

TONTITOWN WATER & SEWER COMMISSION

MEETING MINUTES 03-23-2010

1. **ROLL CALL** – Members present were Bill Brandt, Gene Baker, Larry Goddard, Steve Gunderson and Mike Zulpo who arrived during consideration of amending sewer master plan. Also, present were Mick Wagner, Rebecca Bennett, JR Carroll, W&S Attorney, Britt Vance, USI Engineering, Robert Button, Northwest Utility Services, Henry Piazza, Alderman Ward 1, Arthur Penzo Alderman Ward 2, Pete Pianalto and Ed Roso, citizens.
2. **APPROVAL OF AGENDA** – A motion made by Brandt to approve the agenda as presented and 2nd by Goddard, motion passed unanimously.
3. **APPROVAL OF MINUTES FOR 02-23-10** – A motion made by Goddard to approve the minutes as written and 2nd by Baker, motion passed unanimously.
4. **REVIEW FINANCIALS** – Wagner stated that everything is pretty much on track. There is a \$14,000 profit where an \$8,000 loss was projected, however the January Springdale water bill was booked in December 2009 which makes an overstatement for 2010 financials and an understatement for 2009 financials.
Gunderson noted that sales tax were still lower than budgeted.
Goddard inquired if the sales tax from last year assumed as evenly spread over the year.
Wagner pointed out that budget assumed sales tax revenue as straight line throughout the year first 5 months were always lower than summer and which account for current difference.
5. **OLD BUSINESS**
 - A. **Review sewer force main from Waste Management** – Wagner stated that about half of the eighteen easements were received.
Vance stated that Waste Management hired USI for plans and specs for the gravity sewer and force main. The plans have been turned into the Health Department for review and the planned start date is May 1st. Next week bid packages will be mailed to the contractors, who will have to have all bids turned in by April 9th to Waste Management.
Wagner stated that 100% is being funded by Waste Management. Payments for easements will be paid by TWU and then TWU will be reimbursed by Waste Management. TWU has submitted \$72,000 in to Waste Management for reimbursement, who will have a ten day turn around to reimburse TWU. When easements are received, they are posted to the GIS so we know it is in place.
Edward Roso was granted permission to speak regarding the sewer line. Roso inquired about the line size. Vance stated that it will be 6". Roso stated that there is an error on the paper work he received in the mail. Vance explains that the error for the 100 ft electric easement has been fixed. The customers with those easements have been issued new maps with the corrections made.

TONTITOWN WATER & SEWER COMMISSION

MEETING MINUTES 03-23-2010

B. Update on shop site project – Wagner stated that the silt fence has been installed. AT&T still has to move their pedestal before road entry to Hwy 412 could be widened. The perimeter fence is up now. Site drainage is designed to split sheet flow received from the east side, ½ goes north & ½ goes south then west across our property in a sheet fashion to avoid erosion. Contractors are on site getting the footings dug for the building extension. Pouring concrete has been delayed due to the blizzard and is estimated to be completed later on this week. SB2 covers all perimeters. ADEQ says that this is an adequate covering. The rollup door is in place and security has been moved to the end of the building. The sub panel has been taken off the main power supply and a new 200 amp service was brought in addition to the service that was already in place. Instead of a 3 way switch, the switches controlling lights on north and south end of buildings are now separate. Sewer has been stubbed out on the east of the building if ever needed. Expenses to date including land and site modification are about \$143,000 spent and it is estimated \$61,000 more till completion.

6. NEW BUSINESS

A. Consider building change order #1 & 2 – Wagner stated that the original bid plans specified 14 ft side walls, but should have been 16 ft so there is a request for an additional \$880. Change order 2 includes a 20X32 ft apron on the west side of the rollup down on the west side of building. The cost is estimated at around \$3-\$4 a foot making the cost no more than \$3,000.

Vance explains that there will be a thickened edge on the outer perimeter of about nine inch.

Brandt suggested that it be twelve inch.

Vance stated that he would be meeting with the contractor around 4pm after this meeting.

Wagner stated that the contractor should be finished with the building by the next meeting. A motion made by Goddard to approve change order one and change order two with a limit on change order two up to \$3,000 and 2nd by Brandt, motion passed unanimously.

B. Review Water and Sewer Standard Specifications regarding pre-cast manholes – Wagner stated that during Phase 1, precast manholes were used. There have been problems with a few. Some of the other cities in the area prohibit precast. The revision will add a section to prohibit precast manholes in the future. There is another amendment to add another section to add a new additive in concrete that cuts down on deterioration. A motion made by Brandt to accept the amendments and 2nd by Goddard, motion passed unanimously.

TONTITOWN WATER & SEWER COMMISSION

MEETING MINUTES 03-23-2010

- C. Consideration of Amending Sewer Master Plan** – Wagner stated that the amendment will add lines to the master plane in the area close to the existing lift station. A page needs to be added as to how long term sewer will be in this area. A motion made by Brandt to approve amendment and 2nd by Goddard, motion passed unanimously.
- D. Review Water Loss Audit** – Wagner noted that AWWA data showed that 10-15 % water loss is considered as normal in most systems. Last year there was an 18% water loss. In the currently approved 2010 \$15,000 is budgeted for water loss prevention projects or equipment. We have already looked at other things that have been done to identify water loss, these include:
- 1) Validation of the master meter at Jones Road. This was found to me within spec.
 - 2) Testing all meters that are 10 years or older. A small number have been found to be reading under spec.

Wagner introduced Robert Button has worked with other cities with water loss problems. Wagner proposed that Button will put in bypass meters located strategically located throughout our system. This would allow zones to be isolated to monitor small water flows during off peak hours to help identify small leaks in or system. Early in the mornings Button or one of the techs will begin gathering data to identify leaks. Cost to install these meters will be \$400 per meter. It is estimated that 20-24 meters would be required in our system. Total project cost would not exceed \$9600. This will be a capital expense. Payback is easily achieved if we find even small leaks as the current loss, due to unaccounted water, is estimated to be \$3,000-\$4,000 a month. Once found the lines can be repaired or replaced. A motion made by Brandt for button to proceed with installing the leak detection equipment and 2nd by Goddard, motion passed unanimously.

- E. Review Phase One Bond status** – Wagner stated that the bonds that are retained have a one year payment hold back. Each month sales tax goes to custodian (Bank of the Ozarks) who takes out seventy five percent of the 1997 sales tax bond. The custodian made a mistake and kept \$8,000 more than seventy five percent. The choice is receive a check for the over held money or leave it as is. A motion made by Goddard to leave it as is and 2nd by Bill Brandt, motion passed unanimously.
- F. Consider wording for RFQ for sewer rate study** – Wagner stated that when funding for Phase 1 and NACA was done, 2006 sales tax numbers were used. Since then sales tax has went down significantly. Springdale, Rogers and Bentonville all have had rate analyses done within the last 2 years. He suggested that to the complexity of establishing rates that an outside professional be retained to perform a rate analysis for sewer charges. Statements of Qualifications will need to be published. Wagner provided the Commission with a suggested format for this RFQ. Carroll stated that this looks fine. Wagner proposed that this be posted to the web

TONTITOWN WATER & SEWER COMMISSION

MEETING MINUTES 03-23-2010

and sent to all companies that might be qualified and experienced in this matter. A motion made by Brandt to proceed with this proposal and 2nd by Goddard, motion passed unanimously.

7. COMMENTS FROM MANAGEMENT – Wagner provided an update on NACA. He noted that he recently was re-elected as the Chairman of NACA. The plant is about sixty percent complete and the lines for Tontitown are seventy to seventy-eight percent complete and should be done around June or July. Tontitown is set to switch flow to NACA in November. Wagner provided copies of the most recent audit to the Commission.

8. COMMENTS FROM COMMISSIONERS – Baker inquired about the twenty acres formerly owned by Osage Basin. Wagner stated that this land now owned by NACA and is for sale.

Brandt stated that his address is Springdale and inquired how this would work on the census. Wagner stated that the census is done in census blocks and zip codes would not affect what town someone's residence shows in.

Zulpo stated that he notified Mr. Newman that the W&S Commission would pay \$100,000 for his property in front of the city shop. Mr. Newman doesn't want anything less than \$110,000. Zulpo stated that \$100,000 should be the max on property. Wagner stated that all of the frontage property on 412 of about this size averages around \$92,000. Gunderson stated that \$100,000 is a good deal. Zulpo stated that he explained to Mr. Newman the W&S Commission isn't interested in the house or buildings. The consensus of the Commission was to remain firm on the \$100,000 offer. Mr. Zulpo was to get back to Newman with this info.

9. ADJOURN – A motion to adjourn made by Zulpo and 2nd by Baker, motion passed unanimously.