

Northwest Arkansas Conservation Authority
Meeting Minutes
May 21, 2009

A board meeting of the Northwest Arkansas Conservation Authority (the Authority) was held at 3:00 p.m. on Thursday, May 21, 2009. The meeting was conducted at the First Security Bank Annex located at 100 W. Emma Street, Springdale, Arkansas. Board members attending were Chairman Mick Wagner, Vice Chairman George Spence, Treasurer Bruce McElroy, Secretary Jack McHaney, Robert Hukill, Travis Greene, Fred Jack, Bob McCaslin, and John Ratzki.

Also attending were John Sampier, the Authority's executive director, Charles Harwell with Cypert, Crouch, Clark and Harwell, Steve Yonker and Eldon Schneider with Burns and McDonnell, Chuck Nickle, Charles Killian, and Britt Vance with USI Engineering, Mike Roberts with the city of Bentonville, Mike Power with First Security Bank, Philip Moore with Congressman John Boozman's office, Martine Pollard with the Rogers Lowell Chamber of Commerce, Robert Smith with the *Arkansas Democrat Gazette*, and Michael Lindsey with Morgan Keegan.

Mr. Spence opened the floor for consideration of the March and April meeting minutes. George Spence made a motion to approve the minutes as submitted. Fred Jack seconded the motion, which was approved by the board without dissent.

Michael Lindsey presented the financial statements through April 30, 2009. The Authority ended the month with total assets of \$46,479,419 and liabilities of \$47,031,240. To date, the Authority's operating fund has earned revenue of \$10,000 and has incurred \$65,049 in expenses. Taking into account other non-operating income and expenses the Authority had a net change in total assets of approximately (\$107,280). Mayor Jack made a motion to receive the financial statements as presented. The motion was duly seconded and approved by the board without dissent.

Mr. Lindsey informed the board that the operating line of credit provided by First Security Bank would mature at the end of May. Therefore, the Authority will need to obtain a new line of credit from the bank to pay for operating expenses for the next twelve months. First Security has approved a \$400,000 line of credit that will mature in twelve months. This line of credit will allow the authority to pay off the current line of credit along with the accrued interest while providing enough funds to pay for operations for the next twelve months. Mayor Jack made a motion to approve the line of credit. Treasurer McElroy seconded the motion, which was approved by the board without dissent.

Mr. Lindsey presented a request for proposal for auditing services in 2009. After a brief discussion, the board approved publication of the request for proposal for auditing services 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 the Authority would hold a groundbreaking at the regional treatment facility site on June 17.

Steve Yonker took the floor to discuss the draft results from Burns and McDonnell's advance filtration analysis. This analysis was triggered by the Environmental Protection Agency's requirement that the Authority meet a phosphorus discharge limit of 0.1 mg/l by 2012. Mr. Yonker said that they considered three options:

<u>Advance Treatment</u>	<u>Construction Cost</u>	<u>Operating Cost</u>
Membrane Filtration	\$8,450,000	\$120,000
Two-stage Sand Filtration	\$6,110,000	\$90,000
Multi-barrier Filtration	\$7,670,000	\$110,000

Secretary McHaney asked if any of these options were better suited to addressing any future discharge permit limits. Mr. Yonker stated that membrane filters probably have a few advantages, but all options should be sufficient for the discharge limits that are reasonably expected to be enacted in the foreseeable future. Mayor Jack asked what the Authority planned to do with the additional sludge produced by the advance filtration system. Mr. Yonker stated that the Authority is currently opting to send all sludge to a landfill. Vice Chairman Spence made a motion to select the two-stage sand filtration process for the regional treatment facility. Treasurer McElroy seconded the motion, which was approved by the board without dissent.

Mr. Yonker informed the board that they have two options to replace the existing standard filtration design with an advanced filtration system. They could issue a change order to BRB Contractors or they could rebid this portion of the project. The project should be ready to bid by October 2009 and the treatment facility should be open in October 2010. Charles Harwell said that the Authority could legally use a change order. Vice Chairman Spence agreed with Mr. Harwell, but noted that he supported rebidding the advance filtration process since the total cost was so large. Mayor McCaslin made a motion to rebid the advance filtration process instead of issuing a change order. Mayor Jack seconded the motion, which was approved by the board without dissent.

Vice Chairman Spence made a motion to approve Authorization #6 with Burns and McDonnell to conduct final design and provide bidding services for the advance filtration project and authorizing the chairman to execute the agreement. Mayor Jack seconded the motion, which was approved by the board without dissent.

Mr. Yonker discussed change order #1 for the treatment facility. This change order would allow the contractor to replace five electrical transformers with a more efficient model at an additional cost of \$16,820. Also, change order #1 removes the original filtration process from the contract, which is a reduction of \$1,266,000. Mayor McCaslin made a motion to approve change order #1, which was seconded by Vice Chairman Spence. The board voted unanimously to approve the motion.

Mr. Harwell took the floor to discuss Resolution 2009-5. This resolution would authorize the executive director to approve and sign change orders up to a certain dollar value without obtaining board approval. Mr. Sampier stated that he did not want to overburden the board with special meetings just to review change orders for small dollar amounts. If approved, Mr. Sampier would continue to send out the change order requests prior to approving them. Mayor Jack noted that executive officers at municipalities can approve contracts up to \$20,000 and

made a motion to approve Resolution 2009-5 with a \$20,000 limit. Vice Chairman Spence seconded the motion, which was approved by the board without dissent.

Chuck Nickle provided an update on the construction of the conveyance lines. He noted that both lines are progressing according to schedule. Britt Vance introduced change order #1 for contract #1 of the conveyance line project. The change order would authorize Crossland Construction to install conveyance lines using a boring instead of an open cut for a portion of the line in which a low water bridge was recently built by Benton County. The additional cost for change order #1 was \$75,625.80. Mayor McCaslin made a motion to approve the change order. John Ratzki seconded the motion, which was approved by the board without dissent.

Mr. Vance introduced change order #1 for contract #2 of the conveyance line project. This order would change the four stream crossings on the Tontitown conveyance line from an open cut to a bore and encasement method. This change resulted from a request by the United States Fish and Wildlife Service. This change order adds \$113,850 to the conveyance line project. A motion was made and duly seconded to approve change order #1 for contract #2 of the conveyance line project. The board unanimously approved the motion.

There being no further business, the meeting adjourned at 4:42 p.m.

Approved:

Jack McHaney, Secretary