

Northwest Arkansas Conservation Authority
Meeting Minutes
July 15, 2010

A board meeting of the Northwest Arkansas Conservation Authority (the Authority) was held at 3:00 p.m. on Thursday, July 15, 2010. The meeting was conducted at the Lowell office of the Rogers-Lowell Chamber of Commerce at 503 Enterprise Street, Lowell, Arkansas. Board members attending were Chairman Mick Wagner, Vice Chairman George Spence, Treasurer Bruce McElroy, Secretary Jack McHaney, Larry Fletcher, Robert Hukill, Fred Jack, Bob McCaslin, and John Ratzki.

Also attending were John Sampier, the Authority's executive director, Steve Yonker with Burns and McDonnell, Chuck Nickle, Charles Killian and Britt Vance with USI Engineering, Charles Harwell with Cypert, Crouch, Clark and Harwell, Mike Bender with the city of Bentonville, and Michael Lindsey with Morgan Keegan. News media were duly notified of the meeting according to Freedom of Information Act regulations.

Chairman Mick Wagner opened the floor for consideration of the May meeting minutes. Mayor Fred Jack made a motion to approve the minutes as submitted. Bruce McElroy seconded the motion, which was approved without dissent.

Michael Lindsey presented the financial statements through June 2010. Total assets were \$79.14 million and total liabilities were \$79.84 million. The Authority received total revenue of \$199,595 through June. Operating expenses totaled \$91,277. The Authority has incurred non-operating expenses of \$75,762. The net change in total assets through February was \$15,515. Mick Wagner asked for more information on expenses paid toward geographic information system projects.

George Spence informed the board that the User and Personnel Committees have met to discuss what would be the employer's share of employee health insurance premiums. Mr. Spence said that the two Committees recommended the Authority pay 85% of the insurance premiums for their employees and families. Mr. Spence noted that there was one dissenting vote by Mayor Jack who asked for 100% coverage by the Authority for the employee. Mr. Spence made a motion that the Authority implement the Committee's recommendation of paying 85% of the health insurance premiums for the employees. Larry Fletcher seconded the motion, which was approved by the board without dissent. Mr. Wagner informed the board that the Personnel Committee recommended an increase to Mr. Sampier salary in an amount sufficient to pay the 15% employee share of the monthly insurance premium. Mr. Spence made a motion to approve the one-time payroll adjustment for Mr. Sampier. Mayor Jack seconded the motion, which was approved by the board without dissent.

Michael Lindsey reviewed the proposed budget for the remaining six months of 2010 and for the calendar year 2011. The 2010 budget estimates revenue of \$75,077 and expenses of \$327,811. The 2011 budget projects revenue of \$4,075,155 and expenses and other cash requirements of \$4,509,548. The board asked for a list of equipment required at start up. Mayor McCaslin recommended that the Authority consider finding an alternate method of paying for short-lived equipment like trucks and lab equipment instead of using 30-year bond funds. Mayor Jack made a motion to approve the budgets as presented. Mr. Fletcher seconded the motion, which was approved by the board without dissent.

Mr. Sampier provided a report from the executive director. He stated that the Arkansas Highway and Transportation Department would be testing the soil at the plant site in a continuing effort to determine its suitability for construction of wetlands. John Ratzki asked if the proposed wetlands would be built on land needed for future plant expansions. Mr. Sampier stated that the wetlands would only be constructed on land located in the flood plain.

Charles Harwell presented an easement from Carroll Electric for installation of electric power lines to the Authority's facility. Mayor Jack made a motion to authorize the Chairman and Secretary to sign the easements. Mr. Spence seconded the motion, which was approved by the board without dissent.

Mr. Sampier opened the floor for discussion of the proposed employee personnel policy. During a brief discussion it was noted that a referral in Section 5.5 should be corrected to refer to Section 5.3 and not Section 5.4. Mr. Spence also recommended that the Authority would need to continue to review on-call provisions in case these need to be amended in the future. Mayor Jack made a motion to approve the personnel policy as amended. Mr. McElroy seconded the motion, which was approved by the board without dissent.

Mr. Sampier provided copies of a request for proposals for sludge hauling services. The board authorized staff to advertise for these services.

Steve Yonker gave a construction update on the treatment facility. He said that they have permanent power available now and both contracts are on schedule to be complete by November. Mr. Wagner asked if there was anything in the budget or plans that called for a fountain or some other aesthetically pleasing feature for the effluent. Mr. Fletcher stated that the plans for the wetlands included some options for these types of features.

Britt Vance provided a construction update on the conveyance lines. He stated that the conveyance lines and pump station for the Tontitown line are essentially complete. The Bentonville line is complete except for a bore under Highway 264. The bore is approximately one hundred feet long and fourteen feet deep. However, there have been problems with this bore and USI is investigating other options including re-routing the conveyance line. Since the bore would go under a state highway, the Arkansas Highway and Transportation Department is reviewing the plans. Mr. Vance recommended that the Authority issue Crossland Construction a stop-work order on the line until the bore issues are resolved. Issuing a stop-work order will stop the construction timeline and prevent Crossland from being penalized for not completing the conveyance line within the allocated time. Mr. Vance feels that the situation will be resolved before the treatment facility is ready to treat wastewater in November. Mr. Spence made a motion authorizing a stop-work order for Crossland Construction. Mayor McCaslin seconded the motion, which was approved by the board without dissent.

Mr. Vance said that the next construction pay estimates will be the final invoices. The Bentonville conveyance line will be approximately \$260,000 higher than originally budgeted because the line was rerouted and depth was added so the lines are longer than originally projected. The Tontitown conveyance line will be very close to the approved contract amount.

Mr. Spence made a motion that the board begin meeting monthly for the foreseeable future. Mayor Jack seconded the motion, which was approved by the board without dissent.

Mr. Spence asked for an update on the information technology (IT) and internal communications systems at the treatment facility. Mr. Sampier said that Burns and McDonnell and USI have been reviewing technology and telephone needs at the facility. Chuck Nickle stated that Burns and McDonnell have recommended that the administrative computers be separate from the plant operation computers. This would require the Authority to purchase a separate computer server and workstations, which are not currently part of the construction budget. Mr. Nickle informed the board that USI has prepared a list of required administration IT equipment. Mayor McCaslin asked if USI was the appropriate firm to prepare this list since they are an engineering firm and not an IT firm. Mr. Wagner agreed with Mayor McCaslin. Mr. Spence asked staff to consider proposals from IT firms that could provide recommendations for this type of equipment. Also, Mayor McCaslin recommended the Authority staff meet with the IT staff at the city of Bentonville to discuss what equipment is required.

There being no further business, the meeting was adjourned at 4:45.

Respectfully submitted,

Jack McHaney