

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

April 25th, 2024 Board of Directors' Meeting
Meeting Minutes

Chairman Boston opened the Public Hearing for discussion of the 2024 Bond Issuance at 1000 hours in the Authority's Board Room at the Water Treatment Plant.

Michael Moyer from The Friday Firm then discussed the 2024 Bond Resolution and Phase 2 of the parallel line project. State law requires that a public hearing be held when the Authority issues revenue bonds. The resolution authorizes the debt for phase 2 of the project. The resolution is a parameter resolution, and the parameters are as follows: the eventual bond sales that Crews and Associates will handle will net out no more than \$60M in principal amount of bonds, the a maturity date will be no later than 12-01-2055, and the true interest rate of no more than 5.5%. The Boards sign-off is concluded – the Board is adopting the resolution that says Crews and Associates can sell the bonds as long as those parameters are met. Chairman Boston will then be able to sign the bond purchase agreement. The public hearing offers the public the ability to get more information on the bonds issue and phase 2 parallel line project. Chairman Boston then asked the floor if there were any questions or discussion towards the 2024 Bond Resolution. With there being no further discussion, Chairman Boston then closed the public hearing at 1004 hours.

Board of Directors' Meeting for April 25th, 2024 was called to order by Chairman Boston at 1005 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	ABSENT
BCWD #1	William Putman
Centerton	Malcolm Attwood
Decatur	James Boston
Gentry	ABSENT
Garfield/Gateway/Lost Bridge	Gary Blackburn
Gravette	Richard Sutherland
Highfill	Dustin Kahrl
Lincoln	Herb England
Pea Ridge	Ken Hayes
Prairie Grove	Chuck Wiley
WWA	ABSENT
Westville	Zeb Black
Tontitown	James Clark

Others in attendance included Manager Borman, Jana Wright, and Eddie Cooper from BWRPWA, Matt Dunn, Josh Moore, Dean Kendrick (via phone), and JP Martin (via phone) from Crist Engineers, Bob Wright, David Downs, and Susan Dumas from Crews and Associates, Alexis Platis from BAM, Stan Rodgers and Jaclyn Henderson from Regions Bank, Duncan Artt from City of Garfield, Michael Moyer from The Friday Firm, and Edgar Barroso and Sarah Alonzo from WWA.

The minutes from the April 4th, 2024 Board Meeting were discussed. On a motion made by Director Blackburn and a second by Director Clark, the April 4th, 2024 minutes were approved unanimously.

Treasurers' Report – Treasurers' Report was given by Manager Borman, which included for the period of March 27th, 2024 through April 17th, 2024. Manager Borman discussed the check detail with the Board, which included

payroll, electronic fund transfers, and checks 20045-20097. Manager Borman 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 Blackburn made a motion to approve the Check Detail for payroll, electronic fund transfers, checks 20045-20097, and the financials as presented. A second was made by Director Clark. The motion was approved unanimously.

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 #17 - \$75,876.50
- Total Payment to Date - \$10,881,082.73
- Balance Remaining - \$1,842,128.27
- Submittals and RFI review ongoing.
- Project is on schedule.
- Steel air phase 100% complete
- Interior and Top Painting phase underway
- 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 #14 - \$187,397.00
- Total Payment to Date - \$4,908,660.45
- Balance Remaining - \$260,850.55
- Project is on schedule.
- Backfill completed, mow strip installed, seeding complete, grass growing
- Yard piping connections have been made and yard piping underway
- See attached updated construction schedule from Preload.

High Service Pump Station and Electrical Upgrades

- Project in CMAR. Seven Valley's Concrete is CMAR contractor
- Working on CMAR contract and contractor working on pricing
- Drawings and specifications resubmitted to ADOH for approval
- Generator and Switchgear have been ordered. Waiting on resubmittals from Nixon Power for generator and switchgear
- 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 – 573 calendar days*
- *Final Completion Date – June 6, 2024*
- *Contract Amount - \$2,809,734.00*
- *Change Order #1 - \$544,221.23*
- *Current Contract Amount - \$3,353,955.23*
- *Pay Application #3 - \$538,905.58*
- *Total payment to date - \$3,060,555.23*
- *Balance remaining - \$293,400.00*
- *Final Pipe Delivered February 13, 2024*
- *Two additional valves and accessories to be delivered June 6, 2024*
- **Generator and Switchgear Procurement**
 - **Nixon Power – Direct Procurement from Kohler**
 - *Proposal Executed – August 2, 2023*
 - *Estimated Deliveries*
 - *Approved Submittals – May 20, 2024*
 - *Generator – June 2025*
 - *Switchgear – January 2026*
 - *Permanent Load Bank – November 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 #8 - \$1,302,173.43*
 - *Total Payment to Date - \$5,364,538.34*
 - *Balance Remaining - \$7,435,461.67,*
 - *Pipe delivery began on 02/12/24.*
 - *Construction progressing – 4,200 feet installed through April 19, 2024*
 - *Yard Piping project – Change Order \$980,000.00*
 - *Final pipe delivery 02/13/24*
 - *Construction underway. Connections to new clearwell completed.*
 - *Connections to Treatment Plant train and line to old clearwell completed last week*
 - *Connection to the elevated tank complete*
 - *Approximately 200 feet installed through March*
- **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 #8 - \$1,840,779.44
 - Payment from Bond Funds - \$1,840,779.44
 - Payment from BWRPWA Funds - \$0.00
- Total Payment to Date - \$7,145,120.46
- Balance Remaining - \$6,155,954.54
- Pipe delivery began February 6, 2024
- Construction progressing – over 4,200 feet installed through April 19, 2024
- Lagoon Maintenance Project – NO CHANGE THIS MONTH
 - Dam built / Ravine cleared
 - Sediment hauled from Lagoon #1 to head of ravine for drying before pushing into ravine (likely 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 98% complete.
- Met with Bentonville Parks and Trailblazers for area crossings through parks and bike trails
- Appraisals nearing completion
- Easement documentation revised and revised easements being prepared. Acquisition starting as soon as documents received.
- Geotech work and report completed
- Project must go through LSD in City of Bentonville. Pre-application meeting was held March 27, 2024
- Project advertised for CMAR contractors – Due May 10, 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 for route selection. Electric easement with Carroll Electric being coordinated for new power substation site.
- 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. Report is completed and currently under review.

New Board Room / Training Facility

- Bid opening April 3, 2024 – Low bid \$1,664,500.00 – SSI of Springdale, AR
- Board approved bids at the last meeting and contract was awarded to SSI
- Preconstruction Conference set for 9:00 a.m. on Wednesday, May 15, 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 March 2024 – Manager Borman then gave the Operations' and Managers' report for March 2024, which is herein included as part of the official minutes.

2024 Bond Resolution – Michael Moyer stated that the Resolution authorizes the sale and closing of bonds issued, as long as the sale of the bonds meets the parameters stated in the Resolution. It confirms the wholesale rates that went into effect on 01/01/24 and confirms the rates that will go into effect on 01/01/25. It also authorizes the execution of documents.

Manager Borman then mentioned that approving the 2024 Bond Resolution does not mean the bonds will be issued the next day. Crews and Associates and BWRPWA are looking for the best interest rates possible and plan to work within the limitations with the rate increase that went into effect 01/01/24 - determining the actual amount that can be borrowed – the amount borrowed will not be \$60M that was stated in the resolution. There is a possibility of pushing the bonds issuance out to September, deciding factor would be the direction of the interest rates. As of now, there are sufficient funds in the 2022 Bonds to complete the projects that have already begun. The 2024 Bond funds will be used for the construction of the HSPS (building and concrete wet well) and Phase 2 of the parallel line project. Manager Borman made a recommendation to the Board to approve the parameters that are set forth in the 2024 Bond Resolution.

Bob Wright then stated that the parameters of the Bond Resolution state not to exceed \$60M in bond issuance. As of now, the numbers with the interest rates are pointing more towards issuance of bonds around the mid 30's, that is if the interest rates cooperate. With regards to S&P, it has been since 2006 since a rating agent (analyst) has done site visits. There will be an analyst from S&P on site at the end of May doing a site visit of BWRPWA and BWRPWA should have the updated rating score by the first week of June. If the rating score trends up, it would help with lowering the interest rates.

After Board discussion of the 2024 Bond Resolution, Director Clark made a motion to approve the 2024 Bond Resolution. A second was made by Director Kahrl. The motion passed with 9 voting for and 1 voting against.

Crist Engineers / Change Order #1 – Manager Borman mentioned to the Board that he has no issue with the change order from Crist Engineers, because of the amount of the change order the Board would need to approve it. With putting the Seymore Process into effect and breaking down projects into phases, it has involved more work for Crist Engineers – redoing of drawings and specifications. Manager Borman stated that he felt that the change order is justified.

Matt Dunn then stated to the Board that with the Seymore Process being put into place and the splitting of projects into phases has charged Crist Engineers with more work and more expenses. Projects are being extended out by 2-3 years, which requires time and money.

Chairman Boston then mentioned to the Board that he felt that everyone would agree that saving \$8M-\$10M by going with the Seymore Process and having to pay some extra for engineering costs would be well worth it. After Board discussion, Director Blackburn made a motion to approve Change Order #1 in the amount of \$375,000.00 from Crist Engineers. A second was made by Director Wiley. The motion passed with 9 voting for and 1 voting against.

Being no further business before the Board, Director Kahrl made a motion to adjourn at 1101 hours. A second was made by Director Attwood. Motion carried unanimously and the meeting was adjourned.

NEXT BOARD MEETING – MAY 23rd, 2024

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