

TONTITOWN WATER & SEWER COMMISSION

MEETING MINUTES 05-25-2010

1. **ROLL CALL** – Members present were Bill Brandt, Steve Gunderson, Gene Baker, and Mike Zulpo, who arrived during review of financials. Also present: Mick Wagner, Mark Dossett, Attorney, Helen Gabbard, Renner & Company, and Rebecca Bennett.
2. **APPROVAL OF AGENDA** – A motion made by Brandt to approve the agenda as presented and 2nd by Baker, motion passed unanimously.
3. **APPROVAL OF MINUTES FOR 04-27-10** – A motion made by Baker to approve the minutes as written and 2nd by Brandt, motion passed unanimously.
4. **REVIEW FINANCIALS** – Wagner stated that everything is trending as expected. The water sales are 9% higher and water purchases are up in reflection of increased sales. Cost of Goods are 5% under. The total income is 3% over. Expenses are 92% of what was projected. Repairs and professional fees are under budget. The depreciation reoccurring entry's need to be adjusted with new numbers. YTD is about breakeven although we budgeted \$10,000 loss thru first four months.

The audit for 2009 was received and has no discrepancies and is posted to the website.

5. OLD BUSINESS

- A. **Review health insurance quotes** – Wagner stated that Helen Gabbard, with Renner & Company, researched four different carriers with two options under each. She tried to find deductible benefits similar to Municipal Health. Municipal Health limits employees to \$300,000 a year and \$2 million lifetime. Delta Dental will provide for dental and vision. Some of the carriers have life insurance plans. The current monthly payments have been \$1960 per month, making an annual premiums amount being \$23,520. There will be savings of almost \$9,000, but with the same benefits employees currently have. Wagner stated the quotes are on our group only, and if possible we will include any city employee but certainly extra cost should be expected. Dossett stated that the city employees are under a separate legal entity, so TWU is not obligated to include them in the plan.
Gunderson inquired if there will be a lapse in coverage.

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Gabbard replied that there will be no lapse of coverage for the employees and all she will need are the forms and a check. Gabbard stated that River Valley is a better product and does require life insurance. She has no concerns with the health coverage. Gabbard confirmed that there will be three different bills: one for medical, one for life insurance, and one for vision and dental.

Zulpo inquired if a physical is required for employees.

Gabbard stated that no physical is required for medical insurance. Gabbard stated that the difference between the two River Valley options is the deductible, which are \$500 and \$1,000. Gabbard stated that at the end of the year if an employee has a credit, the balance gets carried over to next year. United Health Care is one of the biggest networks as far as doctor's go.

A motion made by Zulpo to accept the United Health Care (River Valley) Option B and 2nd by Brandt, motion passed unanimously.

- B. Review sewer force main from Waste Management** – Wagner stated that the engineers have prepared the easements in the past, but suggested that the legal counsel do this in the future and that the engineers will only generate the legal description. The legal counsel will file all documents as has been done in the past. Wagner stated that Waste Management has chosen their contractor and a payment request has been put in. The only other hold up is the Health Department, who has sent back their comments, which have been replied to. The expected start date is June 1, 2010 and completion is estimated to take ninety days. TWU's connection to NACA is set for November. There was a construction meeting with NACA last week and completion is at about 85%. They are boring 300 feet through a mountain and there is 1,000 feet left. The contract with Springdale carries through to 2012.
- C. Update on shop site project** – Wagner stated that the downspouts at the shop need to be installed and the gutters need to be straightened. Everything should be complete in a week or so. Terry Gosnell, the building official, is cleaning the front section. The dump truck has already been moved out to the shed. Cleaning the backside of Newman's property can start within 90 days. This operation may fall under the large waste clause in Waste Management's contract, if so, there may be no charge for use of dumpsters from Waste Management. Newman left a message about a

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charge of \$187.00 on his water bill for a collapsed meter, which he ran over with an RV. He asked if he could keep his damaged meter.

D. Review Water Loss Audit – A contract was granted by the Water Commission for Northwest Utility to put in approximately twenty bypass meters so the big valves could be turned off at night to try to find and repair water leaks causing water lose. Six meters have been put in already and will have another 10 completed by next week. By July 1, 2010 all meters should be in place, and then the audit work can be started.

E. Review SOQ's water & sewer rate analysis – Wagner stated that two proposals were received by HDR. One was provided that we have one trip from Tom Gould, Project Principal, at \$17,635 and the other one included two trips from Gould, one with the City Council and one with the W&S Commission, costing \$19,900. Wagner recommends the option were Gould only comes out once to meet with the city council, but have a teleconference with him using the internet to meet with the W&S Commission. Burns McDonald engineers indicated if they were selected they guaranteed it wouldn't exceed \$30,000 but would not give any exact quote. The rate analysis will help explain in any condition why rates are raised.

Wagner stated, he had visited with both the city of Bentonville and Rogers regarding HDR and work they had done for each city. Both recommended HDR highly. Although the Commission is not required to take the lowest quote for professional fees he felt HDR was the best firm for this project.

A motion made by Brandt to accept the proposal of \$17,635 with HDR and 2nd by Zulpo, motion passed unanimously.

6. NEW BUSINESS

A. Change Order – Wagner stated there is a change order due to a change in specifications for the shed. These specifications called for insulation in the roof but there would be no point for this, since it is not closed in. The specifications also included electric work, but King Electric was hired for this instead. \$2,400 will be deducted.

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A motion made by Brandt to approve Change Order #5 and 2nd by Zulpo, motion passed unanimously.

7. COMMENTS FROM MANAGEMENT – None

8. COMMENTS FROM COMMISSIONERS – None

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