

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, January 17, 2012, 4:00 p.m.

PRESENT:

Directors:	Dave Palfreeman Don Guess Art Jones	Tommy Richardson Frank Russenberger Luke Duffield
City Corp:	Craig Noble Jim Lynch Brenda Austin Hope Penman	Larry Collins Rena Taylor Randy Bradley
Others:	Clint Bell Bob Hardin Garland Steuber Whitney Snipes	Derick McKinney Craig Johnson Gary Bennett Burke Larkin

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

Election of the 2012 City Corporation Board Officers: Frank Russenberger nominated the following officers: Tommy Richardson, Chair; Don Guess, Vice-Chair, and Art Jones Secretary. Don Guess seconded the motion. Chairman Tommy Richardson presented Past Chair Dave Palfreeman with a plaque in honor of his service on the City Corporation Board of Directors. Mr. Palfreeman said that he enjoyed the relationships that he built while serving on the Board. He added that it has been a joy to serve. "If I can ever be of help, please let me know," he said before turning the meeting over to newly elected Chair Richardson.

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

Review and Consideration of the December 2011 Financials: Mr. Noble reminded the Board that the new depreciation amount for water and sewer were included in this month's financials. This number is from the auditors of Shoptaw, Labahn after the last financial audit was performed. On the water side, revenues were 4.2% (\$17,638.25) under budgeted amounts for the month. The yearly variance is running 2.3% greater than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 3.6% under budget (\$13,532.12). The O&M budget amount was \$373,891.00 with the actual O&M monthly total being \$360,358.88. The yearly variance is 11.2% (\$289,482.92) under projected budget. The net income for the month was 10.8% (\$5,162.15) less than the budgeted income. On the sewer side, revenues were 0.6% (\$1,871.76) over projected amounts. The budgeted revenue was projected to be \$313,575.00 with the actual total revenue being \$315,446.76. The yearly variance is 1.1% (\$22,062.26) under budget. Total O & M expense was \$24,438.40 over budget. The yearly variance is 9.4% (\$190,362.42) under budget projections. The net income for the month was 269.5% (\$22,635.16) over budget. Art Jones made a motion to approve the December 2011 financials. Frank Russenberger seconded. The financials were approved as presented.

Capital Projects Status Report: Reported that all areas are operating well.

Operating Reports: Reported that operations had run smoothly for the month. Art Jones asked whether the increased operating costs were the result of the increased financial expenditures for the month. Craig Noble stated that the numbers reported this month were the result of increased chemicals and increased flow at the plant.

Consent Administrative Order Update: Clint Bell with CWB Engineers referred to Craig Johnson with CDM Smith. Mr. Johnson stated that a contract had been executed on December 30, 2011. He also stated that a kick off meeting was held on January 10, 2012 to discuss in detail the design phase. Mr. Johnson expects 100% design documents complete on June 27, 2012 and submitted to ADEQ for construction permits shortly thereafter. Chair Richardson asked how much leeway we will need on the bonds. Mr. Johnson said that he recommended that City Corporation talk to the bond underwriters and go to market when they believe the market to be most favorable.

Bid Item: Bids were received on January 9, 2012 at 2:00 p.m. for a replacement pickup truck for the ConAgra Pretreatment Facility. The apparent low bid was the state contract which is honored by North Point Ford of Little Rock in the amount of \$15,141.25. Art Jones made a motion to accept the bid. Frank Russenberger seconded. Art Jones asked what would become of the old truck once it was replaced. Craig Noble stated that it will be sold through the City's auction site.

The Board was presented with a calendar of the 2012 Board Meeting Schedule and City Council Meeting Schedule. Mr. Noble also took the opportunity to commend several City Corporation employees for the repair of a water line on East Main Street. This line is responsible for feeding ConAgra, Firestone, and POM among other industries. Employees who assisted in the repair were Randy Cossey, Brandon Harris, Keith Gray, Bobby Church, Travis Brock, John McClure, David Hawkins, Richard Austin, Michael Ritchie, Josh Tyson, Jonathan Shipley, Tom Rosenwald, Keith Baker, Charlotte Petrick and Jim Lynch. These employees are commended for their outstanding efforts in the safe, expedient repair of the water line.

Chair Tommy Richardson introduced Luke Duffield as the newest member of the Board. " We are glad to have you on board, " Richardson said.

Don Guess made a motion to adjourn. Frank Russenberger seconded. Motion carried. Meeting was adjourned.

Art Jones, Secretary