

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

**February 22<sup>nd</sup>, 2024 Board of Directors' Meeting**  
**Meeting Minutes**

Board of Directors' Meeting for February 22<sup>nd</sup>, 2024 was called to order by Chairman Boston at 1000 hours in the Authority's Board Room at the Water Treatment Plant. Opening invocation was given by Director Blackburn.

**Directors and/or Alternates**

Bella Vista POA .....	Charlie Holt
BCWD #1 .....	William Putman
Centerton .....	Malcolm Attwood
Decatur .....	James Boston
Gentry .....	Rick Craft
Garfield/Gateway/Lost Bridge .....	Gary Blackburn
Gravette .....	ABSENT
Highfill .....	Dustin Kahrl
Lincoln .....	Herb England
Pea Ridge .....	ABSENT
Prairie Grove .....	Chuck Wiley
WWA .....	ABSENT
Westville .....	ABSENT
Tontitown .....	James Clark

Others in attendance included Manager Borman, Jana Wright, and Eddie Cooper from BWRPWA, Matt Dunn, Josh Moore, Jonathan Brewer, Dean Kendrick, and JP Martin from Crist Engineer, Bob Wright from Crews and Associates, Christopher Ward from Berry and Associates, Stan Rodgers from Regions Bank, David Fletcher from Bella Vista POA, and Duncan Artt from City of Garfield.

The minutes from the January 25<sup>th</sup>, 2024 Board Meeting were discussed. On a motion made by Director Blackburn and a second by Director Wiley, the January 25<sup>th</sup>, 2024 minutes were approved unanimously.

**Treasurers' Report** – Treasurers' Report was given by Director Craft, which included for the period of January 20<sup>th</sup>, 2024 through February 15<sup>th</sup>, 2024. Director Craft discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 19918-19980. Director Craft then discussed with the Board the financials, which included a Profit and Loss Previous Year Comparison, a Profit and Loss with FY 24 Budget, and a Balance Sheet. After Board discussion of the financials, Director Holt made a motion to approve the Check Detail for payroll, electronic fund transfers, checks 19918-19980, and the financials as presented. A second was made by Director Attwood. The motion was approved unanimously.

**FY 2023 Annual Audit** – Christopher Ward with Berry and Associates then discussed the FY 2023 Annual Audit, which is herein included as part of the official minutes. Christopher Ward mentioned that over all the FY 2023 audit was clean and no issues were found. After Board discussion of the FY 2023 audit, Director Blackburn made a motion to accept and approve the FY 2023 audit as presented. A second was made by Director Kahrl. Motion passed unanimously.

Bob Wright from Crews and Associates then discussed the financial statement prepared in regards for 2024 Bonds financing. With having the FY23 audit completed, it will help determine BWRPWA's borrowing capacity. As of now, outstanding debt is \$7.2M a year. Four bond issues that are outstanding are 2019 Series, 2019B Series, 2021 Series, and 2022 Series. Interest rates on those bond series are nowhere close to what interest rates are presently. For FY23, annual operating revenue was \$15,541,818.00, annual operating expenses was \$9,117,493.00, existing

annual revenues available for debt service was \$7,237,143.00, leaving BWRPWA with 136% debt service coverage. Estimated FY24 operating revenues are \$17,621,818.00, estimated revenues available for debt service are \$11,495,519.00, with an estimated debt service coverage of 165%. Proposed issuance of \$33M for 2024 would leave BWRPWA with a debt service coverage of 130%. For reference, moving the debt service coverage down to 125% bond issuance would be \$39M. Issuance of more funds significantly decreases the debt service coverage. Having S & P Global reevaluate BWRPWA's bond rating could help determine the amount of funds that could be financed. If interest rates should go up a 100 base points from the estimated 4.10%, there would be less funds issued (estimated \$29M), and if interest rates should go down a 100 base points from 4.10%, there would be more funds issued (estimated \$37M). Bob Wright stated that the Board would need to decide on how far to take the debt service coverage down in regards to financing Bond Series 2024. The rate study performed by Willdan Financial estimated that it would be FY 2025 for issuance of debt not in FY 2024. Bob Wright suggested to borrow \$33M - \$35M in 2024 and then borrow \$25M - \$30M in 2025. With borrowing funds at a higher interest rate, Manager Borman offered an alternative – do a refinance with additional funds when interest rates come down. Manager Borman also stated that realistically the funds issuance needs to be in the range of \$40M minimum. Pay outs for the projects would be over a 2-year period because of long lead times. To keep the projects on schedule, all funds would be needed by FY 2025. If the Board would prefer, splitting the Bond Series and financing \$60M over a 2-year period would be feasible. Chairman Boston stated that he would prefer the debt service coverage stay at/around 130% with the financing of bonds, but understands the possibility of going lower on debt service if need be. With projects moving steadily, issuance of bonds for 2024 should happen around July or August at the latest. After the upcoming bids are received, there will be a better idea of how much will be needed for financing, and it will be up to the Board on how to proceed.

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

**4 MG Composite Elevated Water Storage Tank**

- Notice of Award issued on October 28, 2022.
- Contract Time – 755 Calendar Days
- Substantial Completion Date – October 14, 2024
- Final Completion Date – December 3, 2024
- Contract Amount - \$12,726,000.00
- Change Order #1 - +\$12,233.00
- Change Order #2 - -\$15,022.00
- Current Revised Contract Amount - \$12,723,211.00
- Pay Application #15 - \$222,557.83
- Total Payment to Date - \$10,634,035.23
- Balance Remaining - \$2,089,175.77
- Submittals and RFI review ongoing.
- Project is on schedule.
- Bowl hoisted in air January 11, 2024
- Top and handrail installed on tank – welding ongoing
- See attached updated construction schedule from Landmark

**3 MG Clearwell**

- Notice of Award – September 22, 2022
- Contract Time – 363 calendar days
- Substantial Completion Date – February 6, 2024
- Final Completion Date – March 10, 2024
- Original Contract Amount - \$5,132,000.00
- Change Order #1 - \$37,511.00
- Current Contract Amount - \$5,169,511.00
- Pay Application #12 - \$97,375.00
- Total Payment to Date - \$4,700,211.45

- Balance Remaining - \$469,299.55
- Project is on schedule.
- Tank has been filled and tested. Backfill near completion.
- Yard piping must be installed to fill and disinfect tank.
- See attached updated construction schedule from Preload.

#### **High Service Pump Station and Electrical Upgrades**

- Final designs complete and project out for bid.
- Drawings and specifications resubmitted to ADOH for approval
- Generator and Switchgear have been ordered per the proposal at the last meeting. Submittals are under review and revision. Responsibility of payment, acceptance, and installation of generator and switchgear will be included in the HSPS bid package and turned over to the contractor in the future.
- Project is out for bid – bid opening scheduled for February 21, 2024.
- Yard piping procurement for (steel pipe, fittings, and valves)
  - **Ferguson Waterworks**
    - Notice of Award – January 26, 2023
    - Notice to Proceed – February 23, 2023
    - Contract Time – 284 calendar days
    - Final Completion Date – November 20, 2023
    - Contract Amount - \$2,809,734.00
    - Pay Application #2 - \$906,750.00
    - Total payment to date - \$2,521,649.65
    - Balance remaining - \$288,084.35
    - Final Pipe Delivered February 13, 2024
- Generator and Switchgear Procurement
  - **Nixon Power – Direct Procurement from Kohler**
  - Proposal Executed – August 2, 2023
  - Estimated Deliveries
    - Approved Submittals – January 20, 2024
    - Generator – February 10, 2025
    - Switchgear – August 25, 2025
    - Permanent Load Bank – May 28, 2024
  - Contract Amount with Estimated Tax - \$5,292,250.00
- High Service Pumps Procurement (2 pumps w/ motors)
  - **Tencarva Machinery**
    - Notice of Award – February 22, 2023
    - Contract Time – 361 calendar days
    - Final Completion Date – February 18, 2024
    - Contract Amount - \$1,018,816.00
    - Delivery to BWRPWA – On Hold

#### **Parallel 54" Transmission Line – Phase 1**

- The project has been split into two contracts – Phase 1A and Phase 1B.
- **Phase 1A – KAJACS Construction**
  - Notice to Proceed – September 5, 2023
  - Contract Time – 450 calendar days
  - Substantial Completion Date – October 9, 2024
  - Final Completion Date – November 28, 2024
  - Original Contract Amount - \$11,820,000.00
  - Change Order #1 (yard piping) - \$980,000.00
  - Current Contract Amount - \$12,800,000.00
  - Pay Application #6 - \$89,945.01

- Total Payment to Date - \$2,630,348.43
- Balance Remaining - \$10,169,651.58
- Surveying, layout, route clearing underway
- Pipe delivery began on 02/12/24. Pipe being delivered daily. Crews to be on site to start construction soon.
- Yard Piping project – Change Order \$980,000.00
  - Final pipe delivery 02/13/24
  - Surveying and locates started for yard piping. Construction should begin soon.
- **Phase 1B – KAJACS Construction**
  - Notice to proceed – September 5, 2023
  - Contract Time – 450 calendar days
  - Substantial Completion Date – October 9, 2024
  - Final Completion Date – November 28, 2024
  - Original Contract Amount - \$11,820,000.00
  - Change Order #1 (lagoon maintenance) - \$856,125.00
  - Change Order #2 (lagoon maintenance) - \$624,950.00
  - Current Contract Amount - \$13,301,075.00
  - Pay Application #6 - \$109,649.00
    - Payment from Bond Funds - \$63,175.00
    - Payment from BWRPWA Funds - \$46,474.00
  - Total Payment to Date - \$3,399,866.35
  - Balance Remaining - \$9,901,208.65
  - Surveying, layout, route clearing underway
  - Construction should start soon.
  - Lagoon Maintenance Project – Change Orders \$1,481,075.00
    - Dam built / Ravine cleared
    - Sediment hauled from Lagoon #1 to head of ravine for drying before pushing into ravine (likely next summer)
    - Splitter Box extension poured
    - Bottom and sides graded
    - Rip Rap sides completed on Lagoon #1
    - Lagoon #2 cleanout started – too wet – on hold
    - Slide Gates / Walkway on order

#### **Parallel 54" Transmission Line – Phase 2**

- Route for first 7.25+/- miles walked out and under design
- Field surveying work 90% complete.
- Met with Bentonville Parks and Trailblazers for area crossings through parks and bike trails
- Easement preparation underway
- Appraisals beginning late February
- Geotech, Environmental, and Corp permitting starting soon
- Project must go through LSD in City of Bentonville
- Project to go out to bid in June or July 2024

#### **Parallel 54" Transmission Line – Phase 3 & 4**

- Phase 3 – Route for next segment to Centerton is under final study review and will get with staff soon to go over proposed route.
- Phase 4 – Route from Centerton to Decatur will follow soon.
- Phase 4 – Likely to include 10 MG tank at Decatur Tank site.

### **New Beaver Lake Intake Structure and Raw Water Line**

- 48" route being finalized with additional easement on Northern portion to allow for electrical transmission line project. Staff and Carroll Electric will need to approve route before beginning plan and easement preparation.
- Route will need to be surveyed so it can be finalized, and easements can then be written and then begin to be obtained.
- Geotechnical boring work is completed at the new intake site. Samples are now in Springfield being logged and tested by Palmerton and Parrish, Inc. of Missouri. Additional testing of specimens at labs in Ohio and Colorado. DRAFT report completed, waiting on final tests for final report.

### **New Board Room / Training Facility**

- Design work underway
- 95% set has been reviewed.
- 95% plans end of January
- Advertisement for bids March 3<sup>rd</sup> and 10<sup>th</sup>
- Bid opening set for April 3, 2024

### **Power Substation Land Acquisition**

- Property Closed – now owned by BWRPWA
- House site cleaned up and all structures removed.
- Met with Carroll Electric January 10, 2024. Plan on moving forward with power substation and property adjustments
- Substation expected to take 2 years to construct

**Operations' Report for January 2024** – Manager Borman then gave the Operations' and Managers' report for January 2024, which is herein included as part of the official minutes.

**High Service Pump Station Bid Review and Approval/Rejection of Bids** – Matt Dunn then discussed the bid for the HSP Station received from Crosslands Contractors. Crossland Contractors was the only company that bid on the HSP station and the bid was in the amount of \$39,995,500.00, which was considerably over budget. Seven Valleys Concrete would have bid on the project, but could not get the necessary bonding for the project in its entirety. Matt Dunn then discussed with the Board the possibility of using the Seymore Process. The Seymore Process is a collaborated process between the Contractor, the Owner, and the Engineer. The project would be split into phases that would entail the Contractor to use their initial bonding for each phase – no extra bonding capacity to be purchased. The Contractor would agree to an open book policy, complete transparency on costs, prices, budgets, and materials, which would be shared with the Owner and Engineer – would not be able to lock in on a final price for the project, and any savings on the project would be returned to the owner. Subcontractors would be chosen based on their qualifications. Manager Borman and Matt Dunn recommended to the Board to reject the bid from Crosslands Contractors and move forward with another alternative. A motion was made by Director Putman to reject the bid from Crossland Contractors on the HSP Station. A second was made by Director Craft. The motion was approved unanimously. After Board discussion of using the Seymore Process, Director Blackburn made a motion to allow Crist Engineers to move forward with the Seymore Process. Staff to review RFQ submittals and to bring before the Board recommended Contractors. A second was made by Director Kahrl. Motion carried unanimously.

**Forklift Purchase - \$18275.00 with tax** – Maintenance Supervisor Eddie Cooper then discussed with the Board the need for BWRPWA to purchase a forklift. A forklift would be able to get into tight spots to move the large equipment/supplies that are being delivered to the premises. Eddie Cooper stated that he found a forklift for the amount of \$18,275.00 with tax from United Rentals and would like the Board to approve BWRPWA purchasing the forklift. After Board discussion, Director Wiley made a motion to approve BWRPWA purchasing the forklift for \$18,275.00 with tax from United Rentals. A second was made by Director Holt. Motion carried unanimously.

*Being no further business before the Board, Director Kahrl made a motion to adjourn at 1123 hours. A second was made by Director Craft. Motion carried unanimously and the meeting was adjourned.*

***NEXT BOARD MEETING – April 4<sup>th</sup>, 2024***

*Rick Craft, Secretary/Treasurer – Benton/Washington Regional Public Water Authority  
SKK: JKW*