

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

August 1st, 2024 Board of Directors' Meeting
Meeting Minutes

Board of Directors' Meeting for August 1st, 2024 was called to order by Chairman Boston at 0957 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	Red Klingler
Decatur	James Boston
Gentry	Rick Craft
Garfield/Gateway/Lost Bridge	Gary Blackburn
Gravette	Richard Sutherland
Highfill	Dustin Kahrl
Lincoln	Herb England
Pea Ridge	ABSENT
Prairie Grove	Chuck Wiley
WWA	ABSENT
Westville	Zeb Black
Tontitown	James Clark

Others in attendance included Manager Borman, Eddie Cooper, Nathan Hooper, and Darrin Byrum from BWRPWA, Matt Dunn, Josh Moore, and JP Martin from Crist Engineers, Jacob Davis and Josh Henderson from BCWD #1, Jacob Wagner from Pea Ridge Water Utilities, Michael Titsworth from KAJACS Construction, and Bob Wright from Crews and Associates.

The minutes from the June 27th, 2024 Board Meeting were discussed. On a motion made by Director Clark, and a second by Director Kahrl, the June 27th, 2024 minutes were approved unanimously.

Treasurers' Report – Treasurers' Report was given by Director Craft, which included for the period of June 19th, 2024 through July 24th, 2024. Director Craft discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 20235-20296. 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 20235-20296, and the financials as presented. A second was made by Director Kahrl. 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 #20 - \$119,272.50
- Total Payment to Date - \$11,266,932.07
- Balance Remaining - \$1,456,278.93
- 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 – 755 calendar days
 - Substantial Completion Date – March 1, 2025
 - Final Completion Date – April 1, 2025
 - Original GMP - \$6,800,000.00
 - Pay Application #1 - \$229,900.00
 - Total Payment to Date - \$229,900.00
 - Balance Remaining - \$6,570,100.00
 - Work Underway
 - Wet Well digging complete
 - Mud slab poured
 - Receiving rebar for base slab currently
 - Submittals and RFI's underway
 - Drawings and specifications approved by ADOH
 - Revised drawings and specs out to obtain the GMP for Phase 2 (Electrical Heavy)
 - Transformer bids end of August
 - Yard piping procurement (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 delivered
- Working on yard piping - changes in a couple 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. Resubmittals received from Nixon Power – Generator and Load Bank approved with notes – Switchgear sent back for minor corrections
 - Estimated Deliveries
 - ❖ Approved Submittals – June 21, 2024
 - ❖ Generator – July 2025
 - ❖ Switchgear – March 2026
 - ❖ Permanent Load Bank – March 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 going through pump testing process
 - Pay Application for materials stored this month

Bids for the electrical portion of the HSPS project will be opened on 08/15/24, which will give Crist Engineers and BWRPWA staff 2 weeks to go over the bids – making sure everything is in order before presenting the bids to the Board. Bids will be presented to the Board at the next board meeting (08/29/24).

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 - \$369,024.51
 - Total Payment to Date - \$7,934,102.42
 - Balance Remaining - \$4,865,897.58
 - Pipe delivery began on 02/12/24.
 - Construction progressing – 7,300 feet installed through July 26, 2024
 - 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 #11 - \$1,611,490.31
 - Payment from Bond Funds - \$1,611,490.31
 - Payment from BWRPWA Funds - \$0.00
 - Total Payment to Date - \$9,663,636.77
 - Balance Remaining - \$3,637,438.23
 - Pipe delivery began February 6, 2024.
 - Construction progressing – over 9,350 feet installed through July 26, 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 later 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 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 – 2 in hand – others are being worked on and should have several more by next month
- 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 recommendation
- Potholing existing utility crossings this week

Matt Dunn then discussed the bids for the steel pipe package for Phase 2A. Those bids are as follows:

American Spiral Weld Pipe Company - \$10,124,854.00 w/ a guaranteed delivery start date of 04/15/25

Northwest Pipe Company - \$10,673,465.00 w/ a guaranteed delivery start date of 04/15/25

Thompson Pipe Group - \$12,071,901.77 w/a guaranteed delivery start date of 02/17/25

The reason behind doing the CMAR process is this allows the ordering and securing of raw materials, manufacturing the raw materials into steel pipe, as designs and easements are being finished/finalized for Phase 2A of the parallel line project. Matt Dunn with Crist Engineers then made a recommendation to the Board to accept and approve the bid from American Spiral Weld Pipe Company for the amount of \$10,124,854.00. After Board discussion, Director Wiley made a motion to approve and accept the bid from American Spiral Weld Pipe Company in the amount of \$10,124,854.00 w/ a guaranteed delivery start date of 04/15/25. A second was made by Director Clark. The motion carried unanimously.

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

- Phase 2B – Route for next segment to Centerton is being studied and reviewed with CMAR contractor for final route selection.
- Phase 2C – Route from Centerton to Decatur will follow soon
- Phase 2C – Likely 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. 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

- 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 #1 - \$104,337.77
- Total Payment to Date - \$104,337.77
- Balance Remaining - \$1,560,162.23
- Project is on schedule
- Dirt work and structural subgrade complete
- Currently working on footings, rebar, and anchor bolt placement

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
- Lot line adjustment underway

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

Electrical Transformers Bid – Tabled until next board meeting. Matt Dunn mentioned to the Board that there will be Direct Bidding on the electrical transformers for the HSPS (direct purchase item), bids will be opened on 08/28/24, and presented to the Board on 08/29/24.

2024 Bonds and S&P Rating – Bob Wright with Crews and Associates then gave the update on the 2024 Bonds. The S & P Rating came in at an A+, lower than what was hoped for due to a liquidity issue. To get the rates up towards an AA- category, BWRPWA would need more than \$10M in the CIP Set Aside Account (liquid cash). Approval for the Bond Insurance has been received and the actual fee for that insurance will be received on 08/01/24. The market as priced is at a 25-basis point cut – overall general interest rates are low. Interest rates as of now are as low as they have been since February. Based on the market as of 07/31/24, the true interest cost was 4.3566818%. Final documents will be ready to send out in the next 2 weeks, with the plan being to price bonds on 08/27/24 and

present the final numbers to the Board at the next meeting. For the 2024 Bonds, BWRPWA is looking at possibly depositing \$38.6M to the construction account if interest rates hold steady. To keep with the margins of borrowing – if rates go up, the deposit to the construction account would be less. Depending on the rates, the 2024 Bond series could total between \$38M - \$39M. Doing the 2024 Bonds before the 2024 election, would probably be more beneficial to BWRPWA due to the fact that the Election could cause interest rates to trend upwards. Manager Borman then mentioned that if the Board is good with the time frame for a September closing date on the bonds, that once the construction funds are funded, a good portion of those funds would be rolled over into a structured ladder portfolio similar to what was done with the 2022 Bonds – possibly making an extra \$2M to put back into the construction fund. Manager Borman then asked the Board as a whole if they were in agreement to the time frame discussed (mid-September) for the issuance of 2024 Bonds. The Board had no objections to moving forward with the timeline discussed.

BWRPWA's 32nd Annual Board Meeting – Director Boston mentioned to the Board that BWRPWA's Annual 32nd Meeting will be held on August 29th, 2024. Director Boston appointed the following Directors for the Nominating Committee: ***Director Dustin Kahrl – Chairman of the Nominating Committee, Director James Clark – Member, and Director Zeb Black – Member.*** The Nominating Committee will be responsible for nominating/recommending the slate of officers for the 2024-2025 calendar year to the Board. The discussion will also be open to the Board for their input towards recommendations for officers.

Being no further business before the Board, Director Kahrl made a motion to adjourn at 1106 hours. A second was made by Director Wiley. Motion carried unanimously and the meeting was adjourned.

NEXT BOARD MEETING – AUGUST 29th, 2024

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