

Water & Sewer Commission Meeting
Minutes
2006-04-04

Roll Call:

Mick Wagner: present
Bill Brandt: present
Casey Dunigan: absent
Gene Baker: present
Larry Goddard: present

Approval of Minutes for 2006-03-07:

Motion to approve minutes made by: Larry Goddard
Seconded by: Bill Brandt

Vote:

Brandt - yea, Goddard - yea, Baker - yea

Old Business:

Update from lawyer on action to procure documents from ESI:

The biggest development would be the trial is set for July 11th & 12th. It is set for a jury trial. We are currently the second case out which means for us to really get to go that there is somebody ahead of us and in that case has to resolve itself one way or another in order for us to begin. It usually does and to be second in position gives you a pretty good chance of going on that date. We have prepared a new set of discovery to Marshall-Nye for the original documentation from them and get a time down on their positions and responses are due to us around April 14th. We have given them some dates for depositions and asked them to pick from them so that we can depose their people. They were given several for the end of April beginning of May. We would like to have their responses back before we have to depose their people so that we will have all of the documents in hand. Mr. Dossett did get a chance to go by USI and compare maps and documents that ESI had done and what we needed. Now he can visualize and understand the issues. Mr. Dossett thinks our case is still good and the more he gets in it, the better he feels about our case.

Progress report on 412/112 water line Phase 1:

Phase 1 is now in service. The right-of-ways are probably about 80% remediated. Phase 2

began just at the turn of Kelly and Pianalto. That started last Thursday or so. Mr. Wagner was told that it was down to Mr. Hathorn's property. We have 100% of the easements with just one left to file. Second crew will start likely next week if not this week. The Phase 1 original job bid was around \$309,000.00, a change order deducted around \$5,400.00, to get it down around \$304,000.00 (roughly), with an added \$30,000.00 for additional service lines and connections throughout the process. Most of those are related to 11 customers that were hooked up on the West side of the roads when we moved back on the East side with the water line from Wildeat down to Kelly. The final cost is going to be about \$330,000.00. The extra cost was because we decided to abandon the old 4" line on Wildeat and Kelly because of some pipe issues and went across the street to connect the existing customers. USI will have a reconciliation change order, which will reconcile all of the quantities, probably sometime next week. If there ever was any development they would put that in with a minimum 8" line.

There is a gentleman by the name of Preston Lindley off of Pianalto Road that has shown an interest in extending an 8" water line. Mr. Lindley was provided a copy of SOP 30.2 for water line extensions. Mr. Lindley was also provided a set of rough numbers for the cost and he came back saying that he was still wanted to do it. So Mr. Wagner instructed as a change order with the existing contractors GN Contractors for them to do that. That isn't authorizing any money because the way SOP 30.2 is that they have to put the money up before anything starts and under our policies even though they are an existing customer, they would get a \$500.00 credit back per connection. So it would be good for them to get everybody along that street.

Update on Sewer project:

DeeAnne Edwards is working on getting our easements. She has had extremely positive reactions from 99% of the people. There is one property owner that she has not been able to contact. She has sent letters and sent a certified letter yesterday to them. That is the only problem that she has had so far. Springdale has indicated as a last resort, to assist us in the capacity to condemn. Hopefully this customer has just been on an extended vacation or hadn't checked their mail. On the force main project there were 25 actual easements. There are several parties that own two or three parcels within that number. There are 21 actual people and of that 21, 5 are actually signed, 6 have agreed to sign and there are revisions and special considerations that people are signing and mailing and a couple of people who have health issues that she has not been able to pick up. The rest of them are developers and owners that we may not need to get and rework the easements.

On the gravity side, DeeAnne has 9 parties that she is working on. 8 of the 9 have agreed to sign. Larry has a few more parties and some have been sent out directly. In Area 1 the majority are existing easements. There is one property owner, Mrs. Blackston, that doesn't want to sign. There was discussion about maybe moving the line to the East side of her property. This is going to be brought to her by DeeAnne and see if that will be acceptable.

In order to pay for the sewer project there will have to be more than 1 house to an acre. The lawsuit that the City is involved in with the zoning map is pertaining to bringing the zoning to 1 house per acre. Mr. Wagner wants to ask the City Council tonight for a vote of confidence on moving forward with the sewer project.

Motion to give authorization to Mr. Wagner to go before the City Council to get a vote of confidence to move forward with the sewer project made by: Bill Brandt

Seconded by: Larry Goddard

Vote:

Brandt .yea, Goddard .yea, Baker .yea, Wagner -yea

New Business:

Review financials:

Mr. Wagner went over the financials that were posted to the web. The financials showed that they were under budget. There was \$51,000.00 that should have gone in January and February but the way that has to work at present time is a check has to be cut for the amount of the sales tax that goes into the City General Fund for the Water's 40%. The other goes to the Bank of the Ozarks and is a direct deposit into that account and the excess of that is wired directly to the W&S Fund account from the Bank of the Ozarks. It takes time and some process and this causes a lapse in the date that the money should show for on the financials. We would like to get this set up for a direct wire so that the dates correspond correctly.

When you look at the actual versus budget, we are on the right track. Mr. Wagner wasn't sure if the loan proceeds should be shown in the Profit & Loss. On water sales we were a little off but the budget was done as a straight line. Water sales are up about \$625.00 a month more than what we are running this time last year. Hopefully next month we can go in and revise the budget and get it approved to clean up some of the short comings in Perception where the budget was run. Payroll looks like it may need to be looked at as well as the professional fees.

Discuss Master Water system update for GIS layer:

When USI came online, we had a water master drawing. When they started taking that map and going out into the field and it shows valves on the south of the highway and it's really on the north side of the highway. We have Rick Peacy out finding the valve boxes for the GPS. USI had to do their own hydraulic analysis to verify the accuracy of the one that ESI did. It was reasonable accurate, they did find a few errors. The only projections that ESI made was they looked at the system for fire flow demands and recommended the loop that we are constructing now, or at least a portion of it. They also looked at a future tank being in the north of town. There really was never done any future projections on how this is to expand and how you need to build a grid. It wasn't a real true master plan and all it gave USI was some lines to go by which now we are going to have is a bag of coordinates that Rick is going out and getting. At that time, the south part of Tontitown didn't exist. You also have all of the locations for the fire hydrants and valve boxes on there also which we are doing now.

Motion for the Water & Sewer Commission to authorize the expense of the Master Water

System not to exceed \$10,000.00 for a layer to be integrated into our GIS system by: Bill Brandt

Seconded by: Larry Goddard

Vote:

Brandt -yea, Goddard -yea, Baker -yea

Discuss Sewer Rate Analysis:

The City Council adopted an ordinance that didn't cover all of the expenses. It didn't have any provisions about connections fees or any provisions about our present agreement with Springdale. Mr. Wagner mentioned that maybe an outside source needs to be hired to go in and look at these. USI did the work for Siloam Springs on their last sewer analysis and has done the same thing for Bentonville, Clarksville, Harrison and Berryville. What they need to do is look at what it is going to take, operation wise, for expense, knowing what they are going to be paying Springdale and what the rates are going to be in the future. This is so that they can come up with scenarios to look at. Also, in the same document, here's what the rates are in all the other towns around so that you can compare because you want to be as competitive as you can and still cover your expenses. You want to keep it as economical as you can because it isn't a money making deal.

We don't have the capability right now to hire a water operator, we have to contract that out but as this grows, we are going to have to have a full time person in addition to our present operator. We have to have rates that will allow this system to grow. You need to base your rate on density, so many houses per acre, so many gallons used per day per house. The line we are looking at now to go from Tontitown to a pump station which is up to the Regional plant, is a 24" line. That has a 25+ year capacity of being able to handle the City.

Under state law, if you are within 20' of a gravity sewer, you can be forced to connect. Quite frequently, allowances are made when putting in a line across someone's property for a reduction in the fees for a person to connect their house. It shouldn't cost much to have a consultant come in and prepare a rate analysis. The initial will have to be based on an assumption of your customer base. There isn't a way to determine an exact number for that. A budget is going to have to be made to run the sewer system on. USI would set up a spreadsheet that would help to play out numbers for different scenarios. You will have to have some kind of basis to set this up.

Motion to engage USI to prepare a rate analysis with a cost no exceeding \$5,000.00 made by: Larry Goddard

Seconded by: Gene Baker

Vote:

Brandt -yea, Goddard -yea, Baker -yea

Discuss Water billing software:

Most water billing software feed back into a general ledger. We have two or three existing choices. The current billing software that we have is Intedata which tells us that they are working on getting a ledger going called SoftLedger. It isn't a clean type out from having to flow it through. There are software packages that have been on the market for 20 years that interface directly with the data exchange with QuickBooks. There are people in the area using it although we haven't talked with any of them yet. Some of the cities around out are using a program called RVS. RVS is out of Austin, Texas. The company has been in existence for 20 years. They have a dealer in Arkansas which we have worked with on other projects. SoftWater has a monthly fee and maybe an annual fee that is spread out as a month amount. There may not be an annual fee but there is a maintenance fee that is monthly. SoftWaters support is not reliable. Sometimes it is hours and even days to before we get a response from them.

RVS has onsite training available. Mr. Goddard suggested that we get them down here and take a look at their program. USI has a lot of problems trying to convert SoftWater's records into the data used to get rate balances. It shouldn't take a lot to be able to put in rates and see what you come up with.

Review truck equipment (not necessary per ordinance 2006-01-241):

Even though it is not required for purchases of this size, three telephone bids were taken for spray in bed and tool box.

Motion to use lowest quote by *N Motion for truck equipment by: Gene Baker

Seconded by: Bill Brandt

Vote:

Brandt - yea, Goddard - yea, Baker yea

Discuss consulting fees for water operator:

Mr. Wagner sent the Commission a spreadsheet that outlined the amount of hours worked by Mr. David Sbanotto. Mr. Sbanotto has been very helpful to us and to Rick. We have not had any problems with any of the work that David has done. However when you look at the hourly rates that he has actually been in the field and what has happened in the 7 month period that was put in there, is a pretty high hourly rate. Mr. Wagner wanted the Commission to be aware of that and get their opinion on it. There have been some other services that have quoted some rates. We will look at what options we have at this time.

Note:

The next month's water meeting will be rescheduled for Thursday, May 4th at 3:00 pm due to USI being unable to attend the regular scheduled meeting on the first Tuesday of May. Brandy was asked to write an email to the newspapers to reflect this change in meeting date.

Comments from Commissioners:

Motion to adjourn made by: Bill Brandt

Seconded by: Larry Goddard

Adjourn