

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

April 4th, 2024 Board of Directors' Meeting
Meeting Minutes

Board of Directors' Meeting for April 4th, 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	Jacob Davis
Centerton	ABSENT
Decatur	James Boston
Gentry	Rick Craft
Garfield/Gateway/Lost Bridge	Gary Blackburn
Gravette	Tim DeWitt
Highfill	Dustin Kahrl
Lincoln	Herb England
Pea Ridge	Ken Hayes
Prairie Grove	ABSENT
WWA	ABSENT
Westville	Zeb Black
Tontitown	James Clark

Others in attendance included Manager Borman, Jana Wright, Eddie Cooper, and Darrin Byrum from BWRPWA, Matt Dunn, Josh Moore, Jonathan Brewer, Dean Kendrick (via phone), and JP Martin (via phone) from Crist Engineers, Bob Wright from Crews and Associates, Stan Rodgers from Regions Bank, Steven Dowe, Douglas Sutton from City of Garfield, and Rodger Williams, Aron Persons, and Michael Titsworth from KAJACS Contractors.

The minutes from the February 22nd, 2024 Board Meeting were discussed. On a motion made by Director Blackburn and a second by Director Kahrl, the February 22nd, 2024 minutes were approved unanimously.

Treasurers' Report – Treasurers' Report was given by Director Craft, which included for the period of February 16th, 2024 through March 26th, 2024. Director Craft discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 19981-20044. 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 Blackburn made a motion to approve the Check Detail for payroll, electronic fund transfers, checks 19981-20044, and the financials as presented. A second was made by Director Holt. 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 #16 - \$171,171.00
- Total Payment to Date - \$10,805,206.23
- Balance Remaining - \$1,918,004.77
- Submittals and RFI review ongoing.
- Project is on schedule.
- Steel air phase 100% complete
- Painting phase to begin Mid- April
- 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 #13 - \$21,052.00
- Total Payment to Date - \$4,721,263.45
- Balance Remaining - \$448,247.55
- Project is on schedule.
- Backfill completed, mow strip installed, seeding underway
- 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 bid last month. Project out for CMAR RFQ's.
- Drawings and specifications resubmitted to ADOH for approval
- Generator and Switchgear have been ordered. Submittals are under review and revision by Brown Engineers.
- 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

High Service Pump Station SOQ Review / Recommendation to BWRPWA Board – Matt Dunn then stated that the Board rejected the bid from Crosslands Construction for the HSPS project and decided to move forward with construction management risk contract or procurement method. After advertising, one response was received from Seven Valleys Construction for the construction manager of the HSPS project. Staff from BWRPWA and Engineers reviewed the response and are comfortable with Seven Valleys Construction as construction manager – Seven Valleys is well documented with BWRPWA. Seven Valleys will put together documentation that will include a “not to exceed” amount for the project and that documentation will be brought before the Board. The project could be split into two phases – Concrete building / mechanicals and Electrical. A “not to exceed” amount could be established for both phases of the project. Manager Borman and Matt Dunn both recommended to the Board to approve entering into preconstruction negotiations as a team with Seven Valleys Construction – first phase of construction management risk. Director Blackburn made a motion to approve entering into a preconstruction management risk agreement with Seven Valleys Construction for the HSPS project and electrical upgrades. A second was made by Director Kahrl. Motion passed unanimously.

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 #7 - \$1,432,016.48
 - Total Payment to Date - \$4,062,364.91
 - Balance Remaining - \$8,737,635.10
 - Surveying, layout, route clearing underway
 - Pipe delivery began on 02/12/24.
 - Construction progressing – 2,646 feet installed through March
 - Yard Piping project – Change Order \$980,000.00
 - Final pipe delivery 02/13/24
 - Construction underway. Connections to new clearwell started. Connections to treatment plant train and line to old clearwell scheduled to be completed in the next couple of weeks.
 - 111 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 #7 - \$1,904,474.67
 - Payment from Bond Funds - \$1,904,474.67
 - Payment from BWRPWA Funds - \$0.00
- Total Payment to Date - \$5,304,341.02
- Balance Remaining - \$7,996,733.98
- Surveying, layout, route clearing underway
- Pipe delivery began February 6, 2024
- Construction progressing – 2,835 feet installed through March
- 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 underway
- Easements prepared and acquisition starting this week
- Geotech, Environmental, and Corp permitting starting next week
- Project must go through LSD in City of Bentonville. Pre-application meeting was held March 27, 2024
- Project 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.

Matt Dunn mentioned to the Board that in regards to the parallel line project that when each phase is bid and the contract is awarded to the contractor that it would be 8 months or more before each phase would start construction, due to there being an 8-month or more lead time on pipe. Realistically, it would be close to year 2030 before the parallel line project was completed in its entirety (through phase 4). Matt Dunn recommended to the Board to change the procurement method of pipe for the remaining phases of the parallel line to a construction manager risk procurement (Seymour Process) and to advertise for bids for Statements of Qualifications from contractors. Pipe assembly will not begin without a Notice of Award or a purchase order from a contractor. Converting to this process would ensure that construction keeps moving forward and the phases of the parallel line are completed in a timely fashion.

Director Hayes mentioned to the Board that using 54-inch pipe for the project was excessive when 48-inch pipe would have worked and saved BWRPWA money. After the next bond issue, BWRPWA will be close to \$100 million dollars in debt. Reviewing the Master Plan and upcoming projects, BWRPWA is building a system that will pump 90M gallons a day, when according to his projections/numbers on potential growth, 30M gallons a day would be more than sufficient. At some point in time, the Directors of this Board are going to have to make the hard decision

on being more financially aware regarding the cost of projects, because it will be the utilities' customers that will be paying for the debt, with the inevitability of continual water rate increases. Director Hayes also stated that Directors of the Board, and only the Directors, should have a meeting to discuss the future of BWRPWA.

Manager Borman then stated that on a monthly average there has been a steady increase/growth of distribution of water to BWRPWA's customers. BWRPWA is at full pumping capacity and the projects that are in the works are to make sure that BWRPWA has the capability of meeting the demands of its customers. There is more than a definite need to be able to distribute more water to our customers on the south end of the system and the parallel line project is essential in making that happen. The Board needs to realize that when peak demands are at its highest there will be a possibility of putting in restrictor plates in place, which will limit the water usage for BWRPWA's customers.

Director Kahrl stated that the discussion on the table concerns the parallel line project and not the other projects in the master plan. The process for the 54" line has already started and stopping that project would leave money on the table. The ultimate goal was to get the line to Decatur, and the discussion on the table is to speed up that process.

Matt Dunn stated that Crist Engineers would update the Master Plan for the board members and the upcoming rate study (FY 2025) conveying current pricing for supplies/materials for future projects.

Chairman Boston agreed with Director Hayes that a meeting between directors should take place in the near future to revisit the Master Plan and discuss any concerns or ideas for the future of BWRPWA.

After Board discussion, Director Blackburn made a motion to approve entering into a construction manager risk procurement process for procuring pipe for the parallel line project. A second was made by Director Kahrl. The motion passed with 9 voting for and 1 voting against.

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. 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

- Advertisement for bids March 3 & March 10
- 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 February 2024 – Manager Borman then gave the Operations' and Managers' report for February 2024, which is herein included as part of the official minutes. Manager Borman mentioned to the Board that BWRPWA would be changing Health, Dental, Vision, STD/LTD, and Life Insurance carriers. Health Insurance will be covered under Blue Cross/Blue Shield and dental, vision, STD/LTD, life, and accidental insurance will be covered under Principal Insurance. With Blue Cross/Blue Shield, BWRPWA will offer two different policies where employees

can choose which policy works best for them. With the savings of switching carries, all insurances excluding STD/LTD will be 100% company paid.

Review of Board Room / Training Facility Bids / Recommendations – Josh Moore then discussed the bids on the board room / training facility with the Board. Bid openings took place on April 3, 2024 and three bids were received.

1. SSI Incorporated of NWA Bid Amount \$1,664,500.00
2. Don Peters Construction Bid Amount \$2,014,092.00
3. Seven Valleys Construction Bid Amount \$2,050,000.00

Josh Moore made a recommendation to the Board to except the bid and enter into an agreement with SSI Incorporated of NWA for the total sum bid price. If approved, Notice of Award will be issued to SSI Incorporated and official documents will be processed. After Board discussion, Director Kahrl made a motion to approve and accept the bid from SSI Incorporated in the amount of \$1,664,500.00. A second was made by Director Clark. 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 1143 hours. A second was made by Director Holt. Motion carried unanimously and the meeting was adjourned.

NEXT BOARD MEETING – April 26th, 2024

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