

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, June 17, 2014, 3:00 p.m.

PRESENT:

Directors:	Art Jones Luke Duffield Bill Harmon	Frank Russenberger Harold Barr
City Corp:	Steve Mallett Rena Taylor Brenda Austin Jeremy Myers Jim Lynch	Larry Collins Jonathan Shipley Lance Bartlett Taryn Childers
Others	Mayor Bill Eaton Clint Bell Randall Horton Dee Brown	Aaron Stallmann Chris Provost Clay Thompson Bruce Brown

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

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

Review and Consideration of the May 2014 Financials: On the water side, revenues were 1.1% (\$4,748.75) over budgeted amounts for the month. The yearly variance is running 4.7% more than budgeted amounts. Total Operations & Maintenance (O&M) expenses for the month were under budget (\$125.75). The O&M budget amount was \$419,887.00 with the actual O&M monthly total being \$419,761.25. The yearly variance is 9.9% (\$480,980.87) under projected budget. The net income for the month was 15.4% (\$4,286.59) more than the budgeted income. On the sewer side, revenues were 3.1% (\$9,998.56) over projected amounts. The budgeted revenue was projected to be \$326,250.00 with the actual total revenue being \$336,248.56. The yearly variance is (\$1,160.42) over budget. Total O & M expense was \$12,648.54 over budget. The yearly variance is 5.5% (\$217,932.19) under budget projections. The net income for the month was 15.1% (\$2,684.78) more of a loss than anticipated. Frank Russenberger made a motion to approve the May 2014 financials. Harold 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. Chris Provost 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 460.2 which is full. There were nine violations for the month. Mr. Collins provided a description in the packets.

Consideration of 2014/2015 O&M and Capital Budget: Luke Duffield made a motion to approve the Budget. Bill Harmon seconded. Budget passed as presented.

Consideration of resolution Extending City /City Corporation Lease by one year: Harold Barr made a motion to extend the lease one year. Bill Harmon seconded. Lease was approved as presented.

Consideration of bids for Wastewater Certificate of Deposit: Three bids were received on June 11, 2014 for the 12-month Certificate of Deposit in the amount of \$477,289.49. Staff recommends accepting the highest bidder, First State Bank, in the amount of 0.40% APR. Frank Russenberger made a motion to accept the bid. Luke Duffield seconded. Motion was passed.

Consideration of various Annual Engineering contracts: Staff presented various annual contracts to the Board with the recommendation of renewal. Bill Harmon made a motion to combine all contracts into one item for approval. Frank Russenberger seconded. Bill Harmon made a motion to accept staff's recommendation to approve all contracts presented. Harold Barr seconded. All contracts were approved as presented:

- WTP SCADA Support with Brown Engineers
- PCW SCADA Support with Brown Engineers
- WTP Electrical Engineering Services with Brown Engineers
- PCW Electrical Engineering with Brown Engineers
- ConAgra PTP Support with Garver Engineers
- Water System Support with Garver Engineers
- Wastewater System Support with Garver Engineers
- CAO and General Engineering Support with CWB Engineers

Consideration of Contract for HMI Upgrade: Staff recommended approval of a contract to upgrade the existing water and sewer HMI system. Bill Harmon made a motion to approve the contract in the amount of \$428,145.00 to Brown Engineers. Harold Barr seconded. Motion passed.

Consideration of Contract for SCADA RTU Installation: Bill Harmon made a motion to approve the contract for SCADA units in the amount of \$49,995.00 to Brown Engineers. Luke Duffield seconded. Motion passed.

Consideration of Amendment to WTP Raw Water Bypass Design Contract with Garver Engineers: Harold Barr made a motion to approve an amendment to the hourly contract for the WTP Raw Water Bypass Project as recommended by staff in the amount of \$17,500 to Garver Engineers. Bill Harmon seconded. Motion passed.

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

Luke Duffield, Secretary