

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, July 15, 2014, 3:00 p.m.

PRESENT:

Directors: Art Jones Frank Russenberger
Luke Duffield Harold Barr
Bill Harmon

City Corp: Steve Mallett Larry Collins
Rena Taylor Lance Bartlett
Brenda Austin Randy Bradley
Jeremy Myers

Others Mayor Bill Eaton Aaron Stallmann
Clint Bell Laura Bean
Oren Noble Daniel Jackson
Bob Hardin Shannon Jones
Derek Schwanke Stephen Jeffus
Clay Thompson

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

Approval of the June 2014 Minutes: Frank Russenberger made a motion to approve the minutes. Bill Harmon seconded. Minutes were approved as presented.

Review and Consideration of the June 2014 Financials: On the water side, revenues were 6.9% (\$33,408.03) under budgeted amounts for the month. The yearly variance is running 3.7% more than budgeted amounts. Total Operations & Maintenance (O&M) expenses for the month were 1.5% over budget (\$\$6,139.54). The O&M budget amount was \$409,347.00 with the actual O&M monthly total being \$415,486.54. The yearly variance is 9.0% (\$474,841.33) under projected budget. The net income for the month was 47.4% (\$36,165.16) less than the budgeted income. On the sewer side, revenues were 1.1% (\$3,764.07) under projected amounts. The budgeted revenue was projected to be \$336,250.00 with the actual total revenue being \$332,485.93. The yearly variance is (\$2,603.65) under budget. Total O & M expense was \$11,282.42 under budget. The yearly variance is 5.3% (\$231,222.39) under budget projections. The net income for the month was 10% (\$7,455.38) less of a loss than anticipated. Luke Duffield made a motion to approve the June 2014 financials. Frank Russenberger 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 ADEQ update and

the Regulation 2 Proposal, D&R Railroad permits, and a Contract for the Meter testing of approximately 200 water meters.

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, the Water Master Plan Update and the WTP Raw Water Bypass.

Operating Reports: Collins reported that all operations had run smoothly for the month. The storm water basins at the PCW are full at this time. Maintenance crews have completed their regular maintenance tickets for the month. Plant staff is busy with mowing and weed control. The elevation of the reservoir is at 460.10 feet. There were seven violations for the month. Mr. Collins provided a description in the packets.

Consideration of Retirement Resolution: Frank Russenberger made a motion to authorize City Corporation to make a contribution equal to 10% of each employee's salary to the Employww Benfneit Plan Fund for all eligibe employees. Bill Harmon seconded. Motion passed.

Consideration of the USGS Contract: Bill Harmon made a motion to approve the Joint Funding Agreement with USGS in the amount of \$90,700. Luke Duffield seconded. The Board would like a more detailed explanation of this contract at the next meeting.

RJN Group Presentation: RJN Group gave a presentation regarding the current status of the Wastewater Collection System Survey and Analysis. This presentation served as a summary of the year's efforts related to the survey and analysis of our system.

Frank Russenberger made a motion to adjourn. Luke Duffield seconded. Motion carried. Meeting was adjourned.

Luke Duffield, Secretary

