

City Corporation  
Board of Directors' Meeting  
Huckleberry Creek Reservoir  
Tuesday, May 21, 2014, 4:00 p.m.

PRESENT:

Directors:	Art Jones Luke Duffield	Frank Russenberger Bill Harmon
City Corp:	Steve Mallett Rena Taylor Brenda Austin Lance Bartlett Jeremy Myers	Larry Collins Jonathan Shipley Hope Penman Taryn Childers Ricky Biffle
Others	Bob Hardin Clint Bell Gregg Long Dee Brown Bruce Brown Chris Provost Ruth Jones	Aaron Stallmann Andrew Pownall Clay Thompson Oren Noble Stephen Jeffus Judy Collins

Chairman Jones called the meeting to order at 4:00 p.m.

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

Approval of the May 6, 2014 Special Called Meeting Minutes: Bill Harmon made a motion to approve the minutes. Frank Russenberger seconded. Minutes were approved as presented.

Review and Consideration of the April 2014 Financials: On the water side, revenues were 2.4% (\$9,926.02) over budgeted amounts for the month. The yearly variance is running 5.1% more than budgeted amounts. Total Operations & Maintenance (O&M) expenses for the month were 10.6% under budget (\$43,601.65). The O&M budget amount was \$410,110.00 with the actual O&M monthly total being \$366,508.35. The yearly variance is 10.8% (\$480,855.12) under projected budget. The net income for the month was 227.8% (\$33,146.04) more than the budgeted income. On the sewer side, revenues were 1.3% (\$4,157.77) under projected amounts. The budgeted revenue was projected to be \$315,750.00 with the actual total revenue being \$311,592.23. The yearly variance is 0.3% (\$8,838.14) under budget. Total O & M expense was \$16,134.29 under budget. The yearly variance is 6.6% (\$230,580.73) under budget projections. The net income for the month was 54.8% (\$12,026.96) less of a loss than

anticipated. Frank Russenberger made a motion to approve the April 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 ADEQ update and the Regulation 2 Proposal, D&R Railroad permits, and the 2014-2015 Budget. He also introduced Taryn Childers as the new Chief Financial Officer. This meeting was Mr. Childers' first meeting and the last meeting for Hope Penman due to her retirement. Mr. Mallett invited the Board and attendees to attend Mrs. Penman's Retirement Reception the following afternoon from 1:00- 3:00. Art Jones took the opportunity to thank Hope for all her years of service and the excellent stewardship over City Corporation's finances.

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, 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 mowing and weed control. A Sanitary Survey was completed by the Arkansas Department of Health. City Corporation anticipates that reports should arrive within 6 weeks. The elevation of the reservoir is at 460.3 which is full. There were seven violations for the month. Mr. Collins noted that most were Total Suspended Solids (TSS).

Consideration of Sole Source Contract with Duke's Root Control: Frank Russenberger made a motion to approve the contract as presented. Bill Harmon seconded. Contract was approved.

Consideration of Contract Renewal with Denali Water Solutions: Bill Harmon made a motion to accept the contract renewal with Denali Water Solutions for WTP Residual removal and Disposal in the amount of \$123,113.40. Luke Duffield seconded. Contract was approved.

Consideration of Resolution to designate Taryn Childers as Chief Financial Officer: Frank Russenberger made a motion to approve the resolution. Luke Duffield seconded. Resolution passed. Art Jones welcomed Taryn Childers and stated that the Board looked forward to working with him.

Consideration of Change Order No. 7 with Archer Western: Luke Duffield made a motion to accept the change order in the amount of \$141,666.30. Bill Harmon seconded. Change Order was approved.

Consideration of Contract for Auditing Services with Shoptaw, Labahn and Co.: Bill Harmon made a motion to approve the Contract for Auditing Services with Shoptaw, Labahn and Co. Frank Russenberger seconded. Contract was approved.

Consideration of Contract for Meter Testing Services with UMS Services: Frank Russenberger made a motion to approve Meter Testing Services with UMS in an amount not to exceed \$23,900. Bill Harmon seconded. Contract was approved.

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

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Luke Duffield, Secretary