

Tontitown Water & Sewer Commission
Special Meeting
2007-02-16

Roll Call:

Bill Brandt –present
Steve Gunderson –present
Larry Goddard –present
Gene Baker –present
Mick Wagner –present

Also in Attendance:

Terry Carpenter –USI Consulting Engineers
Brandy McAdoo –Administrative Assistant

New Business:

Ryder Proposal Consideration:

The Ryder company has entered into a contract to purchase two lots in the older Industrial Park of the City located at 300 Industrial Drive which presently houses Countryside Farm & Lawn Equipment. Ryder is proposing to consolidate two of their Northwest Arkansas operations; one from Siloam and the other from Lowell. Ryder approached the Commission several months ago one site that they were looking at on the west side of town. They asked about sewer and were told that the sewer at this time does not provide for any collection lines in that area. As of further discussions, Ryder presented the letter of proposal. USI prepared the probable cost estimates to get the present gravity sewer lines in the proximity of Ryder's proposed business site. SOP 30.1 specifically states that as to the Commission's policies for individuals that want extensions to sewer lines. The proposal states that \$225,000 would be Ryder's cost for the extension. In page 2 it states that their estimated taxable sales to the City would be about \$6 million which would yield from the 2% City sales tax \$120,000 of additional sales tax.

All things being considered, Mr. Wagner opened up discussion as to how to proceed.

Motion to accept the proposal from Ryder by Steve Gunderson
Seconded by Gene Baker

Mr. Carpenter states that all of the construction would be in an existing utility easement in answer to Mr. Brandt question. Mr. Gunderson asked if the Commission would be bound by the figure in the proposal as to the good faith estimate. Mr. Wagner stated that there was no provision whatsoever that says that the Commission has to spend any certain amount of money. Ryder is committed to \$225,000 and if by some chance the existing

contractors would have to do a change order to their existing contract would do it cheaper than what our engineers estimated it to be, they wouldn't necessary have to spend \$225,000. Mr. Wagner didn't think that would be the case. The engineers estimate came to \$254,574 just for construction cost. Mr. Brandt stated that this would get the sewer to them and also allow it to be able to pick up the other businesses that it will pass. Mr. Wagner stated that this line will be dedicated to the City infrastructure. Mr. Wagner met with two Aldermen this morning, after having met with a business owner of an antique shop on Highway 412; this line will run across the front of their property. They had been upset that the Commission wasn't providing them sewer. Mr. Wagner explained to them that it was a matter of economics; the Commission had so much money to spend on sewer. With this line, there would be quite a few businesses that could be picked up. By law (see ACA 14-235-302 thru 305), if the Commission runs a sewer within 300 ft they could mandate that they hook on. At this point, if they have working sewers the Commission hasn't tried to force anyone. From the comments received recently, the majority would want to connect. The businesses that will want to connect to this line would have to pay for the access and taping of the sewer in addition to the plumbing costs because there weren't any easements granted (see SOP 99). The Commission decided that there wasn't a down side to the proposition.

Mr. Carpenter stated that the easements along there were only 15 or 20 feet. He stated that they may need to get a temporary easement so that the contractor will have a little more room to work. The water lines run on the west side of the road and the sewer lines will be run on the east.

Vote:

Brandt –yes, Gunderson –yes, Goddard –yes, Baker –yes

Motion passed unanimously.

Part of the proposal was Ryder asking for a commitment letter from the Commission. This letter was prepared by the City Attorney Mark Dossett.

Motion to authorize the Chairman of the Water & Sewer Commission to sign a commitment letter in regards to the Ryder proposal by Steve Gunderson

Seconded by Bill Brandt

Vote:

Brandt –yes, Gunderson –yes, Goddard –yes, Baker –yes

Motion passed unanimously.

Mr. Wagner directed USI to prepare a change order for the existing contractors to reflect a total amount of \$254,574.50.

Motion to accept the change order by Bill Brandt

Seconded by Larry Goddard

Vote:

Brandt –yes, Gunderson –yes, Goddard –yes, Baker –yes

Motion passed unanimously.

Mr. Wagner asked that a copy of the change order be attached to the minutes for record.

Comments from Commissioners:

Mr. Brandt asked a question about the water supply. Mr. Wagner stated that the AEP people, when they first approached the Commission, had asked for a peak flow of 600 gallons a minute. Hydraulics was run and with the existing infrastructure in place there seemed to be no problem. Within the last few weeks, their engineers have contacted USI and now are talking about 900 gallons a minute. The contract that was signed in 2004 for a 5 year term with Springdale affords us with a 350 gallon per day peak flow. We presently are utilizing something in the range of 230-240.

USI was asked what it would take to get more volume to get the 900 gallons a minute. The City has 3 line connections to Springdale. We could get the 600 gallons and still sustain a PSI of around 37 or 38. Mr. Carpenter stated that we needed to modify the north connection. Right now it isn't being used because it really wasn't needed. It would need to be used to get the flow that we need. It is being recommended that it be upgraded to a 4" from a 2" and that the south meter be upgraded to a 4".

It was recommended to the Commission that they send the numbers that are proposed to Mr. Rene Langston at Springdale. Mr. Wagner received back an email stating that Springdale is concerned that they may not have enough water volumes. The Commissions engineers and Springdale's engineer will get together and see what they can work out.

Motion to adjourn by Steve Gunderson

Seconded by Gene Baker

Adjourn