

BENTON/WASHINGTON REGIONAL PUBLIC WATER AUTHORITY
Of the State of Arkansas

April 28th, 2022 Board of Directors' Meetings
Meeting Minutes

Board of Directors' Meeting for April 28th, 2022 was called to order by Chairman Taggart at 0933 hours in the Authority's Board Room at the Water Treatment Plant. Opening invocation was given by Chairman Cooper.

Directors and/or Alternates

Bella Vista POA	Mike Taggart
BCWD #1	Eddie Cooper
Centerton	Frank Holzkamper
Decatur	James Boston
Gentry	ABSENT
Garfield/Gateway/Lost Bridge	Gary Blackburn
Gravette	ABSENT
Highfill	ABSENT
Lincoln	ABSENT
Pea Ridge	ABSENT
Prairie Grove	ABSENT
WWA	Josh Moore
Westville	Zeb Black

Others in attendance included Manager Borman, Steve Davis, Jeremy McCrary, and Jana Wright from BWRPWA, Matt Dunn, Dean Kendrick and JP Martin from Crist Engineers, James Clark from City of Tontitown, Malcolm Attwood from Centerton Utilities, and Cheryl Schluster from Raymond James Investment Strategies Group.

Minutes from the March 31st, 2022 Board Meeting were discussed. On a motion by Director Blackburn and a second by Director Moore, the March 31st, 2022 minutes were approved unanimously.

Treasurers' Report – Treasurers' Report was given by Director Moore, which included for the period of March 22nd, 2022 through April 22nd, 2022. Director Moore discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 18684-18729. Director Moore then discussed with the Board the financials, which included a Profit and Loss Statement and a Balance Statement. After Board discussion, Director Moore made a motion to approve the Check Detail for payroll, electronic fund transfers, checks 18684-18729 and the financials as presented. A second was made by Director Holzkamper. The motion was approved unanimously.

Matt Dunn with Crist Engineers then gave the update on current ongoing projects:

Kajacs Contractors / Water Transmission Lines Project Update

Contract 1

Change Order No. 3 (Quantity Reconciliation)
+ \$144,425.87 (April 13, 2022)
Final Contract amount: \$6,022,325.87
Pay Application #13 in the amount of \$202,862.10 paid on April 13, 2022
Total Payment to Date - \$5,853,727.79 (97%)
Contract Amount - \$6,022,325.87
Upcoming Final Payment: \$168,598.08

Contract 2

Upcoming Change Order No. 2 (Quantity Reconciliation)
-\$208,838.54
Final Contract Amount: \$5,948,561.46 (Upcoming)

Pay Application #14 in the amount of \$148,313.82 paid on April 18, 2022
Total Payment to Date - \$5,784,238.70 (97%)
Contract Amount - \$5,948,561.46 (Upcoming)
Upcoming Final Payment: \$1647,322.76

Kajacs Contractors / Waste Pond Construction – Project Start Date 05/02/2022

- Preconstruction Conference held on April 20, 2022 / Agreements Signed
- Kajacs Contractors to begin mobilization around the end of April 2022
- Notice to Proceed Date – May 2, 2022
- Substantial Completion Date – November 8, 2022
- Site plan review application has been submitted to Benton County Planning Commission
 - Meeting scheduled for May 4, 2022 @ 6:00 P.M.
- Permit coordination with ADEQ continues
- Project is on schedule

Master Plan Phase 1 Schedule

3.5 MG Composite Elevated Water Storage Tank

- Continuing system hydraulic modeling and analyzing surge prevention measures
- Coordination of yard piping with Phase 1A components including operational parameters
- 90% drawings and specification documents are complete and will be submitted to ADOH next week after staff review
- FAA fir 7460-1&2 has been submitted for obstruction evaluation
- Site plan review application has been submitted to Benton County Planning Commission – Meeting scheduled for May 4, 2022 @ 6:00 P.M.
- Project schedule has been adjusted

Surge Tank System at WTP

- Analyzing surge prevention parameters for the Gateway-Garfield pressure plane
- Coordination technical requirements with Blacoh and ETEC
- Consideration given to combining surge tank to High Service Pump Station building (needs staff input)
- Project schedule has been adjusted

Clearwell

- Continuing system hydraulic modeling and finalizing yard piping, fittings, and isolation controls for operational parameters
- 90% drawings and specification documents are complete and will be submitted to ADOH next week after staff review
- Site plan review application has been submitted to Benton County Planning Commission – Meeting scheduled for May 4, 2022 @ 6:00 P.M.
- Project schedule has been adjusted

High Service Pump Station and Electrical Upgrades

- Continuing system hydraulic modeling and finalizing yard piping, fittings, and isolation controls for operational parameters
- Design coordination with structural and electrical engineers
- The HSP project will not be included with current site plan review application and will be submitted separately when the design is near completion
- Project schedule has been adjusted

Easement Acquisition

- Easements will be prepared after transmission line alignment is finalized (staff review 04/28/22)
- Acquisition can begin after easements are prepared
- Nancy Roller is in position to take over easement acquisition process

Parallel Transmission Line

- Preliminary alignment is completed and ready for staff review
- Easement document preparation will begin upon alignment approval
- Preparing 90% design and construction document package for submittal to ADOH

- *Project is behind schedule due to utility survey delays*

Lagoon Maintenance Project & New Storage Building

- *Established a maintenance project to remove sludge, modify the grades along the existing lagoon roads, improve drainage, modify flow control structures, and install riprap for slope protection on lagoon levees*
- *This project may include a 60' x 40" maintenance storage structure and parking*

Operations' Report – *Manager Borman then gave the Operations' Report, which is herein included as part of the official minutes.*

Raymond James Bond Proceeds Investment Strategy – *Cheryl Schluterman from Raymond James then gave her presentation to the Board. Public Finance Investment Strategies Group has extensive experience with the investment of bond and non-bond proceeds, acting in clients' best interests to safeguard principal, maintain liquidity, and maximize earnings. Working closely with each client, the circumstances and investment vehicles are analyzed to develop one or more viable strategies and then coordinated efforts are taken to efficiently implement the plan. In late March, BWRPWA closed on funding of \$50 million (Series 2022 bonds) to finance various projects. Since BWRPWA priced its bonds, short-term interest rates have increased sharply, creating an opportunity to generate significant interest earnings on the Series 2022 Bonds. Anticipating an approximate 2 to 2.5-year spend-down period for the funds, BWRPWA could invest the proceeds in a laddered portfolio of U.S. Treasury securities and realize a yield well in excess of current money market yields. An Approximate laddered portfolio yields based upon market conditions potentially range from 1.90% to 2.05%, depending upon BWRPWA's expected expenditure pattern. PFISG would quarterback the entire procurement process, maximizing results in terms of yield/interest earnings, and minimizing administrative time. BWRPWA would invest a significant portion of funds in a portfolio of monthly maturing U.S. Treasury securities to match the approximate anticipated expenditures based upon the construction estimates. A portion of the bond proceeds are held back in money market instruments (usually 2%-20%) in order to address the inevitable variances in the expenditure schedule and to handle any circumstance where more funds are needed sooner. Phase 1 – Raymond James would work with BWRPWA to analyze the expected expenditures to figure out a level of hold-back acceptable to BWRPWA and develop other aspects of the strategy (timing, security types). Phase 2 – Raymond James would execute a competitive bid to procure the portfolio at the lowest cost/highest yield for BWRPWA. Current banking relationship is maintained as securities are delivered to BWRPWA's trustee – Raymond James does not take delivery of the securities nor is any brokerage account opened with Raymond James. Raymond James works for a flat-fee payable either directly by BWRPWA or upon settlement of the securities by the winning provider. After Board discussion, the Board deemed that more information was needed before a decision could be made – potential scale of what BWRPWA could make – estimate of net effect – projected savings.*

Final Pay Applications to Kajacs Contractors on Parallel Line Projects – Use of CIP funds – *Manager Borman then discussed with the Board the final pay applications for Kajacs Contractors. Manager Borman stated that the 2019B Bonds account will fall short of paying Kajacs Contractors in full and the remainder owed would need to be paid out of the Capital Improvement Bank Account or the Operating Bank Account. Manager Borman requested authorization from the Board to use the Capital Improvement or the Operating Bank Account to complete paying Kajacs Contractors. A possible estimate of \$200,000.00 - \$300,000.00 from the CIP or Operating Bank Account could be needed for the final pay application for Kajacs Contractors. After board discussion, Director Cooper made a motion to authorize Manager Borman to complete the final pay applications for Kajacs Contractors with monies from the CIP or Operating Bank Accounts after the funds from the 2019B Bond Account had been utilized completely. A second was made by Director Moore. The motion passed unanimously.*

Purchase of Tele-Lift for plant use not to exceed \$60,000.00 – *Manager Borman then discussed with the Board the possibility of purchasing a tele-lift for BWRPWA. Manager Borman mentioned that a tele-lift could possibly be purchased for less than \$60,000.00. A tele-lift would be beneficial for BWRPWA in moving equipment, pipe, etc. BWRPWA does have a licensed operator on staff to operate the tele-lift. After Board discussion, Director Cooper made a motion giving Manager Borman approval in purchasing a tele-lift, with the cost not to exceed \$60,000.00. A second was made by Director Boston. The motion was approved unanimously.*

Being no further business before the Board, Director Holzkamper made a motion to adjourn at 1045 hours. A second was made by Director Blackburn. Motion carried unanimously and the meeting was adjourned.

NEXT BOARD MEETING – MAY 26th, 2022

*Josh Moore, Secretary/Treasurer – Benton/Washington Regional Public Water Authority
SKK: JKW*