

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, August 20, 2013, 4:00 p.m.

PRESENT:

Directors:	Don Guess	Art Jones
	Frank Russenberger	Luke Duffield
	Harold Barr	

City Corp:	Steve Mallett	Larry Collins
	Jim Lynch	Kenny Lutz
	Lance Bartlett	Randy Bradley
	Hope Penman	Brenda Austin
	Renae Taylor	

Others	Clint Bell	Aaron Stallmann
	Mayor Bill Eaton	Bob Hardin
	Andrew Pownall	Travis Garza

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

Approval of the July 2013 Minutes: Frank Russenberger made a motion to approve the minutes. Art Jones seconded. Minutes were approved as presented.

Review and Consideration of the July 2013 Financials: On the water side, revenues were 8.9% (\$57,233.49) under budgeted amounts for the month. The yearly variance is running 8.94% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 12.1% under budget (\$58,765.03). The O&M budget amount was \$484,868.00 with the actual O&M monthly total being \$426,102.97. The yearly variance is 12.1% (\$110,137.42) over projected budget. The net income for the month was 41.2% (\$58,765.03) less than the budgeted income. On the sewer side, revenues were 3.5% (\$12,017.82) under projected amounts. The budgeted revenue was projected to be \$346,250.00 with the actual total revenue being \$334,232.18. The yearly variance is 3.5% (\$12,017.82) under budget. Total O & M expense was \$32,626.20 under budget. The yearly variance is 8.6% (\$32,626.20) under budget projections. The net income for the month was 64.5% (\$20,682.87) less of a loss than anticipated. Art Jones made a motion to approve the July 2013 financials. Frank Russenberger seconded. The Financial Report was approved as presented.

General Manager's Report: Steve Mallett gave an update to the Board regarding several items that he has been working on recently. Among those items, he addressed changes to the City Corporation computer network, upcoming attendance at the CMOM Conference, planned visits to Compost Facilities in Hot Springs and Bentonville, staffing items, and multiple meetings which he attended throughout the month.

Capital Projects Status Report: Lance Bartlett deferred to Aaron Stallmann with Garver Engineers for updates on three projects including the 23rd Street Gravity Line, the Carbon Feed System Replacement, and the Western Hills Tank Painting project. Stallmann stated that the Gravity line was on today's agenda for Board consideration. The project, if approved, has a construction contract length of 120 consecutive calendar days. The contract for the Carbon Feed System was awarded to Instrument and Supply of Hot Springs, Arkansas. The installation of the new system is nearing completion and is expected to be operational soon. Work is planned to resume on the Western Hills Tank Painting Project once temperatures cool. Lance Bartlett reported on the Western Hills Pump Replacement Project. The electrical contractor is scheduled to install the electrical panel and wiring in preparation of the pump delivery. Once the new pump is delivered, the installation will begin. The pump is estimated to be out of service for only 8-10 hours. City Corporation staff is currently monitoring (31) local developments at this time.

Operating Reports: Collins reported that all operations had run smoothly for the month. Plant staff has been busy this month with painting and mowing. The elevation of the reservoir is at 456.1 which is 4.2 feet down. The lake was 9.9 feet down this time last year. Mr. Collins also pointed out that there was one violation this month for the PCW Facility. The violation was for chlorine due to the temporary set up of the dechlorination facility.

Bid Awards: Bids for the 23rd Street Wastewater Improvements project will allow City Corporation to abandon a deteriorated wastewater lift station located at 23rd Street along the railroad tracks and convey the wastewater by gravity to an existing lift station located at 7T and Frankfort. Three bids were received for the project, with the low bid of \$188,280.00 submitted by Duncan Construction of Russellville. Upon review of his bid, Mr. Duncan discovered a significant error in tabulating his final numbers and asked to withdraw his bid. The second bid was received from KAJACS Contractors in the amount of \$280,000.00. The Engineer's estimate is \$396,000.00. Frank Russenberger made a motion to allow Mr. Duncan to withdraw his bid from consideration and be allowed to write City Corporation a check for the amount of his bid bond in lieu of pulling the bond. Luke Duffield seconded. Motion passed. Frank Russenberger made a motion to approve the bid from KAJACS Contractors in the amount of \$280,000.00. Art Jones seconded. Motion passed.

Bids were received for a Certificate of Deposit in the amount of \$496,936.90 on August 20, 2013. The high bidder was Liberty Bank in the amount of .367%. Harold Barr made a motion to accept the bid. Art Jones seconded. Motion passed.

Consideration of Claim for Damages – Travis Garza: The City Corporation Board of Directors received a request from Travis Garza to pay for damages caused from wastewater backing up into his residence at 1504 North Mobile Court on April 10, 2013. City Corporation records indicate that a backup also occurred at the residence in November 2012. At this time, City Corporation personnel notified the customer that a backflow prevention device be installed to prevent future backups. Luke Duffield made a motion to deny the request for damages made by Mr. Garza. Art Jones seconded the motion. Motion carried. The Board again discussed the need for installation of a clean out on the line with Mr. Garza.

Consideration of contract with CWB Engineers: Staff presented the Board with a contract from CWB Engineers for consultation and engineering services related to the Consent Administrative Order (COA) and Sanitary Sewer Evaluation Survey (SSES) for the budget year of 2013-2014. Harold Barr made a motion to renew the contract with CWB Engineers on an hourly basis in an amount not to exceed \$80,000. Luke Duffield seconded. Motion passed.

Consideration of a contract with Crafton Tull & Associates: The Arkansas Highway and Transportation Department is planning a project along Route 124 north of Russellville that will affect our existing utilities along the highway. Approximately 6800 linear feet of sewer force main will need to be relocated. In order to get reimbursed for the project, City Corporation will need to hire an engineer to administrate the project and work with the highway department to meet their requirements. Staff recommended Crafton Tull & Associates. Frank Russenberger made a motion to approve a contract with Crafton Tull in the amount of \$21,457.16 for Design Engineering and \$80,499.99 for Construction Engineering contingent upon the highway department's approval. Luke Duffield seconded. Motion passed.

Appointment of Board Member Selection Committee: Harold Barr made a motion to appoint Art Jones as chair of the committee. Don Guess will act as ex-officio of the committee. Frank Russenberger seconded. Motion passed.

Consent Administrative Order Update: Clint Bell gave an update on various projects pertaining to the CAO. KAJACs has completed all pipe activity associated with the construction work west of Knoxville and north of East 2nd Street. The contractor is currently working with the construction work west of Knoxville and north of East 2nd Street. Bell noted that the schedule will be tight to complete the project in accordance with the current contract documents.

PCW Plant Design Update: Andrew Pownall gave an update on the progress relating to the improvements at the Pollution Control Works Facility. The PCW Schedule 1 – Dechlorination project is under construction currently. On August 3rd a non-potable water line broke. Equipment was sent off to be analyzed. The Contractor assumed responsibility but this will help delay the project. The project will most likely be two months late. The Schedule II – Nitrate Removal project is currently under construction. Crews are getting started on the aeration basins currently.

Frank Russenberger made a motion to adjourn. Art Jones seconded. Motion carried. Meeting was adjourned.

C. Frank Russenberger, Secretary