

City Corporation  
Board of Directors' Meeting  
Water Treatment Plant Facility  
Tuesday, April 15, 2014, 3:00 p.m.

PRESENT:

Directors:	Art Jones Luke Duffield	Frank Russenberger Harold Barr
City Corp:	Steve Mallett Kenny Lutz Rena Taylor Randy Bradley Hope Penman	Jim Lynch Larry Collins Jonathan Shipley Brenda Austin
Others	Bob Hardin Clint Bell Pam Halverson	Aaron Stallmann Andrew Pownall

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

Approval of the March 2014 Minutes: Frank Russenberger made a motion to approve the minutes. Luke Duffield seconded. Minutes were approved as presented.

Review and Consideration of the March 2014 Financials: On the water side, revenues were 2.6% (\$10,636.66) over budgeted amounts for the month. The yearly variance is running 5.8% more than budgeted amounts. Total Operations & Maintenance (O&M) expenses for the month were 9.9% under budget (\$39,770.24). The O&M budget amount was \$402,528.00 with the actual O&M monthly total being \$362,757.76. The yearly variance is 10.8% (\$437,253.47) under projected budget. The net income for the month was 359.6% (\$49,739.17) more than the budgeted income. On the sewer side, revenues were 0.4% (\$1,314.93) over projected amounts. The budgeted revenue was projected to be \$315,750.00 with the actual total revenue being \$317,064.93. The yearly variance is 0.2% (\$4,680.37) under budget. Total O & M expense was \$31,859.19 under budget. The yearly variance is 6.6% (\$214,490.44) under budget projections. The net income for the month was 38.5% (\$33,145.08) less of a loss than anticipated. Harold Barr made a motion to approve the March 2014 financials. Luke Duffield seconded. The Financial Report was approved as presented.

General Manager's 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 Sales Tax Proceeds, an ADEQ update and the Regulation 2 Proposal, Offer of Employment for a new CFO, and the Solid Waste Contract. He also reminded the Board that the May meeting will be at the

Huckleberry Creek Reservoir at the revised time of 4:00 p.m. A catfish and chicken dinner will be served following the meeting.

Capital Projects Status Report: Lance Bartlett discussed various ongoing capital projects. He deferred to Clint Bell of CWB Engineers to cover the Consent Administrative Order (CAO) update. Andrew Pownall of CDM Smith discussed Schedules I and II of the PCW Plant Design and updated the Board on progress. Aaron Stallmann of Garver Engineers covered the I-40 Water and Sewer Project, the Water Plant Alum Storage Building, Western Hills Tank Painting Project, the Water Master Plan Update and the WTP Raw Water Bypass.

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 455 which is 5 feet down.

Insurance Renewals: Pam Halverson with Campbell & Company, Inc. presented the insurance renewal rates for the next year. There was a 4.9% increase in the Health rates from QualChoice. City Corporation pays the employee portion of the \$1,000 deductible plan. An employee who wishes to be on the \$500 deductible plan and/or add dependents may do so at his/her cost. There was a 3% rate increase for the Delta Dental coverage. City Corporation pays 100% of the employee portion and as with insurance; the employee may cover family at an additional cost to the employee. Vision care is not covered by City Corporation but is made available as an option to employees at their own cost. The rates on Vision care did not change. Additionally, employees have a \$20,000 life insurance policy through Qualchoice which is funded 100% by the company. The employees pay for a Long Term Disability policy through retirement. Frank Russenberger made a motion to accept the insurance renewals. Harold Barr seconded. Motion passed.

Harold Barr made a motion to adjourn. Frank Russenberger seconded. Motion carried. Meeting was adjourned.

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Luke Duffield, Secretary