approve. Frank Russenberger seconded.

Bid Item: Bids were accepted on July 12, 2011, for the replacement for truck # 514. Three bids were received. The apparent low bidder/quote was the state contract at \$21,025.80. Don Guess made a motion to accept the bid. Art Jones seconded. Motion passed unanimously.

2011 Retirement Resolution: Art Jones made a motion to make a contribution in the amount of 10% of each employee's annual wages to the Employee Benefit Plan Fund for all eligible employees for the year ending June 30, 2011. Frank Russenberger seconded. Motion passed unanimously.

FY 2010/2011 Audit Engagement Letter: Craig Noble updated the Board on the yearly financial audit which is completed by Shoptaw, Labahn & Company, P.A. Mr. Noble pointed out that the letter was routine and the quote for services was very close to last year's cost. Motion to approve was made by Don Guess. Seconded by Art Jones. Motion passed unanimously.

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. Mayor Bill Eaton stated that he would be in favor of closing the public access permanently. Alderman Ron Knost stated that he believes there would have to be a public meeting if the utility were to consider a permanent closure. Frank Russenberger stated that a public meeting would be the ideal forum to discuss this possibility.

City Corporation/ City Council Joint Meeting Date: Craig Noble informed the Board that he has had a request to move the next scheduled meeting from September 13, 2011 to September 6, 2011 after the Agenda Meeting. The Board found this date to be agreeable.

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

Don Guess, Secretary