

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, January 21, 2014, 3:00 p.m.

PRESENT:

Directors:	Don Guess Frank Russenberger Harold Barr	Art Jones Luke Duffield Bill Harmon
City Corp:	Steve Mallet Lance Bartlett Rena Taylor Brenda Austin Kenny Lutz	Larry Collins Jim Lynch Hope Penman Jeremy Myers Randy Bradley
Others:	Aaron Stallmann Bob Hardin Mayor Bill Eaton	Whitney Snipes Oren Noble Andrew Pownall

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

Election of the 2014 City Corporation Officers: Harold Barr made a motion to confirm the City Corporation Board officers as follows:

Art Jones, Chairman
Frank Russenberger, Vice Chairman
Luke Duffield, Secretary
Harold Barr, Senior Member
Bill Harmon, Junior Member

Luke Duffield seconded the motion. Motion carried.

Art Jones took the opportunity to thank Mr. Guess for his service to the Board of Directors for the last five years. Mr. Jones stated that the Board is very lucky to have had Mr. Guess's leadership. Mr. Jones presented Mr. Guess with a plaque in appreciation of his outstanding service.

Approval of the December 2013 Minutes: Harold Barr made a motion to approve the minutes. Luke Duffield seconded. Minutes were approved as presented.

Review and Consideration of the December 2013 Financials: On the water side, revenues were 9.7% (\$38,930.19) over budgeted amounts for the month. The yearly variance is running 6.04% greater than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 7.7% under budget (\$30,403.98). The O&M budget amount was \$393,262.00 with the actual O&M monthly total being \$362,858.02. The yearly variance is 18.4% (\$513,474.49) under projected budget. The net income for the month was 716.2% (\$71,065.42) more than the budgeted income. On the sewer side, revenues were 3.0% (\$8,779.32) more than projected amounts. The budgeted revenue was projected to be \$295,450.00 with the actual total revenue being \$304,229.32. The yearly variance is 0.4% (\$7,641.94) under budget. Total O & M expense was \$163.12 under budget. The yearly variance is 6.5% (\$140,895.43) under budget projections. The net income for the month was 8.2% (\$8,986.11) more 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 an update on the Tri-County agreement, the annual Employee Appreciation Banquet, an update on ADEQ correspondence, a report to the City Council on January 16, and various meetings that he attended this month.

Capital Projects Status Report: Lance Bartlett deferred to Aaron Stallmann with Garver Engineers for updates on the 23rd Street Gravity Line and the Western Hills Tank Painting project. Lance Bartlett gave an update on Highway 124, East H and Parker, North El Paso, WTP Residual Removal, and the 2013 Root Control projects. Clint Bell with CWB Engineers gave a report on East 2nd street wastewater improvements. City Corporation staff is currently monitoring (29) 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 a TSS violation for the month.

Consideration of Bids/ Contracts: The City Corporation Service department received quotes for the replacement of a pickup truck with a cracked engine block. Three vendors provided quotes. The low bid was from North Point Ford in the amount of \$16,337.00 plus tax through the state purchasing contract. Frank Russenberger made a motion to approve the bid. Harold Barr seconded. Motion was approved.

Staff proposed approval of an amendment to the original contract with Garver for the Western Hills Tank Painting Project in the amount of \$15,750.00 to bring the total Work Order Authorization to \$44,400.00. This will account for the billable hours that were incurred during renegotiations with the firm regarding mobilization/remobilization of staff in 2013. Frank

Russenberger made a motion to approve the amendment. Luke Duffield seconded. Motion carried.

Staff requested approval of five work orders with CWB Engineering on an hourly basis in a not to exceed amount as follows:

Work Order #2	\$195,380.00
Work Order #3	\$251,652.00
Work Order #4	\$108,573.71
Work Order #5	\$191,678.40
Work Order #6	\$12,000.00

Harold Barr made a motion to approve all five work orders. Luke Duffield seconded. Motion carried.

Consent Administrative Order Update: Oren Noble 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. A progress meeting with RJN Group was held on January 16, 2014 to discuss SSES activities. There will be an update meeting with staff in February and a CMOM update meeting in March.

PCW Plant Design Update: Andrew Pownall from CDM Smith was present to give the monthly report. Mr. Pownall covered Schedule I and Schedule II of the project. Mr. Jones asked that at next month's meeting Mr. Pownall have reflected in his report the percentage of work completed as compared to the percentage of work that should be completed at this point in the contract.

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

Luke Duffield, Secretary