

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, December 18, 2012, 4:00 p.m.

PRESENT:

Directors:	Tommy Richardson Frank Russenberger	Don Guess Luke Duffield
City Corp:	Steve Mallett Larry Collins Hope Penman	Jim Lynch Rena Taylor Brenda Austin
Others:	Gary Bennett Bob Hardin Matt Crow Harold Barr	Aaron Stallmann Clint Bell Mayor Bill Eaton

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

Approval of the November 2012 Minutes: Frank Russenberger made a motion to approve the minutes. Don Guess seconded. Minutes were approved as presented.

Review and Consideration of the November 2012 Financials: On the water side, revenues were 5.5% (\$24,664.76) under budgeted amounts for the month. The yearly variance is running 1.1% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 25.7% under budget (\$157,920.90). The O&M budget amount was \$614,338.00 with the actual O&M monthly total being \$456,417.10. The yearly variance is 2.0% (\$44,604.11) under projected budget. The net income for the month was 80.9% (\$133,272.24) less than the budgeted income. On the sewer side, revenues were 6.0% (\$19,680.88) under projected amounts. The budgeted revenue was projected to be \$325,665.00 with the actual total revenue being \$305,984.12. The yearly variance is 2.2% (\$36,593.99) under budget. Total O & M expense was \$55,356.51 under budget. The yearly variance is 10.5% (\$187,175.96) under budget projections. The net income for the month was 207.8% (\$35,603.37) greater of a loss than anticipated. Luke Duffield made a motion to approve the November 2012 financials. Frank Russenberger seconded. The Financial Report was approved as presented.

Chief Operating Officer Report: Steve Mallet gave an update to the Board regarding several items that he has been working on recently. Among those items, he addressed water service to Cove Landing, proposed agreement for a rate study, the Wellness Program, various projects underway including the Dechlorination and the Denitrification projects.

Capital Projects Status Report: Collins reported that all areas are operating well with no issues being noted. Collins stated that sludge removal at the Water Treatment Plant Lagoons was going well. The contractor is working on the west lagoon and it is anticipated to be back in service by December 14, 2012.

Operating Reports: Collins reported that all operations had run smoothly for the month. Collins stated that City Corporation is currently having specs developed to replace the carbon feeder at the reservoir which continues to have maintenance issues.

Work Order for 23rd Street Gravity Sewer: Mallett explained that the utility is currently experiencing issues with the station which would require major expenditures to bring the station back up to proper working condition. Staff has met with Garver Engineers to evaluate the option of installing a gravity pipeline from this location south to the South Frankfort Pump Station and abandoning the 23rd Street station. Luke Duffield asked if there were any other instances like this in the system. Mallett stated that there are not any at this time that are as easy to remedy. Frank Russenberger asked if this project would overload the system in other areas. Gary Bennett, with Garver Engineers, stated that hydraulic models have been run and there appears to be no issue. Frank Russenberger made a motion to approve the work order. Luke Duffield seconded. Motion carried.

Work Order for Western Hills Tank Painting: Mallett stated that due to the critical nature of the Western Hills Tank, City Corporation is not able to take it out of the system for exterior painting. Mallett proposed that City Corporation utilize a method whereby the tank can be painted while full of water. Staff has visited with Garver Engineers regarding this project and has asked for a proposal to perform the engineering services related. Garver has offered two options, once which includes a full time inspector and the other which includes a part time inspector. Frank Russenberger asked if City Corporation and Garver were comfortable with a part time inspector on this project. Gary Bennett assured the board that Garver would make sure suitable standards and procedures were in place. Luke Duffield made a motion to approve option two of the proposed work order with Garver Engineers which is an hourly based contract that includes a part time inspector not to exceed \$28,650.00. Don Guess seconded. Motion carried.

Consent Administrative Order Update: Clint Bell gave an update on the Consent Administrative Order for the month of November. Mr. Bell noted that KAJACs has mobilized and started preliminary construction activities for the East 2nd Street Wastewater Improvements. Also, the design for the City Mall project is complete. Plans have been submitted for approval.

PCW Plant Design Update: Matt Crow with CDMSmith gave the report on the PCW Plant Design Update. Mr. Crow reported that the Arkansas Department of Health has reviewed and approved Schedule I: Dechlorination System. Likewise, review and approval for the Schedule II: Nitrate Removal has occurred.

Chairman Richardson introduced the next City Corporation Board member, Mr. Harold Barr, who was in attendance.

Don Guess made a motion to adjourn. Luke Duffield seconded. Motion carried. Meeting was adjourned.

Art Jones, Secretary