

City Corporation  
Board of Directors' Meeting  
Main Office Conference Room  
Tuesday, June 21, 2011, 4:00 p.m.

PRESENT:

Directors:	Dave Palfreeman Frank Russenberger Art Jones	Tommy Richardson Don Guess
City Corp:	Craig Noble Rena Taylor Brenda Austin Jim Lynch	Larry Collins Kenny Lutz Hope Penman
Others:	Hugh Kelso Bob Hardin Stephen Jeffus Gary Bennett	Alex Streett Clint Bell Kirby Rowland Spree Hilliard

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

Approval of the May 17, 2011 Minutes: Tommy Richardson made a motion to approve the minutes. Art Jones seconded. Minutes were approved as presented.

Review and Consideration of the May 2011 Financials: On the water side, revenues were 5.8% (\$25,961.69) under budgeted amounts for the month. The yearly variance is running 4.6% over budget. Total Operations & Maintenance (O&M) expense for the month was 9.1% over budget (\$32,005.72). The O & M Budget amount was \$352,019.33 with the actual O & M monthly total being \$384,025.05. The yearly variance is 3.4%. On the sewer side, revenues were 2.1% (\$6,887.45) below projected amounts. The budgeted revenue was projected to be \$333,400.00 with the actual total revenue being \$326,512.55. The yearly variance is 1.9% over budget. Total O & M expense was \$78,154.20 over budget. The yearly variance is 20.6%. The net income for the month was 129.9% under budget. Tommy Richardson made a motion to approve the May 2011 financials. Frank Russenberger seconded. The financials were approved as presented.

Capital Projects Status Report: The Standard Water and Sewer Specifications will be made current upon receipt of the grinder pump specifications. Garver has incorporated all comments from City Corporation into Draft #4. Garver personnel and Kurt Jones met and developed a plan to incorporate the utilities project at South Detroit into the set of plans for the roadway project. Mr. Jones is to assemble the documents in preparation for bidding and will furnish a final set for review prior to advertisement and bidding. The City of Russellville will be the contracting authority for the combined project. The PCW

Digester rehabilitation has been completed and both digesters are in service. Kurt Jones is to provide Garver with his final set of roadway plans for Garver to review for any roadway or drainage changes that may affect the North Phoenix Water and Sewer relocation project plans. The contractor's work is complete on the Huckleberry Creek Dam Repair. City Corporation staff is currently monitoring (13) local developments at this time.

Operating Reports: On the wastewater side, City Corporation processed 1,895,656 gallons of sludge across the belt press during the month of May 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 and pulled the #1 turbine from the digesters to be sent off for repair. On the water side, plant operations are going well. All online meters were calibrated in the month of May 2011. Staff had to make repairs to the air compressor on the #1 Superpulsator. The elevation of the reservoir is at 459.13 (1.17 feet down). The lake level was 1.2 feet down in May 2010.

Consent Administrative Order Update: Stephen Jeffus with RJN Group gave a presentation regarding Consent Administrative Orders in Arkansas.

Bid Item: Bids were accepted on June 7, 2011, at 10:00 a.m. for a sewer Certificate of Deposit. Only one bid was received. Liberty Bank bid 0.793% APR. Don Guess made a motion to accept the bid. Tommy Richardson seconded. Bids were received on June 17, 2011, at 2:00 p.m. for Lift Station Manual Transfer Switch Additions. Two bids were accepted. The apparent low bidder was Triangle Electric in the amount of \$54,000.00. Art Jones made a motion to accept the bid. Tommy Richardson seconded. The bid was accepted.

2011-2012 Capital and Operations & Maintenance Budgets: Tommy Richardson made a motion to table the item until a later workshop could be scheduled. Don Guess seconded. A date of June 23, 2011 was tentatively set.

Executive Session: The Board went into Executive Session. They returned from Executive Session with no action taken.

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

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Don Guess, Secretary