

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, November 19, 2013, 3:00 p.m.

PRESENT:

Directors:	Don Guess Frank Russenberger Harold Barr	Art Jones Luke Duffield
City Corp:	Steve Mallett Lance Bartlett Randy Bradley Hope Penman Rena Taylor	Larry Collins Kenny Lutz Brenda Austin Jim Lynch
Others	Clint Bell Bob Hardin Bill Harmon	Gary Bennett Dave Garza

Chairman Guess called the meeting to order at 3:00 p.m.

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

Review and Consideration of the October 2013 Financials: On the water side, revenues were 45.1% (\$207,777.04) over budgeted amounts for the month. The yearly variance is running 6.17% greater than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 6.6% under budget (\$26,807.85). The O&M budget amount was \$409,113.00 with the actual O&M monthly total being \$382,305.15. The yearly variance is 23.0% (\$460,856.82) under projected budget. The net income for the month was 433.9% (\$234,635.02) more than the budgeted income. On the sewer side, revenues were 4.4% (\$14,532.08) greater than projected amounts. The budgeted revenue was projected to be \$331,750.00 with the actual total revenue being \$346,282.08. The yearly variance is 0.9% (\$12,350.51) under budget. Total O & M expense was \$14,301.50 under budget. The yearly variance is 7.7% (\$109,718.36) under budget projections. The net income for the month was 168.2% (\$28,996.14) less of a loss than anticipated. Frank Russenberger made a motion to approve the October 2013 financials. Harold Barr 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 an amendment to the

Tri-County agreement, an update on ADEQ correspondence, and various meetings that he attended this month.

Capital Projects Status Report: Lance Bartlett deferred to Gary Bennett 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. Dave Garza with Barrett and Associates gave an update on East H Street and Parker Road Relocation and the North El Paso Avenue Relocation. Clint Bell with CWB Engineers gave a report on East 2nd street wastewater improvements. City Corporation staff is currently monitoring (32) local developments at this time.

Operating Reports: Collins reported two violations for the month. Both violations were for copper; one for monthly average loading and the other for monthly average concentration.

Consideration of Bids/ Contracts: City Corporation has a Certificate of Deposit that has matured and is ready to be reissued. Bids were opened on November 13, 2013, at 10:00 a.m. The high bidder was 0.359% APR from Liberty Bank. Art Jones made a motion to accept the bid and re-issue the CD to Liberty Bank at 0.359% APR. Frank Russenberger seconded. Motion passed. CWB Engineers submitted a contract to provide construction engineering services which includes construction observation, pay requests, as-builts, etc. in the amount not to exceed \$107,544.00. Harold Barr made a motion to approve the hourly contract with CWB Engineering in the amount not to exceed \$107,544.00. Luke Duffield seconded. The motion passed. Proposals were received on November 15, 2013, for the Water Treatment Plant Residual Project. One proposal was received from Denali Water Solutions in the amount of \$660,567.00 for a five year proposal. Luke Duffield made a motion to accept the five year renewable proposal and authorize staff to proceed with the one-year contract which is renewable annually.. Harold Barr seconded. Motion passed.

Consideration of Proposed Revisions to HR Manual: Harold Barr made a motion to incorporate the changes to the HR Manual and Paid Time Off (PTO) Policy into the current handbook to be implemented tentatively on December 19, 2013. Changes will be brought back to the Board for final approval on Tuesday, December 17, 2013. Art Jones seconded. Motion passed.

Consent Administrative Order Update: Clint Bell gave an update on various projects pertaining to the CAO. City Corporation had a meeting with ADEQ on September 25, 2013 to discuss Total Suspended Solids (TSS) and compliance with the CAO. City Corporation drafted a letter requesting the TSS deadline be extended. No response has been received to date. CWB has completed the preliminary design for the City Mall. Plans have been submitted to the Health Department, the Highway Department, and City Corporation for review and comment. City Corporation is currently working to obtain the easements for this project.

PCW Plant Design Update: No representative from CDM Smith was present to give the monthly report. Lance Bartlett covered Schedule I and Schedule II of the project.

The Board introduced General Bill Harmon as the proposed newest member of the Board.

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

C. Frank Russenberger, Secretary