

Northwest Arkansas Conservation Authority
Meeting Minutes
September 17, 2009

A board meeting of the Northwest Arkansas Conservation Authority (the Authority) was held at 3:00 p.m. on Thursday, September 17, 2009. The meeting was conducted at the First Security Bank Annex at 100 Emma Street, Springdale, Arkansas. Board members attending were Chairman Mick Wagner, Vice Chairman George Spence, Treasurer Bruce McElroy, Robert Hukill, Fred Jack, Travis Greene, Bob McCaslin, John Ratzki and Chris Weiser.

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, Belva Plumlee and Mike Roberts with the city of Bentonville, John Gore with the Morning News, and Michael Lindsey with Morgan Keegan.

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

Michael Lindsey presented the financial statements through August 31, 2009. The Authority ended the month with total assets of \$50,476,999 and liabilities of \$51,122,718. To date, the Authority's operating fund has earned revenue of \$20,000 and has incurred \$133,643 in expenses. Taking into account other non-operating income and expenses the Authority had a net change in total assets of approximately (\$201,178). Vice Chairman Spence made a motion to receive the financial statements as presented. The motion was seconded by Mayor Jack and approved by the board without dissent.

John Sampier provided a summary of a memorandum of agreement with the Arkansas Natural Resources Commission regarding loans provided through the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program. The agreement authorizes the Authority to borrow an additional \$5.5 million from this program and moves the interest accrual date to June 2011 from June 2012. Bob McCaslin made a motion to approve the memorandum of agreement. Mayor Jack 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 provided an update on the availability of grant funds from the state of Arkansas and Environmental Protection Agency. Mr. Wagner asked how much the Authority would receive from the EPA. Chuck Nickle said that the total grant should be approximately \$433,000. Mr. Wagner asked for an update on adding wetlands on the Authority's property. Mr. Sampier said they are making sure adding wetlands would not violate covenants in the Authority's bond issues before pursuing funding from the federal and state agencies.

Steve Yonker reported on the construction progress at the treatment facility. BRB Contractors continues to be on-time despite the recent rain. He stated that since the last meeting Mr. Sampier approved Change Order #2 for additional foundation work at the facility. The total cost of this change order was approximately \$5,000. The Authority is still awaiting receipt of an operating permit from the Arkansas Department of Environmental Quality (ADEQ). Mr. Yonker doesn't believe that this delay will have a negative impact on the opening of the facility.

The final design of the advanced filtration system is essentially complete. Plans have been sent to the Arkansas Department of Health and ADEQ for review and approval. Burns and McDonnell plan to advertise for bids in October, open bids in November and authorize construction to begin in December.

Mayor McCaslin asked how many bids were expected. Mr. Yonker estimated six to eight bidders for the advance filtration project.

Mr. Yonker passed out a proposal from Carroll Electric Cooperative that outlined two options for providing electrical power to the treatment facility and pumping station. Mr. Yonker recommended that the Authority choose Option A, which would construct an electrical sub-station on the Authority's property. The total cost of the recommended option is \$622,615. Mayor McCaslin asked when Carroll Electric would request payment. Mr. Lindsey said that they want to be paid half of the cost up front. Mayor McCaslin recommended that the time between payment and start of construction be minimized as much as possible. Vice Chairman Spence made a motion to accept the proposal for Option A at a total cost of \$622,615 and authorize staff, legal counsel, and engineers to review and negotiate the final agreement between the Authority and Carroll Electric and authorize the executive director to sign the final agreement. Mayor McCaslin seconded the motion, which was approved by the board without dissent.

Chuck Nickle provided an update on the construction of the conveyance lines. He stated that both lines were behind schedule. On the Osage Creek line, forty percent of the schedule has passed and Crossland Construction had completed twenty percent of the work. On the Brush Creek line, forty percent of the schedule has passed and Rosetta Construction had completed twenty-six percent of the work.

Following a brief slideshow of construction pictures the meeting adjourned at 3:45 p.m.

Approved:

Jack McHaney, Secretary