

City Corporation
Board of Directors' Meeting
Pollution Control Works Facility
Tuesday, March 27, 2012, 4:00 p.m.

PRESENT:

Directors:	Tommy Richardson Art Jones	Don Guess Luke Duffield
City Corp:	Craig Noble Ricky Biffle Randy Bradley Brenda Austin Darryl Ferguson	Larry Collins Rena Taylor Hope Penman Jeremy Myers Kenny Lutz
Others:	Clint Bell Gary Bennett Garland Steuber Pam Halverson	Mayor Bill Eaton Ron Knost Andrew Pawnell Bob Hardin

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

Approval of the February 2012 Minutes: Art Jones made a motion to approve the minutes. Luke Duffield seconded. Minutes were approved as presented.

Review and Consideration of the February 2012 Financials: On the water side, revenues were 41.9% (\$177,231.00) under budgeted amounts for the month. A refund was made to Tri-County in the amount of \$156,632.65 that was due to a register at the Center Valley metering site over reporting consumption from September 2007 through August 2011. The monthly total revenue was \$403,863.65 prior to the wholesale refund. The yearly variance is running 3.6% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 0.1% over budget (\$351.23). The O&M budget amount was \$411,286.00 with the actual O&M monthly total being \$411,637.23. The yearly variance is 9% (\$302,631.25) under projected budget. The net income for the month was 1009.2% (\$175,367.02) less than the budgeted income. On the sewer side, revenues were 2.6% (\$8,047.45) over projected amounts. The budgeted revenue was projected to be \$313,575.00 with the actual total revenue being \$321,622.45. The yearly variance is 0.9% (\$23,712.46) under budget. Art Jones asked if City Corporation will have established the new sewer rate per household as of Friday. Craig Noble stated that that was accurate. The information for January, February, and March will be in the system at that time. Total O & M expense was \$51,659.50 under budget. The yearly variance is 7.9% (\$215,652.55) under budget projections. The net income for the month was 90.6% (\$59,648.20) under budget. Tommy Richardson asked if the metering for Cove Landing was completed yet and stated that this needs to be completed. Luke Duffield made a motion to

approve the February 2012 financials. Art Jones seconded. The Financial Report was approved as presented.

Capital Projects Status Report: Reported that all areas are operating well with no issues being noted.

Operating Reports: Reported that operations had run smoothly for the month.

Financial Officer Resolution: Craig Noble asked the board to pass a resolution to make Hope Penman CFO of City Corporation and give her the authority to act on behalf of City Corporation in all financial matters including dealing with the Internal Revenue Service. Tommy Richardson asked if City Corporation would need to address the change in the Articles of Incorporation. Counsel Bob Hardin stated that this was not necessary since the Board is just designating a particular office within. Art Jones made a motion to accept the resolution. Don Guess seconded. Resolution passed.

Consent Administrative Order Update: Clint Bell presented this month's status report on the Consent Administrative Order. According to the Corrective Action Plan, City Corporation has submitted all required documents and correspondence. The CMOM will be submitted by the March 31 deadline. A letter will also be sent in March to ADEQ describing the I&I program and the improvements made in the system to address I&I. RJN has completed all field work activities on basins 1, 2, 8, and 11. Smoke testing was completed in all accessible areas. An SSES update meeting was held at the City Corp offices on March 14, 2012. RJN will develop a proposal to complete the next round of SSES work in basins 3, 5, 6, and 21. CWB Engineers has completed the final revisions for the East 2nd Street project to incorporation comments and suggestions from the City Corporation review and the City of Russellville. A meeting was held on March 14 with the City of Russellville to discuss the drainage improvements on East 2nd Street. Mr. Kurt Jones has no issues with the design along East 2nd Street. Luke Duffield asked Clint Bell if Kurt Jones was speaking on behalf of the City. Clint Bell replied that yes, he was acting on the City's behalf at the time. The wastewater improvements around the city park were modified. The project should be ready to bid in April.

PCW Plant Design Update: Andrew Pawnell with CDM Smith updated the Board on the PCW Plant Design. CDM held a 30% design meeting last Friday, March 23, 2012. The design for the Total Residual Chlorine (TRC) is 60% completed. Luke Duffield asked that the report from CDM Smith be provided in the Board packets monthly.

City Corporation Health Insurance Renewals: Pam Halverson reported to the Board on the insurance rates returned by the various insurance companies. All rates remained the same for the next enrollment year. One change was an increase in the Long Term Disability cost. Pam Halverson explained to the Board that this cost was paid for the employees out of their retirement plan. She also stated that the zero percent increase was a testament to the

employees. Art Jones made a motion to accept the rates and begin the renewal process on all current insurance coverage. Luke Duffield seconded.

Luke Duffield asked where City Corporation is regarding the land use application. Clint Bell stated that we have moved forward and City Corporation has had additional dialogue regarding the renewal of the permit. Luke Duffield stated that he believes that before City Corporation commits to purchasing a new spreader truck for the PCW that it is going to be needed. He also would like an update on the permit in each Board meeting for the next couple of meetings.

The April Board meeting will be on April 17, 2012 at the Water Treatment Plant.

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

Art Jones, Secretary