

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, February 18, 2014, 3:00 p.m.

PRESENT:

Directors:	Art Jones Luke Duffield Bill Harmon	Frank Russenberger Harold Barr
City Corp:	Steve Mallett Lance Bartlett Randy Bradley Rena Taylor	Larry Collins Jonathan Shipley Jim Lynch Brenda Austin
Others:	Oren Noble Andrew Pownall Aaron Stallmann Whitney Snipes	Clint Bell Rick Barger Bob Hardin

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

Approval of the January 2014 Minutes: Harold Barr made a motion to approve the minutes with one correction. Luke Duffield seconded. Minutes were approved.

Review and Consideration of the January 2014 Financials: On the water side, revenues were 5.0% (\$20,625.66) over budgeted amounts for the month. The yearly variance is running 5.9% greater than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 1.5% over budget (\$6,645.94). The O&M budget amount was \$456,341.00 with the actual O&M monthly total being \$462,986.94. The yearly variance is 15.6% (\$506,828.55) under projected budget. The net income for the month was 24.8% (\$11,226.88) more than the budgeted income. On the sewer side, revenues were 0.3% (\$982.61) more than projected amounts. The budgeted revenue was projected to be \$295,750.00 with the actual total revenue being \$296,731.61. The yearly variance is 0.3% (\$6,659.33) under budget. Total O & M expense was \$5,091.57 under budget. The yearly variance is 5.8% (\$145,987.00) under budget projections. The net income for the month was 7.9% (\$6,089.45) less of a loss than anticipated. Frank Russenberger made a motion to approve the November 2013 financials. Luke Duffield 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 the 2014-2015 Budget,

an update on ADEQ terms to the amendment to the CAO, ADEQ Regulation 2 Proposal as well as various meetings that he attended this month.

Capital Projects Status Report: Lance Bartlett deferred to Aaron Stallmann with Garver Engineers for updates on the Alum Storage Building, the I-40 Water/Sewer Project, the 23rd Street Gravity Line, the Western Hills Tank Painting project, and the Water Master Plan Update. Lance Bartlett gave an update on the Highway 124 Center Valley School Force Main Relocation, the Water Treatment Plant Residual Removal, and the 2013 Root Control. Dave Garza gave a report on the East H and Parker and the North El Paso projects. City Corporation staff is currently monitoring (28) local developments at this time.

Operating Reports: Collins reported the status of system operations for Board discussion. Reports presented addresses the Pollution Control Works Facility, Inflow and Infiltration program, Water plants, and system statistical information. Collins also noted 8 violations for the month. The Water Treatment staff is remodeling an old office space at the plant in an effort to create a certified lab on premises.

Consent Administrative Order Update: Clint Bell gave an update on various projects pertaining to the CAO. City Corporation received a response letter from ADEQ/EPA regarding the September 25, 2013 meeting referencing TSS compliance with the CAO. CWB Engineers will assist City Corporation with a response letter.

PCW Plant Design Update: Andrew Pownall from CDM Smith was present to give the monthly report. Mr. Pownall deferred to Rick Barger to discuss improvements at the Pollution Control Works Facility. Mr. Barger said that the Schedule II Project is difficult because the plant was continuing to operate while the upgrades being completed. He stated that a lot of the issues being experienced are due to the water quality and those issues should begin to get better by this fall.

Before adjourning, the Board scheduled a workshop for Tuesday, March 4, 2014 to discuss the response to ADEQ regarding the CFO and the Capital Budget.

Luke Duffield made a motion to adjourn. Harold Barr seconded. Motion carried. Meeting was adjourned.

Luke Duffield, Secretary