

# **TONTITOWN WATER & SEWER COMMISSION MEETING MINUTES 09-01-2009**

1. **ROLL CALL** – All members were present, except Gene Baker. Also present were Mick Wagner, Rebecca Bennett, Chuck Nickle, USI Engineering, and JR Carroll, W&S Attorney.
2. **APPROVAL OF AGENDA** – A motion made by Brandt to approve agenda as written and 2<sup>nd</sup> by Zulpo, motion passed unanimously.
3. **APPROVAL OF MINUTES FOR 07-28-09** – A motion made by Brandt to approve the minutes as written and 2<sup>nd</sup> by Goddard, motion passed unanimously.
4. **REVIEW FINANCIALS** – Wagner stated that the net income is \$40,000 lower than projected. Service fees for new connection are under budget by \$42,000. Currently there are four houses being built that will have to connect to water, two of which will be able to connect to sewer. Dues and Subscriptions are higher due to the annual Arkansas Department of Health fee which was budgeted over 12 months but booked in last month. Legal and professional fees are over about \$17,000, \$10,000 of which is due to the litigation with WWA. Sales Tax is down \$37,000, but seems to be stabilizing; however average monthly sales tax is \$33,000 less than in 2006. Sales tax is used to keep user rates low on water and sewer, if sales tax does not increase rates will have to be increase.
5. **OLD BUSINESS**
  - A. **Review status of WWA lawsuit** – Carroll stated that WWA gave TWU an offer which, TWU refused. There were two unacceptable items in this offer: They asked that TWU refrain from increasing the size of the lines and meters; and they want TWU to waive all rights under Act 779. Both issues have nothing to do with TWU rights to serve customers in question. Wagner stated that the opposing council at yesterday's meeting said that TWU had not made any counter offers to the three that WWA had offered. It was noted by Carroll that this was untrue. Carroll stated that during a conference call yesterday with the Judge, Hugh Jarratt requested an injunction to keep being served by TWU and was granted this. WWA's attorney said that they were happy with this and they want to keep the status quo as it was.
  - B. **Review sewer force main from Waste Management** – Carroll stated that the contract with Waste Management should be completed by the end of next week. There are a few details that will need to be cleaned up. TWU usually hires their own contractors, but Waste Management wants to hire their own. Wagner stated that WM would like to get the project done as quickly as possible, and would not have to bid it if they built lines. Dossett is refining the contract and will seek input from USI Engineering. Nickle stated that TWU has to think about expandability in the future. Wagner

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stated that TWU would have the choice to upsize the lift station which will be located off of S. Pianalto. The City Council has also directed USI to get easements on S. Pianalto for upcoming street improvements. Wagner stated that Waste Management want to start as soon as possible, and easements can be got in the next sixty to ninety days. Nickle stated that the estimated time of completion is about one year.

### 6. NEW BUSINESS

**A. Discuss revision of SOPs** – Wagner stated that the Standard Operating Policies have historically been maintained in individual documents. It is being proposed to incorporate all these into a single searchable PDF document which would make to web searches, for specific items, much easier on the web. Any SOP's that generally deal with customer issues have also been incorporated into a separate Terms and Conditions of Service document. These two documents were reviewed by the Commission in detail. A motion made by Goddard to accept the revised SOPs and 2<sup>nd</sup> by Zulpo, motion passed unanimously.

**B. Discuss Terms of Service and User Agreement** – Wagner stated that the water leak policy has been changed so that the customer now has to have had service for at least twelve months and the leak must exceed the average usage for the past six months by 20,000 gallons. Instead of a 100% write off, the 1<sup>st</sup> 5,000 will be at the regular rate, the next 10,000 at 50%, and the remaining will be at the cost of water to TWU. Wagner stated that historically some customers do not meet the deadline for annual RPZ certification. The proposed TOS would allow TWU to do the tests themselves or hire someone to do it. Customers would be assessed a \$90 annual charge for RPZ. A motion made by Brandt to approve the Terms of Service and User Agreement and 2<sup>nd</sup> by Goddard, motion passed unanimously.

**C. Discuss purchase of ¾ pickup** – Wagner stated that during a recent leak the dump truck broke down and was not in good shape. The half ton truck that TWU currently owns will not pull the dump trailer. When there is a leak the mini excavator and gravel is hauled to the location. Zulpo asked what the difference is in purchasing a one ton instead of a ¾ ton. Wagner stated that option would require a CDL rated driver. Wagner stated that the truck is already in this year's budget, but would like Commission action. A motion made by Zulpo to proceed with the process of buying a ¾ ton truck and 2<sup>nd</sup> by Brandt, motion passed unanimously.

**7. COMMENTS FROM MANAGEMENT** – Wagner stated that there are a lot of items that don't need to be in a weather proof environment. An open shed could be built with a fence around it in back of the shop to store the vehicles and gravel. The shop could then be divided and another access door put in.

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Wagner presented a spreadsheet and graph with the water purchases and sales. There were 9.85 million gallons for July, which is above average. Year to date average monthly sales are between 6-7 million gallons, with YTD sales trending 5% behind last year. We are continuing to work on water loss. We have began our meter testing project, with about fifty meters already tested and only one failure.

**8. COMMENTS FROM COMMISSIONERS** – None

**9. ADJOURN** – A motion made by Zulpo to adjourn and 2<sup>nd</sup> by Brandt.