

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, July 16, 2013, 4:00 p.m.

PRESENT:

Directors:	Don Guess Frank Russenberger	Art Jones Harold Barr
City Corp:	Lance Bartlett Kenny Lutz Rena Taylor Randy Bradley	Jim Lynch Larry Collins Hope Penman Brenda Austin
Others	Clint Bell Mayor Bill Eaton Andrew Pownall	Aaron Stallmann Bob Hardin

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

Approval of the June 2013 Minutes: Luke Duffield made a motion to approve the minutes. Art Jones seconded. Minutes were approved as presented.

Review and Consideration of the June 2013 Financials: On the water side, revenues were 4.2% (\$20,200.38) under budgeted amounts for the month. The yearly variance is running 0.97% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 5.3% under budget (\$20,428.40). The O&M budget amount was \$383,905.00 with the actual O&M monthly total being \$404,333.40. The yearly variance is 2.2% (\$110,137.42) over projected budget. The net income for the month was 41.2% (\$40,581.86) less than the budgeted income. On the sewer side, revenues were 9.7% (\$30,585.31) under projected amounts. The budgeted revenue was projected to be \$336,365.00 with the actual total revenue being \$305,779.69. The yearly variance is 4.7% (\$187,051.28) under budget. Total O & M expense was \$23,793.50 under budget. The yearly variance is 14% (\$651,123.50) under budget projections. The net income for the month was 7.9% (\$6,519.65) more of a loss than anticipated. Art Jones made a motion to approve the June 2013 financials. Frank Russenberger seconded. The Financial Report was approved as presented.

General Manager's Report: Larry Collins gave an update to the Board regarding several items that Steve Mallett has been working on recently. Among those items, he addressed the Tri County Rate Update. At the last Board Meeting, Mallett presented the rate adjustment for Tri-

County which included a spreadsheet that calculated the increases for the last few years based on the calculation in the Agreement. The spreadsheet indicated that the rate should have been adjusted from \$1.35 to \$1.60 after receiving the 201/2011 audit. The Board inquired as to the loss of revenues from failing to implement the new rate in late 2011 for the 2012 year. The Board stated desire that the refund be pursued for the lost revenue at this time. Collins also reported that Mallett attended the June City Council Meeting where the City Corporation lease was extended for another year. The Council also approved the funding plan and voting date for the sales tax extension, as well as approving an ordinance between the cities of Russellville and Dover related to the City of Dover's pledge to enforce the provisions of our wastewater pretreatment ordinance. In addition, Collins reported that Steve Mallett attended a meeting with Stella Jones Industry to discuss providing wastewater service to their facility. He also attended the Tri-County Board Meeting and the Arkansas Valley Alliance meeting.

Capital Projects Status Report: Lance Bartlett reported movement on two projects in particular for the month. Garver will be providing Project Design along with Construction Administration/ observation in conjunction with City Corporation for the project. Bids are set to be opened July 22. Aaron Stallmann gave an update on the carbon feed system. The contractor is currently on site performing demolition on the old equipment. The new equipment should be here by Friday, July 19.

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 458.1 which is 2.2 feet down. The lake was 6.5 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 copper.

Consideration of Contract for Auditing Services: In accordance with state law governing the procurement of professional services and the newly adopted Purchasing Policy, City Corporation staff rated and ranked the three auditing firms that submitted Statements of Qualifications for annual auditing services. Based on the evaluation criteria, Shoptaw Labahn and Co. received the highest point total and staff feels they are well qualified to perform these services. Art Jones made a motion to engage Shoptaw Labahn to complete City Corporation's annual audit in the amount not to exceed \$14,000. Frank Russenberger seconded. Motion passed.

Consideration of Retirement Resolution: Art Jones made a motion to authorize City Corporation to make a contribution equal to 10% of each employee's salary to the Employee Benefit Plan Fund for all eligible employees for the year ending June 30, 2013. Luke Duffield 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. An update meeting was held with RJN Group last week to discuss progress on the Sanitary Sewer Evaluation Survey.

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. The Schedule II – Nitrate Removal project is currently under construction. The CDM Smith design team will continue to work with City Corporation and the contractor to evaluate the VE items.

Proposed amendment for Engineering Services for Sanitary Sewer Evaluation Survey (SSES): Luke Duffield made a motion to approve the amendment to the SSES contract with RJN Group in the amount of \$334,826.25. Art Jones seconded. Motion passed.

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

C. Frank Russenberger, Secretary