

Tontitown Water & Sewer Commission Meeting Feb. 7, 2006

Approval of the Minutes for 01-03-06 Meeting:

Motion to approve by: Larry Goddard
Seconded by: Gene Baker

Vote:

Goddard: yea
Baker: yea
Wagner: yea

Chairman Mick Wagner's Introduction of Mark Dossett with Davis-Wright who has been retained by the Water & Sewer Commission as their lawyer.

Old Business:

Update from lawyer on action to procure documents from ESI:

The Water & Sewer Commission has filed a motion to be a party to the lawsuit that the City of Tontitown has against ESI. The City filed a response and had no objection to the Commission coming on board. Initially the Attorney for ESI gave the impression that at time that there wasn't going to be any objection from them. Yesterday Mark Dossett received an objection from ESI and is asking the court to prevent the Commissions intervention. This probably means a delay of at least 30 days if not 60 days before the Commission can intervene.

Progress report 412/112 water line Phase I:

Project is split into two Phases. Phase I goes from 412 South to Kelly. S&J has installed about 50% of that. S&J should finish within next 60 days & be within the contract time and under the budget. Phase II goes from Kelly to Laura Lane. All easements for this line

have been delivered to Mark Dossett. There is an estimated construction cost of \$650,000 for this Phase. Bids are scheduled to be received in the USI office on the 28th of February.

New Business:

Ratify G-Squared Contract:

Motion to approve contract as is by: Larry Goddard
Second by: Gene Baker

Vote: Goddard: yea, Baker: yea, Wagner: yea

Review easement compensation for force main:

Generally some cities will offer some kind of compensation for running a sewer line across someone's property. It is usually \$1.00 a foot for a 10' wide easement. In addition to that you would provide compensation for any trees taken down unless the property owner doesn't want the tree there anyway. The schedule proposed by USI, which is currently in use by Bentonville and Siloam Springs, is \$2.00 a foot for a 10' easement. If the width of the easement is increased, you would also increase the amount of compensation.

Review tree compensation for W&S projects:

Mark Dossett advised that the Water & Sewer Commission adopt the 2 schedules for fees: Utility Compensation, Tree Compensation Schedule.

Motioned by: Goddard
Seconded by: Baker

Vote: Goddard: yea, Baker: yea, Wagner: yea

Review SOP 45 for changes:

Mark Dossett suggested that Paragraph Fa be revised as follows:

The department shall be serviced by one individual insurance agent, whose responsibility it will be to cover the entire insurance program of the department. Rates for the coverage's will be reviewed annually. The department's insurance agent must be

licensed and registered with the State of Arkansas. Subject to the approval of the department, the agent may submit an insurance quote based upon coverage's from more than one insurance carrier, provided all carriers must be registered with the State of Arkansas and authorized to do business in Arkansas.

As long as the rates do not increase, the department may at its option continue with the same agent for a period of three (3) consecutive years without soliciting new quotes for the necessary insurance. The department shall obtain new quotes for the necessary coverage's:

- (1) at the option of the department whenever it so desires, subject to (2) and (3) below;
- (2) if the rates for the necessary insurance increase; or
- (3) it has been three (3) years since the department last solicited quotes for the necessary insurance coverage's.

Motion to adopt Mark's language for SOP 45 made by: Larry Goddard
Seconded by: Gene Baker

Vote: Goddard: yea, Baker: yea, Wagner: yea

Review ISO information:

ISO (Insurance Service Office) consists of 3 Components: 10 points for Communication, 50 points Fire Department, & 40 points for Water Department. These points drive the ISO Rating. These components add up to a total of 100 points. The rating system goes from a 10 where there is no fire protection, to a 1 being perfect. Tontitown now has a split rating of 6:9. The higher a city's ISO rating, the higher the citizens' insurance premiums are. If Tontitown could drop its rating to a 5:9, it could save the citizens around \$92,000 in insurance premiums. Tontitown missed having a rating of 5:9 by three (3) points. With the universal effort of the Water and Fire Departments, Tontitown can acquire this type of savings and improve their ISO ratings.

Note: Last item of business was that the Commission discussed with USI the rerouting of our proposed water line upgrade along Piazza Rd.

Motion to reroute the proposed water line along Piazza road made by: Larry Goddard
Seconded by: Gene Baker

Vote: Goddard: yea, Baker: yea, Wagner: yea

Comments from Commissioners:

Adjourn:

Motion made by: Gene Baker

Seconded by: Larry Goddard

Vote: Goddard: yea, Baker: yea, Wagner-yea