

Northwest Arkansas Conservation Authority
Meeting Minutes
May 20, 2010

A board meeting of the Northwest Arkansas Conservation Authority (the Authority) was held at 3:00 p.m. on Thursday, May 20, 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, Robert Hukill, Fred Jack, 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 Power with First Security Bank, Allen McKay with Crews and Associates, Dan Thompson, Mark Sell, and Ivan Crossland Jr. with Crossland Heavy Construction, 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 March 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 April 2010. Total assets were \$78.6 million and total liabilities were \$79.2 million. The Authority received total revenue of \$199,356 through April. Operating expenses totaled \$72,764. The Authority has incurred non-operating expenses of \$54,415. The net change in total assets through February was \$72,177. Mick Wagner asked about the loan received from the Osage Basin regional wastewater entity and if the Authority had tried to find a buyer for the 22 acres this loan was used to purchase. Mr. Sampier said that he has not received any interest on the land, but that he could put up a for-sale-by-owner sign or list it with an agent to try and generate purchase offers.

Mr. Lindsey notified the board that the Authority's \$400,000 operating line of credit with First Security Bank expires on May 22, 2010. The Authority relies on this line of credit to fund operating expenses not covered by the state grant funds. To date, the Authority has drawn approximately \$320,000 on the line of credit. First Security has offered to extend this line of credit through May 2011 and maintain the maximum credit amount at \$400,000, thus providing \$80,000 to fund operating expenses until the plant begins operations in November. Jack McHaney made a motion to approve extending the line of credit through May 2011. Mr. McElroy seconded the motion, which was approved by the board without dissent.

Mr. Sampier provided a report from the executive director. He informed the board that the Environmental Protection Agency has released the \$477,000 STAG grant funds so the Authority should receive those in the near future. Mr. Wagner asked about a recent letter to the EPA from the Mitchell Williams Law firm regarding total maximum daily loading requirements on Town Branch Creek. Mr. Sampier said that this creek is in north Bentonville and that the EPA's apparent desire to implement a 0.1 mg/l discharge limit on phosphorus is not based on any hard science or reasonable assumptions.

Steve Yonker gave a construction update on the treatment facility. He noted that construction remained on schedule and within budget. The main plant should be complete by September and the advance filters should be complete in October.

Britt Vance provided a construction update on the conveyance lines. He said that Crossland has approximately 3,500 feet of pipe left to be laid. Rosetta has approximately 1,000 feet of pipe to be laid. Mr. Wagner asked if USI were shooting any video inside the pipelines. Mr. Vance confirmed that they were. Mr. Wagner noted that they could link this video to the Authority's GIS website so people could click on a section of pipe and actually see inside the pipe.

Mr. Vance discussed Change Order #4 for Contract #2 with Rosetta Construction. The order would change the type of transformer and electrical connection at the substation, slightly change the design of the valve vault, and add concrete porches to the lift station. Mr. Spence made a motion to approve the change order. Mayor Jack seconded the motion, which was approved by the board without dissent.

Mr. Wagner recognized representatives from Crossland Heavy Construction. Crossland stated that the manholes are fiberglass and require concrete slabs to prevent them from floating during wet weather events. After bidding the project, Crossland discussed with USI Engineering how much concrete might be required to prevent flotation. Crossland expressed concern that they are not using enough concrete to prevent flotation of the manholes. Crossland has approached USI and discussed their concerns, but USI believes the current amount of concrete is the appropriate amount of anti-flotation weight as currently designed and constructed. Mr. Spence asked USI if Crossland installed the manholes according to their design and direction. USI confirmed that they are satisfied with the installation of the manholes. Crossland asked the Authority to indemnify them from any future damages if the anti-flotation measures prove to be inadequate. Charles Harwell stated that you should rely on the expertise of your engineers and contractors and should not provide any indemnification to either party. Mr. Spence recommended that the Authority rely on the expertise of USI.

There being no further business, the meeting was adjourned at 4:20.

Respectfully submitted,

Jack McHaney