

Northwest Arkansas Conservation Authority
Meeting Minutes
July 30, 2009

A public hearing and board meeting of the Northwest Arkansas Conservation Authority (the Authority) was held at 2:30 p.m. on Thursday, July 30, 2009. The meeting was conducted at the Regions Bank located at 5050 Northgate Avenue, Rogers, Arkansas. Board members attending were Chairman Mick Wagner, Vice Chairman George Spence, Treasurer Bruce McElroy, Secretary Jack McHaney, Frank Holzkamper, Robert Hukill, Travis Greene, and John Ratzki.

Also attending were John Sampier, the Authority's executive director, Charles Harwell with Cypert, Crouch, Clark and Harwell, Steve Yonker with Burns and McDonnell, Chuck Nickle and Britt Vance with USI Engineering, Mike Bender with the city of Bentonville, Kris Raper with Senator Mark Pryor's office, Shep Russell with Friday, Eldredge and Clark, and Michael Lindsey with Morgan Keegan.

Chairman Mick Wagner convened the public hearing at 2:30 p.m. asking for comments regarding the issuance of revenue bonds in a principal amount of \$10.3 million. Following thirty minutes and hearing no comments from the public, Chairman Wagner declared the public hearing closed at 3:00 p.m.

Chairman Wagner convened the regular board meeting and opened the floor for consideration of the May meeting minutes. Bruce McElroy made a motion to approve the minutes as submitted. George Spence seconded the motion, which was approved by the board without dissent.

Michael Lindsey presented the financial statements through June 30, 2009. The Authority ended the month with total assets of \$47,986,493 and liabilities of \$48,587,113. To date, the Authority's operating fund has earned revenue of \$20,000 and has incurred \$106,074 in expenses. Taking into account other non-operating income and expenses the Authority had a net change in total assets of approximately (\$156,079). Vice Chairman Spence made a motion to receive the financial statements as presented. The motion was seconded by Treasurer McElroy and approved by the board without dissent.

Mr. Lindsey reported that the Authority received proposals to provide auditing services from Beall Barclay, Ervin and Company, and Frost, LLC. Chairman Wagner stated that the finance committee had reviewed the three proposals and recommended that the board hire Beall Barclay and Company to provide auditing services. Vice Chairman George Spence made a motion selecting Beall Barclay as the Authority's auditors for 2009. Frank Holzkamper seconded the motion, which was approved by the board without dissent.

Shep Russell took the floor to discuss a proposed memorandum of agreement between the Authority and the Arkansas Natural Resources Commission (ANRC). The agreement would be formally considered at a future meeting. Mr. Russell noted that this new agreement was necessary to provide an additional \$5.5 million in loan funds to pay the cost of installing advanced filtration. In return for increasing the total loan amount, ANRC has requested that the Authority begin making payments in June 2011 instead of June 2012.

Mr. Russell said that today the board would need to consider a resolution "Authorizing the Issuance and Sale of a Wastewater Revenue Bond for the Purpose of Financing and Refinancing the Cost of a Regional Wastewater Treatment Plant and Related Facilities; Providing for the Payment of the Principal of and Interest on the Bond; and Prescribing Other Matters Relating Thereto." The resolution authorizes the issuance of \$10.3 million in bonds through ANRC's general obligation loan program. Vice Chairman George Spence made a motion to approve the resolution and authorize the Chairman and Secretary to execute any necessary documents required to close on the loan. Jack McHaney seconded the motion, which was approved by the board without dissent.

Mr. Sampier provided a report from the executive director. Hearing no questions from his previously submitted written report, Mr. Sampier informed the board that he is applying for up to \$200,000 in grant funding from ANRC to pay for operating expenses. Also, Mr. Sampier is working with Charles Killian at USI Engineering to facilitate the receipt of Environmental Protection Agency grant funds awarded in 2008. Mr. Wagner asked for an update on Mr. Sampier's efforts to obtain funding to establish wetlands on the Authority's property. Mr. Sampier said that he has met with United States Fish and Wildlife and believes that grants are possible for a reforestation and trail program. Also, it is still possible that the Arkansas Highway and Transportation Department would consider funding wetlands construction as a means of obtain wetland credits that they will then apply to other highway construction projects.

Steve Yonker reported on the construction progress at the treatment facility. He stated that BRB Contractors is slightly ahead of schedule. Burns and McDonnell is working on final design of the advanced filtration system, which they plan to bid in October and begin construction in early 2011. He noted that the Authority is still waiting on receipt of their operating permit from the Arkansas Department of Environmental Quality. The process has been delayed due to the additional time required to process and respond to comments received during the public comment period. Mr. Yonker does not foresee a delay in opening the facility because of this issue.

Chuck Nickle provided an update on the construction of the conveyance lines. He stated that Crossland Construction is a bit behind on the Bentonville line due to rock and water issues. Vice Chairman Spence asked if Crossland would have to re-blast any of the rock. Britt Vance said that he believed they would be hammering out the additional rock instead of blasting. Rosetta Construction is moving along well on the Tontitown line. Mr. Vance told the board that the Tontitown line is an easier project because the pipes are not as large and they can be laid at shallower depths. Mr. Vance reminded the board that even though Crossland is behind schedule, the conveyance lines will be complete months prior to the treatment facility, so this should not change the opening date of the facility. Chairman Wagner asked the engineers to email the board the monthly construction reports.

John Ratzki asked if the heavy equipment traveling to the treatment facility site was damaging the county road. Mr. Sampier said that he has talked with Benton County about this issue and they have repaired several spots in the southbound lane over the past few months. Mr. Holzkamper noted that the town of Highfill has been working with Benton County to get the road repaired.

Charles Harwell informed the board that one easement remains to be settled and it will probably be Spring 2010 before the case is finally resolved.

There being no further business, the meeting adjourned at 3:40 p.m.

Approved:

Jack McHaney, Secretary