

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

August 29th, 2024 Board of Directors' Meeting
Meeting Minutes

Board of Directors' Meeting for August 29th, 2024 was called to order by Chairman Boston at 1010 hours in the Authority's Board Room at the Water Treatment Plant. Opening invocation was given by Director Craft.

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	Richard Sutherland
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, Eddie Cooper, Nathan Hooper, and Jana Wright from BWRPWA, Matt Dunn and Josh Moore from Crist Engineers, Jake Wagner from City of Pea Ridge, Michael Moyer from Friday Law Firm, Bob Wright from Crews and Associates, James Ballou from Washington Water Authority, Stan Rogers from Regions Bank, and Duncan Artt from City of Garfield.

The minutes from the August 1st, 2024 Board Meeting were discussed. On a motion made by Director Blackburn, and a second by Director Black, August 1st, 2024 minutes were approved unanimously.

Treasurers' Report – Treasurers' Report was given by Director Craft, which included for the period of July 25th, 2024 through August 21st, 2024. Director Craft discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 20297-20346. 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 20297-20346, 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 #21 - \$117,206.25
- Total Payment to Date - \$11,384,138.32
- Balance Remaining - \$1,339,072.68
- Project is on schedule.
- Work inside column underway. Floor has been poured.
- Work on inside piping and electrical 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 #15 - \$210,850.55
- Total Payment to Date - \$5,119,511.00
- Balance Remaining - \$50,000.00
- Project is on schedule.
- Waiting on yard piping to begin filling and chlorination

High Service Pump Station and Electrical Upgrades

- Project in CMAR. Seven Valley's Concrete is CMAR contractor
- CMAR Phase 1 – Building and Concrete work – GMP \$6,800,000.00
 - Notice to Proceed – June 10, 2024
 - Contract Time – 295 calendar days
 - Substantial Completion Date – March 1, 2025
 - Final Completion Date – April 1, 2025
 - Original GMP - \$6,800,000.00
 - Pay Application #2 - \$206,776.38
 - Total Payment to Date - \$436,676.38
 - Balance Remaining - \$6,363,323.62
 - Work Underway
 - Base slab formed and being poured in 8 sections
 - Base slab should be complete by Friday
 - Submittals and RFI's underway
 - Drawings and specifications approved by ADOH
 - GMP for Phase 2 (electrical heavy) – presented at Thursday's meeting
 - Transformer bids due Wednesday, present at board meeting on Thursday

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
- Two additional valves and accessories delivered

- Working on yard piping - changes in a couples of areas due to underground conflicts with other utility lines
- Generator and Switchgear Procurement
 - **Nixon Power – Direct Procurement from Kohler**
 - Proposal Executed – August 2, 2023
 - Generator and Switchgear have been ordered and in production. Switchgear finalizing submittals and will be placed into production.
 - Estimated Deliveries
 - ❖ Approved Submittals – September 1, 2024
 - ❖ Generator – September 2025
 - ❖ Switchgear – June 2026
 - ❖ Permanent Load Bank – September 2025
 - Contract Amount with Estimated Tax - \$6,131,413.00
- 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
 - Pumps built and passed testing process
 - Pumps and motors in storage in Springdale
 - Pay Application for materials stored forthcoming

Josh Moore then discussed with the Board the scope of work for Phase 2 (electrical heavy) of the HSPS project, which is herein part of the official minutes. First part of phase 2 scope of work will be done by Seven Valleys or subcontracted out. Second part of the phase 2 scope of work will be done by the electrical contractor. Matt Dunn then discussed with the Board the bids received for Phase 2 (electrical heavy). The bids for the electrical portion of the HSPS were opened two weeks prior and three proposals were received. Those proposals were from Axis Electric, Inc., Prime Electric, and Multi-Craft Contractors, Inc. The lowest proposal was received from Axis Electric, Inc. The Guaranteed Maximum Price for Phase 2 (Electrical Heavy) of the HSPS came in at \$11,700,000.00. Manager Borman made a recommendation to the Board to approve and accept the Guaranteed Maximum Price in the amount of \$11,700,000.00 for Phase 2 of the HSPS. After Board discussion, Director Clark made a motion to approve and accept the Guaranteed Maximum Price in the amount of \$11,700,000.00 for Phase 2 (Electrical Heavy) of the High Service Pump Station. A second was made by Director Attwood. The motion carried with 10 voting for and 1 voting against.

Josh Moore then discussed with the Board the bid for the transformers for the HSPS project. A Request for Proposals for transformers was advertised for – 5 transformers in total. The transformers needed have different voltages and sizes. Transformers will be a direct owner procurement. One bid was received and it was from Keathley Patterson Industrial Solutions Network in the amount of \$614,583.80. The problem with the bid from Keathley Patterson is the lead time on the transformers – 123 weeks. Another option has present itself from Carroll Electric Cooperative. Carroll Electric Cooperative submitted a quote and it was around \$100,000.00 less than the bid from Keathley Patterson with a lead time of 70-74 weeks. Carroll Electric’s quote is being heavily considered for the main reasons of saving around a \$100,000.00 and the shorter lead time. Before rejecting the bid from Keathley Patterson, there is one item that needs confirmation of being included in Carroll Electric’s quote. Crist Engineers wants to be 100% confident that Carroll Electric can provide each transformer that is needed before going that route. Josh Moore made a recommendation to the Board to give Manager Borman the authority to reject the transformers bid and to award the transformers bid as he sees fit, in order to get the transformers at the right price and the right time frame. After Board discussion, Director Kahrl made a motion authorizing Manager Borman to make the final decision to accept or reject the bid from Keathley Patterson Industrial Solutions Network. A second was made by Director Holt. The motion carried with 10 voting for and 1 voting against.

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 #12 - \$2,037,783.72
 - Total Payment to Date - \$9,971,886.14
 - Balance Remaining - \$2,828,113.86
 - Pipe delivery began on 02/12/24.
 - Construction progressing – 8,500 feet installed through August 23, 2024. 17,943 total feet in install. Approximately 47% complete.
 - Yard Piping project – Change Order \$980,000.00
 - Final pipe delivery 02/13/24
 - Construction underway. 54" connected to Phase 1A. All piping installed except for realigned portions and connecting to existing piping/clearwell
 - Approximately 1100 feet installed through July 26, 2024
- **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 #12 - \$300,461.30
 - Payment from Bond Funds - \$300,461.30
 - Payment from BWRPWA Funds - \$0.00
 - Total Payment to Date - \$9,964,098.07
 - Balance Remaining - \$3,336,976.93
 - Pipe delivery began February 6, 2024.
 - Construction progressing – over 11,500 feet installed through August 23, 2024. 14,536 feet to install – approximately 80% complete
 - Lagoon Maintenance Project
 - Sediment from lagoon #2 hauled and placed in ravine
 - Sediment hauled from lagoon #1 to head of ravine for drying is now being pushed into the ravine and should be nearly complete
 - Cap will be placed soon
 - Bottom and sides graded
 - Rip Rap sides completed on lagoon #1
 - Rip Rap sides underway on lagoon #2
 - Slide Gates / Walkway on order

Parallel 54" Transmission Line – Phase 2A

- 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*
- *Sent to ADOH for review*
- *5 appraisals remaining to be completed.*
- *Easement acquisition underway – 8+ in hand – others are being worked on and should have several more by next month. Staking out about 10 currently*
- *Geotech work and report completed. Additional Geotech work possible.*
- *Environmental, Corp permitting underway*
- *Project must go through LSD in City of Bentonville. Pre-application meeting was held March 27, 2024*
- *Project under CMAR with KAJACS Contractors, Inc.*
- *CMAR agreement signed – Preconstruction Services underway – steel pipe purchase authorization issued per Early Works Package.*
- *Potholing existing utility crossings completed by CMAR Contractor*
- *Finalizing plans for alignment this week to begin lay schedule design by American Spiral Weld Pipe*

Parallel 54" Transmission Line – Phase 2B & 2C

- *Phase 2B – Route for next segment to Centerton is being studied and reviewed with CMAR contractor the past month and a final route selection is under review. Survey work to begin*
- *Phase 2C – Route from Centerton to Decatur will follow soon*
- *Phase 2C – To include 10MG 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 obtained*
- *Geotechnical boring work is completed at the new intake site. Report is completed.*
- *Design work is in the early stages.*

New Board Room / Training Facility

- *Notice to Proceed – June 3, 2024*
- *Contract Time – 330 calendar days*
- *Substantial Completion Date – March 30, 2025*
- *Final Completion Date – April 29, 2025*
- *Original Contract Amount - \$1,664,500.00*
- *Pay Application #2 - \$159,633.35*
- *Total Payment to Date - \$163,971.12*
- *Balance Remaining - \$1,500,528.88*
- *Project is on schedule*
- *Work on dirt work, structural subgrade, and footings poured complete*
- *Currently working on plumbing, electrical, and slab preparation*

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 be completed early 2026*
- *Lot line adjustment underway*

Manager Borman then discussed with the Board Task Order #12. Task Order #12 is an agreement between BWRPWA and Crist Engineers for engineering services (specs and designs) rendered towards Phase 2B of the Parallel Water Transmission Line Improvements. Task Order #12 is for the amount of \$2,980,000.00. Manager Borman made a recommendation to the Board to approve Task Order #12. After Board discussion, Director Blackburn made a motion to approve and accept Task Order #12 as presented from Crist Engineers in the amount of \$2,980,000.00. A second was made by Director Clark. Motion carried with 10 voting for and 1 voting against.

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

2024 Bonds – Bob Wright with Crews and Associates then gave the update on the 2024 Bonds with the Board. There was \$40M debt to issue and a total of \$265M worth of orders came in – investors wanting to invest in BWRPWA. From the last Board meeting, the market looked like \$38.6M would be the total deposited into the construction fund. End result, \$39.69M plus \$10,000.00 miscellaneous left over for a total of \$39.7M being deposited into the construction fund. Regions Corporate Trust will be trustee over the 2024 Bonds. Wanting a captative audience, the issuance of bonds was timed that there would be no competition. Projected interest cost (borrowing cost) was 4.35% and true interest cost came in at 4.2%. Closing date on the Bonds will be 09/24/2024 and funds will be deposited into the construction account.

Manager Borman then asked the Board to give him authorization to invest a portion of the 2024 Bonds into a laddered portfolio. Raymond James and Regions Bank are putting a proposal package together for an investment portfolio of the 2024 Bonds. Director Putman made a motion authorizing Manager Borman to invest a portion of the 2024 Bonds into a laddered portfolio. A second was made by Director Holt. The motion carried unanimously.

Will Smith – BWRPWA – Rate recommendations based on Center for Water Security and Cooperation Fellowship

– Manager Borman then introduced Will Smith to the Board. Will Smith has been involved with the fellowship at Water Center for Security and Cooperation base out of Washington D.C. Will Smith then discussed his presentation with the Board – Water Equity Initiative Proposal. The proposal has 2 components – Assistance Fund and The Affordability Plan. The goal for the Assistance Fund is to prevent water shutoff due to the inability to pay by the customer. Funding for the Assistance Fund would be pursued by three streams of revenue:

1. Contributions from local 500 Fortune Companies (located in Northwest Arkansas). Those companies have community give-back divisions within their corporations – a budget for this type of program. These companies would be lobbied to get a percentage of the community give-back budget.
2. Proposal to raise rates by \$.02 per thousand gallons by the regional wholesaler – BWRPWA. Rate increase would do 2 things – Jump start the program and make lobbying the corporations easier. It would show the Fortune 500 Companies commitment.
3. Potentially selling water space on BWRPWA's water towers to telecommunication companies and using some of that revenue, if not all, to fund the program.

One, the proposal would prevent water shut-offs due to the inability to pay. Second, it ensures that water utilities are paid for water sales This would be a fund that could be tapped into indirectly. People struggling financially to pay could be directed to this resource, fill out an application, and if eligible, their water bill would be paid with funds from this program, and water service would not be interrupted. Finally, it strengthens the relationship between utilities and customers. Chairman Boston mentioned that it would be a difficult task trying to navigate who would benefit from this program, but in the end, it could be beneficial in the long run. Will Smith mention that the program would prioritize individuals with disabilities, households with infants, and households with elderly residents. Any funds that were left over would be distributed accordingly. Manager Borman then mentioned that as a Regional System, it would be next to impossible to implement at a regional level, but at the municipal level it could be implemented as part of the water utilities rate structure. This was an opportunity to discuss the program with several municipal systems and if your city council should be interested, Will Smith could give a presentation of the program to them.

Being no further business before the Board, Director Attwood made a motion to adjourn at 1149 hours. A second was made by Director England. Motion carried unanimously and the meeting was adjourned.

NEXT BOARD MEETING – SEPTEMBER 19th, 2024

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