

TONTITOWN WATER & SEWER COMMISSION MEETING MINUTES 06-22-2010

1. **ROLL CALL** – Members present were Bill Brandt, Steve Gunderson, Larry Goddard, and Gene Baker. Also present: Mick Wagner, Mark Dossett, Attorney, and Rebecca Bennett.
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 05-25-10** – A motion made by Brandt to approve the minutes as presented and 2nd by Goddard, motion passed unanimously.
4. **REVIEW FINANCIALS** – Wagner stated that the income section of the financials is tracking budget closely with exception to the service fees are behind budget. \$8,000 was budgeted for five months and only \$2,700 was received. Water sales are 8% higher than we have budgeted. The purchases are up to reflect the sales. Total expenses are below budget except depreciation which will need to be revised since budget used 2009 numbers because 2010 numbers were not available till audit was concluded. Wagner stated that Insurance, Taxes & Bonds are higher than budgeted; however there will be a refund amount for sales tax of about \$2,000 in next month's numbers. Wagner stated that the \$15,000 operating loss is within \$3- 4,000 of what was budgeted for this point in the year.
5. **OLD BUSINESS**
 - A. **Review sewer force main from Waste Management** – Wagner stated that the Health Departments has given their blessing and there is a pre-construction meeting with Waste Management at USI's office on July 1st, 2010. There shouldn't be any problems completing the line prior to our connection to NACA. Our Engineers will be inspecting the project.
 - B. **Update on shop site project** – Wagner stated the shop project is done. There is still a retainer that needs to be paid to the contractors. Newman has begun moving some cars and has about 30 days left to move the rest of his property on the north 100 feet of the property and is to be completely moved by around October. Newman has purchase another property in Tontitown's water service area and is in the process of moving his property.
 - C. **Update on Water Loss Audit** – Wagner stated that the twenty meters for the leak detection project have been installed. After hours monitoring will start next week. In bigger areas, three or four more meters may be added but we won't know until we get further into the project.

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D. Update on SOQ'S water & sewer rate analysis – Contract from HDR has been received and we are awaiting changes from them to one paragraph JR suggested changed from saying “local laws to Arkansas law”. Wagner will be meeting with the NACA financial people on Wednesday to find out how Tontitown will receive payback invested in NACA. One thought is to pay down on the lines early and the other is to spread that out over two or three years to subsidize the tax revenue.

6. NEW BUSINESS

A. Consideration reappointment of Bill Brandt – JR stated that there is nothing to prohibit reappointment for Brandt. The City council will have to give their approval. Brandt is willing to re-serve. A motion made by Goddard to recommend reappointment of Bill Brandt for an additional term and 2nd by Baker, motion passed unanimously.

B. Discussion of Springdale Water Contract – Wagner stated Springdale has proposed to use essentially the same contract format used in 2004, but increase volumes to 460,000 gals per day which is twice our current average daily flow. Another change is that the meter calibration now meets AWWA standards specified. Cost margin by Springdale will increase from 15% to 17%. Mr. Carroll has provided some suggested revision. The contract should be available to review in a few days.

7. COMMENTS FROM MANAGEMENT – Wagner stated the total monthly water sales history is currently running 5.5 million gallons a month, while last year's ran around 6.4 million gallons a month. However, we are not at our peak seasons, which usually come around August and September. The average daily purchase values parallel the yearly average. The unaccounted water was up 26% and has reduced to 21%, which still is up from 2009's 16% and 2008's 15%. Gunderson inquired if it could be due to correlation aging lines. Wagner stated that there have been a few service lines running to a meter that have failed due to aging. The leak detection should find these leaks. The schedule for the leak detection project will have one of our guys working night and one during the day for 5-6 weeks. Northwest Utilities personnel will be overseeing and training our people in this process.

8. COMMENTS FROM COMMISSIONERS – Brandt asked if the concrete work in the new shop area had turned out good. Wagner responded that there been two cracks in the concrete, but there is a lot of rebar so it's not going anywhere. The engineer suggested sealant instead of cutting it out. There are some places where it is 6” when it is suppose to be 5”, which is okay. The fenced area is adequate but certainly not too much. If the city buys additional

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equipment the yard area could be increased to the North as it seems Mr. Griffin would be willing to sell land in that area.

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