

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, January 15, 2013, 4:00 p.m.

PRESENT:

Directors:	Tommy Richardson	Don Guess
	Art Jones	Frank Russenberger
	Luke Duffield	Harold Barr
City Corp:	Steve Mallett	Jim Lynch
	Larry Collins	Renae Taylor
	Hope Penman	Brenda Austin
Others	Bob Hardin	Joshua Mashon
	Seth Irwin	Mayor Bill Eaton

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

Election of the 2013 City Corporation Officers: Art Jones made a motion to accept the new City Corporation Board Officers as presented. Frank Russenberger seconded. The motion passed. The new officers are as follows: Don Guess, Chairman; Art Jones, Vice Chairman; Frank Russenberger, Secretary. Don Guess presented a plaque to outgoing chairman Tommy Richardson for his outstanding service and commitment to service. Chairman Guess thanked Dr. Richardson adding, "We are all better off because of your service." Dr. Richardson stated that he was proud to have been part of the Board of Directors. "I'm leaving the Board in great hands," he said, "congratulations and good luck." Mr. Guess also introduced Mr. Harold Barr as the new member of the Board.

Approval of the December 2012 Minutes: Art Jones made a motion to approve the minutes. Frank Russenberger seconded. Minutes were approved as presented.

Review and Consideration of the December 2012 Financials: On the water side, revenues were 1.2% (\$4,951.36) over budgeted amounts for the month. The yearly variance is running 0.8% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 27.6% over budget (\$104,641.57). The O&M budget amount was \$379,424.00 with the actual O&M monthly total being \$484,065.57. The yearly variance is 2.3% (\$60,067.46) over projected budget. The net income for the month was 440.7% (\$99,790.52) less than the budgeted income. On the sewer side, revenues were 5.4% (\$17,070.11) under projected amounts. The budgeted revenue was projected to be \$315,665.00 with the actual total revenue being \$298,594.89. The yearly variance is 2.7% (\$53,664.10) under budget. Total O & M expense was \$47,034.69 under budget. The yearly variance is 13.3% (\$47,034.69) under

budget projections. The net income for the month was 77.4% (\$29,884.77) greater of a loss than anticipated. Art Jones made a motion to approve the December 2012 financials. Luke Duffield 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, potential 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 low water levels at the reservoir, there is potential for contact with the shoreline from public access. This poses a risk of gas powered vehicles potentially making contact with the water or causing fuel, oil, or other substances to leak into the lake. Mr. Mallett recommended that the lake public access be temporarily closed until the level rises. Art Jones made a motion to close the public access for 30 days with public notification. The board will reexamine the closure at this time and make the determination on whether or not the level has risen sufficiently. Harold Barr seconded the motion. The motion passed.

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 and City Corporation conducted a field trip to investigate a potential painting system on a tank in Greenwood, Arkansas. City Corporation and Garver reps were pleased with the results. A paint sample was also collected from the Western Hills Tank to determine if lead based paint is currently on the tank.

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.

Resolution to Change Registered Agent: Due to the change in General Manager, the registered agent on record with the Arkansas Secretary of State's office required update. Luke Duffield made a motion to approve the resolution to change the registered agent from Craig Noble to Steve Mallett, Jr. Art Jones seconded. The motion passed.

Bid Items: City Corporation accepted sealed bids for an RTV for the Pollution Control Works facility at 10:00 a.m. on Thursday January 10, 2013. Staff received two bids from local companies and has reviewed the bids. Staff recommends approval of the low bid of \$9,400 plus tax to Mike Johnsons' Power Sports. Frank Russenberger made a motion to accept the bid. Harold Barr seconded. The motion passed.

Consent Administrative Order Update: Steve Mallett gave an update on the Consent Administrative Order for the month of December. Mr. Mallett noted that KAJACs has mobilized and is working on the road bore at Walgreen 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: Mr. Mallett gave the report on the PCW Plant Design Update. He reported that the Arkansas Department of Health and the Arkansas Department of Environmental Quality have reviewed and approved Schedule II: Nitrate Removal System.

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

C. Frank Russenberger, Secretary