

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

**December 15<sup>th</sup>, 2022 Board of Directors' Meetings**  
**Meeting Minutes**

Board of Directors' Meeting for December 15<sup>th</sup>, 2022 was called to order by Chairman Taggart at 1034 hours in the Authority's Board Room at the Water Treatment Plant. Opening invocation was given by Chairman Taggart.

**Directors and/or Alternates**

Bella Vista POA .....	Mike Taggart
BCWD #1 .....	Jerry Lovell
Centerton .....	Malcolm Attwood
Decatur .....	James Boston
Gentry .....	Rick Craft
Garfield/Gateway/Lost Bridge .....	Gary Blackburn
Gravette .....	Richard Sutherland
Highfill .....	Dustin Kahrl
Lincoln .....	Herb England
Pea Ridge .....	Ken Hayes
Prairie Grove .....	ABSENT
WWA .....	Josh Moore
Westville .....	Zeb Black

Others in attendance included Manager Borman, Jana Wright, Steve Davis, Eddie Cooper, and Will Smith from BWRPWA, Matt Dunn and James Martin from Crist Engineers, Chris McKenzie from BCWD #1, Bob Wright from Crews and Associates, Dan Jackson from Willdan Financial, and Pete VanZandvoord.

The minutes from the November 17<sup>th</sup>, 2022 Board Meeting were discussed. On a motion by Director Blackburn and a second by Director Lovell, the November 17<sup>th</sup>, 2022 minutes were approved unanimously.

**Treasurers' Report** – Treasurers' Report was given by Director Moore, which included for the period of November 11<sup>th</sup>, 2022 through December 9<sup>th</sup>, 2022. Director Moore discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 19179-19212. Director Moore then discussed with the Board the financials, which included a Profit and Loss Statement including the FY 2022 budget, Profit and Loss YTD Comparison, and a Balance Statement. After Board discussion, Director Moore made a motion to approve the Check Detail for payroll, electronic fund transfers, checks 19179-19212 and the financials as presented. A second was made by Director Blackburn. The motion was approved unanimously.

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

**Sludge Lagoons and Site Grading**

- KAJACS is actively working on earthwork, lagoons, drainage, access roads, yard piping, and fencing. Access stairs to outfall structure is being added.
- Substantial Completion Date – November 8, 2022
- Final Completion Date – November 28, 2022
- Contract Amount - \$4,125,000.00
- Pay Application #7 - \$256,909.24
- Total Payment to Date - \$3,220,785.78
- Balance Remaining - \$904,214.22

KAJACS, Contractors are behind scheduling with the project. As of now, there is no definite date as when the project will be completed. KAJACS is having issues with getting concrete to the job site, as well as struggling to find

help to get the fence up. Discussion of liquidated damages and the possibility of having KAJACS do additional work for BWRPWA in lieu of liquidated damages will be discussed at the January 2023 board meeting.

#### **4 MG Composite Elevated Water Storage Tank**

- Landmark has mobilized to the site and are actively working on site access, drives, sitework, and foundation preparation.
- Notice of Award issue on October 28, 2022.
- Contract Time – 750 Calendar Days
- Substantial Completion Date – October 9, 2024
- Final Completion Date – November 28, 2024
- Contract Amount - \$12,726,000.00
- Pay Application #1 - \$984,570.50
- Balance Remaining - \$11,741,429.50
- Submittals review is ongoing.
- Preconstruction Conference was held on Friday, November 18, 2022 at 1:00 p.m.

#### **Surge Tank System at WTP**

- Analyzing surge prevention parameters for the Garfield-Gateway pressure plane
- Coordinating Garfield-Gateway system surge tank technical requirements with Blacoh and ETEC
- Garfield-Gateway surge tank will be constructed in the High Service Pump Station building.
- Project schedule has been adjusted to conform with inclusion in the HSP project.

#### **3 MG Clearwell**

- Low Bidder – Preload, LLC for the amount of \$5,132,000.00
- Notice of Award given to Preload, LLC on September 22, 2022.
- Contract Documents have been signed.
- Preconstruction meeting upcoming.
- Construction expected to commence Spring 2023.
- Updated schedule from Preload, LLC is attached.

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

- Operations Technical Memorandum was prepared for operational parameters, surge prevention, and control measures – reviewed with BWRPWA staff on September 9.
- Ongoing discussions with Carroll Electric for Tank Service and HSP. Future substation, construction, and contractual requirements is pending.
- Electrical systems to address operational control modifications identified in the electrical master plan are proposed with the HSP project.
- Current electrical service capacity for the HSP is limited to three 1000 HP pumps. The design will be based on three initial pumps with the capacity for five additional pumps to address the projected system demands through 2050.
- Building will consist of CMU walls, open web steel joist framing with standing seam metal roof.
- Design coordination with mechanical, structural, and electrical engineers.
- Preparing preliminary design and construction documents.
- Utilization of Direct Procurement of materials when possible:
  - Yard Piping
  - Pumps and Motors
  - Control Valves
  - Surge Tank
  - Electrical
    - Transformers
    - Switchgear

- VFD's
  - Generator
- Project schedule has been adjusted for design scope and additional regulatory/permitting time.
  - Yard Piping bid opening was held on December 14, 2022.

#### **Easement Acquisition**

- There are a total of 46 parcels for Phase 1 alignment and a total of 43 parcels have been acquired. See attached Tracking Exhibit.
- Temporary Construction Easement changes at parcel 23 for new construction conflicts.
- Finalizing owner requested easement document revisions for parcel 11.

Original easements have been filed at the Benton County Clerk's office. The easement and amount for easement for the McClinton property has been accepted by the property owner. As of now, the condemnation process has not been used to procure easements.

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

- The design and alignment near highway 94 have been revised.
- Plan and profile sheets are 90% complete.
- Cross connection locations between the proposed 54" and existing 36" lines will be located at the following locations:
  - Water Treatment Plant
  - Between Parcel 11 and Parcel 13 East of Prairie Creek Road
  - East Side of Lewis Lane on Parcel 48
- Preparing 90% design and construction document packages for submittal to ADOH permit
- Exploring options for materials procurement package
- Regulatory permitting proposed is Nation-Wide Permit (NWP)-58.
- Preparing Preliminary Construction Notification (PCN) and determining NWP-58 specific requirements for permitting associated with environmental components such as endangered species, water quality, and wetlands delineation.
- GBMC will be conducting the Wetlands Delineation upon completion of the easement acquisition.
- Earth and Science will begin borings for the Geotechnical Investigation upon completion of the easement acquisitions.
- Corrosion Control Engineering will be performing a Corrosion Evaluation for the project upon completion of the geotechnical data for corrosion soil properties.
- Project schedule has been adjusted for design revisions, survey, and additional regulatory /permitting time.
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#### **Lagoon Maintenance Project**

- 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.

#### **Beaver Lake Intake Structures**

- Responded to USACE request to confirm contracted amounts of raw water from Beaver Lake.
- USACE response for allocation is based on yield and the combined yield allocation is 16 MGD.
- September 28<sup>th</sup>, 2022 meeting with USACE to resolve allocation dispute.
- Ready to start permitting process for Intake Structure and raw water line to the plant.

**Operations' Report for November 2022** – Manager Borman then gave the Operations' Report, which is herein included as part of the official minutes.

**Customer Conservation Measures** – Item on agenda tabled until FY 2023.

**Yard Piping Bid Approval** – Matt Dunn then discussed the bid opening with the Board. Ferguson Enterprises, LLC from Springdale, AR was the only company that put in a bid on ductile iron yard piping. The bid amount was \$4,288,063.00. Matt Dunn stated that the bid was on the higher side and he would recommend the board reject the bid from Ferguson Enterprises and allow him to revise the specifications for yard piping using welded steel pipe instead of ductile iron. Manager Borman stated that he agreed with Matt Dunn on rejecting the bid from Ferguson Enterprises and to put out to bid revised specifications using welded steel pipe. After Board discussion, Director Blackburn made a motion to reject the bid from Ferguson Enterprises and to approve Matt Dunn to revise specifications using welded steel pipe. A second was made by Director Moore. Motion passed unanimously. Matt Dunn mentioned that opening of bids for the procurement of welded steel pipe should take place before the January 2023 board meeting.

**2022 Rate Study by Dan Jackson, Willdan Financial** – Dan Jackson from Willdan Financial then presented the water rate study analysis to the Board. The objective was to develop a long-term rate plan that will enable BWRPWA to meet operating expenses, capital outlays, debt service, and coverage requirements, while at the same time minimizing the impact on rate payers. The rate recommendations in the study are based on a thorough analysis of the annual operating requirements and the forecast future requirements. The project team recommends that BWRPWA adopt a 3-year rate plan with rates to be automatically implemented initially on July 1, 2023, and again automatically on January 1, 2024, and January 1, 2025. Given the significant growth in BWRPWA and potential for unexpected events, the project team recommends that the Authority not commit itself to a rate plan beyond three years. Furthermore, the project team recommends that the Authority periodically review these rates during the next three years, to incorporate any changes to costs, volumes, or growth assumptions that may occur during that time. The rates suggested for the next three years are as follows:

- |  |                                |
|--|--------------------------------|
| 1. Current Water Rates as of January 1, 2023 - \$2.80 per thousand | Meter Assessment Rate - \$1.50 |
| 2. Water Rates as of July 1, 2023 - \$2.95 per thousand            | Meter Assessment Rate - \$1.50 |
| 3. Water Rates as of January 1, 2024 - \$3.20 per thousand         | Meter Assessment Rate - \$1.60 |
| 4. Water Rates as of January 1, 2025 - \$3.45 per thousand         | Meter Assessment Rate - \$1.70 |

The rate increases in this study are in anticipation of BWRPWA authorizing and selling significant debt starting in FY 2025. While the FY 2023 and FY 2024 recommended rate increases are not needed immediately to cover operating costs, they are necessary to build the rates to the point, which they will be able to fulfill the Authority's debt coverage ratios once new debt is sold in FY 2025. Without these intermediate rate increase, the rate increase in FY 2025 would need to be significantly high to achieve the cash flow and debt coverage requirements by FY 2025. Rate increases of this magnitude can generate a financial shock to the wholesale customers, who in turn would need to pass on 20% to their retail customers in a single year. Dan Jackson strongly suggested to the Board to adopt the three-year rate plan, with July 2023 being the next adjustment to water rates, and to revisit rate increases after the initial three years are up. Mayor Blackburn then presented to the Board his recommendation concerning the water rate study, which is herein included as part of the official minutes. After discussion of Director Blackburn's recommendations, the Board felt that some of the recommendations were not feasible for BWRPWA. Manager Borman recommended to the Board to approve and implement the 3-year rate increase plan as presented by Willdan Financial, with exception to the meter assessment increase not going into effect until FY 2025, and to revisit rate increases after the initial 3 years. This would give the utilities time to adjust their rates accordingly in stages. After board discussion, Director Kahrl made a motion to table the 3-year rate plan until January 2023 board meeting, giving the Board more time to review the rate study analysis. A second was made by Director Hayes. Motion passed unanimously. Chairman Taggart stated to the Board to fully review and consider the rate plan that was presented to the Board by Dan Jackson and to have all questions concerning the rate plan ready for discussion at January's board meeting.

Being no further business before the Board, Director Craft made a motion to adjourn at 1225. A second was made by Director England. Motion passed unanimously and the meeting was adjourned.

**NEXT BOARD MEETING – JANUARY 26<sup>th</sup>, 2023**  
Respectfully Submitted,

Josh Moore, Secretary/Treasurer – Benton/Washington Regional Public Water Authority

SKK: JKW