

Tontitown Water & Sewer Commission Meeting Minutes 01/03/06

Roll Call:

Mick Wagner- in attendance
Bill Brandt- in attendance
Larry Goddard- in attendance
Casey Dunigan- absent
Gene Baker- absent

Note: Also in attendance City Attorney Steve Gunderson.

Approval of Minutes for 12/06/05 Meeting

Motion by: Bill Brandt
Seconded by: Larry Goddard

Vote: Brandt- yea
Goddard- yea
Wagner- yea

Old Business:

Update from lawyer on action taken to procure documents from ESI:

In the last 10 days an FOI has been filed with ESI. We have received documents that provide nothing more than what we have other than the aerial maps are of a better quality than what we got. This was confirmed by USI.

A8 & A12 section 1 & 1997 September contract specifically calls for those drawings to be provided which would include baselines & control points whereby we could lay stuff out on the ground. That's the whole issue of when the Water & Sewer Commission has had to engage our present engineers USI. At this point we are still where we were 6 or 8 months ago. Further discovery scheduled is written requests for production of documents and interrogatories that we have should be due within the next two days from ESI. The deadline is 30 days from the time that they were sent, which is on or about the 6th of December.

Progress report 412/112 water line Phase 1:

USI has been e-mailing weekly progress reports to the Water & Sewer Commission. A bore has been made under Pianalto at 412, tied into and connected. It is ran south on 412 to the property of Pianalto Family Trust. At that point, the road right-of-ways will be used. A change order was issued that resulted in a net decrease of around

\$5000 or \$6000. It resulted in cutting the road instead of boring an 8" line at Wildcat Creek. EGIS agreed upon this change.

Brief update on gravity sewer:

A map was produced by USI and activities were discussed concerning the project. Details are being worked on for the force main at Benton Farms. USI proposed to use DeAnne Edwards with Field Services to do the easement work.

Motion to use DeAnne Edwards with Field Services made by: Larry Goddard
Seconded by: Bill Brandt

Update on rate structure study for water department (USI report):

The Water & Sewer Commission asked our current engineers USI, and Community Resource Group to prepare separate rate studies for comparison. USI has their study complete and Community Resource Group has told us that theirs will be done sometime before February. Here is the report presented to the Water & Sewer Commission from USI:

The 2005 records of water usage were used except for 3 months, March, August and December, and those months were estimated. Tontitown had a total of water sales right at \$351,000 last year. It is projected that for 2006 the customer base is going to increase 10% so that would add about 79 new customers and included revenue for that. Also anticipated was a rate increase from Springdale of 4.5% for the water purchases. They took the proposed 2006 budget for Operational Expenses and took out a couple of things that they considered capital expenditures and assumed that those would be paid by capital improvement funds. They ended up with a projected operational expense of \$491,380. Based on that number and the current water rates we would have to increase rates for both inside and outside city limit customers by 20% in order to cover that operating expense. With that 20% and projected 10% increase in customer base, a surplus of \$3080 is projected this year. The 20% increase will basically take the existing rates inside the city from \$10.22 to \$12.26 for an increase of \$2.04 for the first 2,000 gallons. The next 1,000 gallons would go from \$3.93 to \$4.72 for an increase of \$.79. Then anything over 3,000 gallons would go from \$3.22 to \$3.86 for an increase of \$.64 per 1,000. On outside rates, 0-4,000 gallons is \$19.24 to \$23.11 for an increase of \$3.85. Then over 4,000 gallons would go from \$3.44 to \$4.00 for an increase of \$.66 per 1,000. This rate increase would result in the increase of an average monthly bill, based on 4,000 gallons of usage which is the industry standard, of \$3.47 for inside and \$3.85 for outside a month. Without the increase, we would be looking at a deficit of \$70,000.

New Business:

Elect New Officers per SOP 11:

Motion to retain same officers made by: Bill Brandt

Seconded by: Larry Goddard

Vote: Brandt- yea
Goddard- yea
Wagner- yea

Select Accountant per SOP 27:

Motion to retain Daniel McCormick another year made by: Larry Goddard
Seconded by: Bill Brandt

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Select Lawyer per SOP 25:

City Attorney Steve Gunderson recommended that the Water & Sewer Commission look at two lawyers, Mark Dossett with Davis-Wright and Curtis Hogue with Hall-Estill. Chairman Mick Wagner has spoken with both of the attorneys.

Motion to use Mark Dossett with Davis-Wright made by: Larry Goddard
Seconded by: Bill Brandt

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Discuss Bond by officers required by SOP 44:

SOP is read by Chairman Mick Wagner. Chairman asked Larry Goddard to look into both the Bond and Fidelity Insurance.

Discuss Fidelity Insurance as outlined in SOP 45:

SOP is read by Chairman Mick Wagner. Chairman asked Larry Goddard to look into both the Bond and Fidelity Insurance.

Request confirmation of USI as per SOP 46:

SOP is read by Chairman Mick Wagner. Chairman asks for USI to provide confirmation of workers compensation insurance. USI stated that it is already in the contract that they have with the Water & Sewer Commission.

Request confirmation of S&J as per SOP 47:

Water & Sewer Commission has this in the contract with S & J Construction.

Review Tap & Connection Fee for 2006 per SOP 54:

Motion to accept amended Tap & Connection rate fees effective 3/1/06 by: Larry Goddard

Seconded by: Bill Brandt

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Review and Approve water rates effective 3/1/06 SOP 63:

Rate increase notifications to be printed on bill and displayed in glass case in City Hall lobby.

Motion to use USI's proposed rate increase by: Bill Brandt

Seconded by: Larry Goddard

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Review Seasonal Water rates for 2006 per SOP 65:

Motion to accept made by: Bill Brandt

Seconded by: Larry Goddard

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Review all miscellaneous revisions of SOP manual thru 1/3/06:

Motion to accept revised SOP manual made by: Larry Goddard

Seconded by: Bill Brandt

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Comments from commissioners:

Motion to adjourn made by: Bill Brandt
Seconded by: Larry Goddard

Vote: Brandt-yea
Goddard- yea
Wagner- yea

Adjourn