

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, February 19, 2013, 4:00 p.m.

PRESENT:

Directors:	Don Guess Frank Russenberger Harold Barr	Art Jones Luke Duffield
City Corp:	Steve Mallett Larry Collins Hope Penman Kenny Lutz Jeremy Myers	Jim Lynch Rena Taylor Brenda Austin Randy Bradley
Others	Bob Hardin Clint Bell Aaron Stallmann Matt Crow Al Sun	Michael Oakes Gary Bennett Seth Irwin Andrew Pownall

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

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

Review and Consideration of the January 2013 Financials: On the water side, revenues were 2.9% (\$11,461.30) over budgeted amounts for the month. The yearly variance is running 0.4% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 1.3% under budget (\$5,813.14). The O&M budget amount was \$446,443.00 with the actual O&M monthly total being \$440,629.86. The yearly variance is 1.7% (\$54,224.32) over projected budget. The net income for the month was 34.9% (\$17,340.07) less than the budgeted income. On the sewer side, revenues were 4.2% (\$12,692.60) under projected amounts. The budgeted revenue was projected to be \$305,665.00 with the actual total revenue being \$292,972.40. The yearly variance is 2.9% (\$66,356.70) under budget. Total O & M expense was \$105,173.20 under budget. The yearly variance is 13.1% (\$339,383.85) under budget projections. The net income for the month was 65.3% (\$92,912.97) less of a loss than anticipated. Art Jones made a motion to approve the January 2013 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 the rate study, temporary closing of the Huckleberry Creek Reservoir, Wellness program as well as various projects underway including the Dechlorination and the Denitrification projects. Mr. Mallett explained that due to the increase in water levels at the reservoir, City Corporation staff would recommend reopening public access. The Board agreed to reopen public access to the lake beginning Sunday, February 24, 2013. Mr. Mallett also stated that a Board workshop would be held on February 28, 2013, at 4:00 p.m. at the main office conference room to discuss various items including the rate study, salary study, and the current and proposed fee structure. Mr. Mallett confirmed two deadlines that would occur on Friday, February 22. The deadline for statements of qualification for professional services was due as well as a deadline for applying for the open Engineer position.

Capital Projects Status Report: Collins reported that all areas are operating well with no issues being noted. Garver has received approval of plans and specifications from the Arkansas Department of Health on the Water Treatment Plant Alum storage building. The project is on hold by City Corporation currently. Garver has compiled the specifications necessary to solicit bids for this project and it was advertised on Sunday, February 10, 2013. City Corporation staff is currently monitoring (13) local developments at this time.

Operating Reports: Collins reported that all operations had run smoothly for the month. City Corporation received the annual ADEQ inspection of the PCW facilities in December. All violations were addressed. City Corporation is currently pumping from the Bayou into the lake at 23.9 million gallons per day. Luke Duffield asked if there were any issues with road used for the Water Treatment Plant sludge removal. Gary Bennett said that the road has been maintained and kept in good repair.

Consider Engineering Contract with Barrett and Associates: The city is currently moving forward with a road improvement project that includes widening and generally improving East "H" street from Arkansas Avenue to Parker Road as well as improving Parker Road up to University Drive. In addition to these improvements, staff has discussed the condition of water lines along this area as well and recommends that they be replaced. In accordance with state law related to procurement of professional services, staff selected Barrett and Associates to provide engineering services if the project proceeds as described in the amount of \$44,720.00. Harold Barr made a motion to approve the contract. Frank Russenberger seconded. Motion passed.

Consider Amendment 1 to CDM Smith Engineering Contract: CDM Smith submitted an Amendment 1 to the existing contract related to design of the Dechlorination and Denitrification projects that addresses work performed outside the scope of the current contract and includes such items as costs related to separation of the project into two schedules, additional design, and process improvements to the current plant operations. Staff recommends approving Amendment 1 to the current contract with CDM Smith in the amount of \$193,000 based on the fact that they were instructed to proceed with the work by City

Corporation management and proceeded in good faith. Art Jones made a motion to approve the amendment. Frank Russenberger seconded. Motion passes.

Consider Amendment 2 to the CDM Smith Engineering Contract: CDM Smith submitted an Amendment 2 to the existing contract related to the construction for both Schedules including bidding services, inspection personnel, progress meetings and record drawings. The Amendment is based on an hourly rate with a not to exceed total amount of \$878,800, the bulk of which is in inspection. Luke Duffield asked for the hourly rate. Andrew Pownall gave the rates as \$75 and \$85 hourly respectively for part time and full time inspectors. Travel time is not included as time on the job. Luke Duffield made a motion to approve the contract. Art Jones seconded. Motion passed.

Consent Administrative Order Update: Clint Bell gave an update on the Consent Administrative Order for the month of January. Mr. Bell noted that KAJACs has mobilized and has completed the road bore in front of Walgreens. KAJAC Construction has completed almost all of the construction located in "B" Street. Also, the construction will continue into the City Park area this month.

PCW Plant Design Update: Matt Crow gave the report on the PCW Plant Design Update. He reported the Schedule I project has moved into the construction phase. Final design has been completed and the Schedule II project is currently in the bid phase.

Luke Duffield made a motion to adjourn. Art Jones seconded. Motion carried. Meeting was adjourned.

C. Frank Russenberger, Secretary