

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

**February 27<sup>th</sup>, 2025 Board of Directors' Meeting**  
**Meeting Minutes**

*Board of Directors' Meeting for February 27<sup>th</sup>, 2025 was called to order by Chairman Boston at 0901 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 .....	Malcolm Attwood
Decatur .....	James Boston
Gentry .....	ABSENT
Garfield/Gateway/Lost Bridge .....	Gary Blackburn
Gravette .....	Richard Sutherland
Highfill .....	Dustin Kahrl
Lincoln .....	ABSENT
Pea Ridge .....	Ken Hayes
Prairie Grove .....	ABSENT
WWA .....	Sarah Alonzo
Westville .....	Zeb Black
Tontitown .....	James Clark

*Others in attendance included Manager Borman, Nathan Hooper, Eddie Cooper, Darrin Byrum, and Jana Wright from BWRPWA, Matt Dunn, Josh Moore, and James Martin from Crist Engineers, Jake Wagner from City of Pea Ridge, Jeff Dehnhardt from ESI, Stan Rodgers from Regions Bank, Jacob Davis from BCWD #1, Bob Tharp from City of Decatur, Dan Jackson and Jason Gray from Willdan Financial, Christopher Ward from Berry and Associates (via phone), Bob Wright from Crews and Associates, and Miguel Soto and Mike Bowman from Simmons Food.*

*The minutes from the January 23<sup>rd</sup>, 2025 Board Meeting were discussed. On a motion made by Director Attwood, and a second by Director Kahrl, the January 23<sup>rd</sup>, 2025 minutes were approved unanimously.*

**Treasurers' Report** – *Treasurers' Report was given by Manager Borman, which included for the period of January 16<sup>th</sup>, 2025 through February 18<sup>th</sup>, 2025. Manager Borman discussed the check detail with the Board, which included payroll, electronic fund transfers, and checks 20615-20687. Manager Borman then discussed with the Board the financials, which included a Profit and Loss Previous Year Comparison, Profit and Loss with FY 25 Budget, and a Balance Sheet. After Board discussion of the financials, Director Kahrl made a motion to approve the Check Detail for payroll, electronic fund transfers, checks 20615-20687, and the financials as presented. A second was made by Director Clark. The motion was approved unanimously.*

**2025 Rate Study Findings from Willdan Financial** – *Dan Jackson from Willdan Financials then discussed the 2025 Rate Study with the Board. The objective of the rate study is to develop a long-term rate plan that will enable the Authority to recover sufficient funds to meet operating expenses, capital outlays, debt service, and coverage requirements, while at the same time minimizing the impact on ratepayers. The objective of this study is to give:*

- *A comprehensive analysis and evaluation of the water system's current cost of service and revenue requirements.*
- *A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water treatment, inflation, system expansion, and increases in staffing levels.*

- A thorough review of the water system's known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A detailed analysis and comparison of BWRPWA's current and proposed rates to rates of other wholesale providers.

While the rate model presents a forecast of rates for ten years, Willdan Financial recommends that BWRPWA adopt a 5-year rate plan, with rates to be automatically implemented on January 1<sup>st</sup> of each year. The proposed rate increases are as follows:

- ❖ Fiscal Year 2026 - \$3.75 per thousand gallons with a \$1.50 per meter charge
- ❖ Fiscal Year 2027 - \$4.10 per thousand gallons with a \$1.50 per meter charge
- ❖ Fiscal Year 2028 - \$4.45 per thousand gallons with a \$1.50 per meter charge
- ❖ Fiscal Year 2029 - \$4.80 per thousand gallons with a \$1.50 per meter charge
- ❖ Fiscal Year 2030 - \$5.10 per thousand gallons with a \$1.50 per meter charge

The significant impact on rates is the additional debt service expenses associated with the issuance of long-term debt to fund the Capital Improvement Projects. Given the significant growth in BWRPWA and potential for unexpected events, Willdan Financial recommends that the Authority not commit itself to a rate plan beyond 5 years and also recommends that the Authority periodically review these rates during the next five years to incorporate any changes to costs, volumes or growth assumptions that may occur during that time. After discussion of the rate study, Chairman Boston encouraged BWRPWA board members to take the rate study back to their individual boards for discussion. The rate study will be on the agenda for the next few months for further discussion.

**FY 2024 Annual Audit** – Christopher Ward with Berry and Associates then discussed the FY 2024 Annual Audit, which is herein included as part of the official minutes. Christopher Ward mentioned that over all the FY 2024 audit was clean and no issues were found. After Board discussion of the FY 2024 audit, Director Kahrl made a motion to accept and approve the FY 2024 audit as presented. A second was made by Director Attwood. Motion passed unanimously.

**FY 2025 Bonds – Crews and Associates** – Bob Wright then mentioned that per the rate study, the projection of debt is at a borrowing cost of 4% - 30-year debt at 4%. Borrowing cost as of now is 4.4%. Adjusting the rate study for borrowing cost to 5% to 5.5%, would give BWRPWA a marginal cushion going forward – if the rates should continue to move up, the rate study would be more accurate. If the borrowing rates stay in the range of 4% - 4.5%, more could be added to the future forecasted debt. If \$50M was issued with current market rates, BWRPWA's coverage would be at 109%, which is below what is required– required coverage is 110%. Internally, BWRPWA has been trying to set the coverage at 120% - 125%. If \$30M was issued with current market rates, BWRPWA's coverage would be at or around 120% coverage. Bob Wright mentioned that he would need to reconcile the 2025 rate study with the actual numbers (2024 Audit) and projections, which would give a more accurate total of what could be borrowed. 2025 Bond Funds could actually be in the \$30M range.

Manager Borman suggested that after Bob Wright reconciles the numbers having a draft of a Bond Parameter Resolution drawn up for discussion at the April Board meeting.

**Matt Dunn and Josh Moore 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 #25 - \$14,295.60
- Total Payment to Date - \$12,081,017.95
- Balance Remaining - \$642,193.05
- Tank is currently in service to the system and control valves are being adjusted to operate optimally

#### **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 #8 - \$318,120.90
  - Total Payment to Date - \$3,924,004.21
  - Balance Remaining - \$2,875,995.79
  - Work Underway
    - Base slab pours completed
    - Wall sections completed
    - Prep work for top underway
    - Submittals and RFI's underway
- CMAR Phase 2 – Electrical and other work – GMP \$11,700,000.00
  - Notice to Proceed – November 25, 2024
  - Contract Time – 430 calendar days
  - Substantial Completion Date – December 30, 2025
  - Final Completion Date – January 29, 2026
  - Original GMP - \$11,700,000.00
  - Pay Application #2 – \$131,553.15
  - Total payment to date - \$410,889.31
  - Balance remaining - \$11,289,110.69
  - Work underway
    - Submittals and RFI'S on E-house underway
    - Numerous electrical submittals underway
    - Seven Valleys will begin on concrete vault work and yard piping as weather permits
- Generator and Switchgear Procurement
  - **Nixon Power – Direct Procurement from Kohler**
    - Modified Proposal Executed – May 15, 2024
    - Generator, Load Bank Transformer, and Switchgear – all submittals approved, equipment has been ordered, and equipment is in production
    - Contract Amount - \$6,131,413.00
    - Pay Application #1 - \$613,141.30
    - Total payment to date- \$613,141.30
    - Balance Remaining - \$5,518,271.70
    - Estimated Deliveries – updated
      - ❖ Approved Submittals – September 20, 2024
      - ❖ Generator – April 15, 2025 (Previously September 2025)
      - ❖ Switchgear – August 2026 (Previously June 2026)
      - ❖ Permanent Load Bank – May 5, 2025 (Previously September 2025)
- 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*
- *Pay Application #1 - \$916,934.40*
- *Total payment to date - \$916,934.40*
- *Balance remaining - \$101,881.60*
- *Delivery to BWRPWA – On hold*
- *Pumps built and passed testing process*
- *Pumps and motors in storage in Springdale*
- *Transformers – Square D Transformers have been selected and ordered. Change order into HSPS Phase 2 GMP.*

**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 – January 7, 2025*
  - *Final Completion Date – February 26, 2025*
  - *Original Contract Amount - \$11,820,000.00*
  - *Change Order #1 (yard piping) - +\$980,000.00*
  - *Change Order #2 (yard piping) - + \$125,000.00*
  - *Current Contract Amount - \$12,925,000.00*
  - *Pay Application #18 - \$304,117.03*
  - *Total Payment to Date - \$11,976,602.60*
  - *Balance Remaining - \$948,397.40*
  - *Pipe delivery began on 02/12/24.*
  - *Construction progressing – All pipe has been installed. Currently working on cleanup, fence repairs, gate installs, ARV's, low point drains, etc.*
  - *Yard Piping project – Change Order \$980,000.00*
    - *Final pipe delivery 02/13/24*
    - *Construction underway. All large diameter piping installed including into clearwell. Small diameter (12") to new HSPS to be installed when HSPS project has pipe stubbed out from under the slab of the north side of the wetwell*
- **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*
  - *Change Order #3 (lagoon maintenance) - +\$195,500.00*
  - *Change Order #4 (linework) - +\$50,130.00*
  - *Change Order #5 (linework) - +\$165,000.00*
  - *Current Contract Amount - \$13,711,705.00*
  - *Pay Application #18 - \$225,804.31*
    - *Payment from Bond Funds - \$181,081.41*
    - *Payment from BWRPWA Funds - \$44,722.90*
  - *Total Payment to Date - \$12,655,889.43*
  - *Balance Remaining - \$1,055,815.57*
  - *Pipe delivery began February 6, 2024.*
  - *Construction progressing – All pipe has been installed. Currently working on cleanup, fence repairs, gate installs, ARV's, low point drains, etc.*

- Lagoon Maintenance Project – All work completed on Lagoon portion of contract

#### **Parallel 54" Transmission Line – Phase 2A**

- Route for first 7.25+/- miles, plans 99% complete
- Working with Bentonville (3) and Trailblazers (6) on their easements
- Comment letter back from ADOH. Will need to get Bentonville to sign off on sewer main crossing repairs for ADOH.
- Appraisals expected by February 28 for Trailblazers and City of Bentonville. Trailblazers changed CEO's and needed to be brought up to date on the easements. They are on board with the easements – after discussion of appraisals, easements should be signed
- Easements underway -/+34 in hand
  - 6 in Walton owned companies and those should be worked this week (2 already in hand)
  - Jac's Ranch/Shewmaker should be complete within a couple of days or condemnation will be filed
  - One item being discussed with Trailblazers to confirm route
  - Remersheid – paperwork filed for condemnation
  - Terrell – filed condemnation paperwork with orders of possession for both in hand
  - Temporary easement at Highway 72 acquired
  - The first easement for Phase 2B/end of 2A – Cassie is working with Wright property currently
  - 53 total parcels crossing
- Geotech work and report completed. Additional Geotech work possible at I-49 - scheduled in the next couple of weeks. Permit in hand from ARDOT. Work has to be done on a Saturday or Sunday.
- Environmental, Corp permitting underway. Getting cultural resources study for 10 stream crossings required by the Corp
- Project in final stages with Bentonville for LSD – meeting with City Engineer last week. Bentonville is working with us to get contingent approvals pending COE, so work can continue. Road crossings for A Street and North Walton BLVD should be worked out soon
- CMAR agreement signed – Preconstruction Services underway – steel pipe purchase authorization issued per Early Works Package. Pipe scheduled to be produced in April with delivery end of April.
- GMP is \$29,896,355.00 and was awarded at the September 2024 Board Meeting
- Construction Price Amendment has been signed. Notice to Proceed has been issued to begin prep work phase of construction only. Notice to Proceed for construction phase to be issued soon

#### **Phase 2A – Job Prep**

- Notice to proceed – September 5, 2024
- Contract Time – 450 calendar days
- Substantial Completion Date – October 9, 2024
- Final Completion Date – November 28, 2024
- Original Contract Amount - \$6,212,000.00
- Current Contract Amount - \$6,212,000.00
- Pay Application #2 - \$130,150.00
- Total payment to Date - \$1,125,275.00
- Balance Remaining - \$5,086,725.00
- Construction progressing – clearing from start to Spring Valley Road complete. Clearing up to and just past Highway 72 underway. Clearing on west side of I-49 is currently underway.

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

- Phase 2B – Route for next segment to Centerton has been studied and reviewed with CMAR Contractor. Design work is underway. Surveying is 99% complete
- Phase 2C – Route from Centerton to Decatur will soon follow
- Phase 2C – To include 10MG tank at Decatur Tank Site

#### **New Beaver Lake Intake Structure and Raw Water Line**

- 72"/84" 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 then easements can be written and obtained
- Preliminary Geotechnical boring work is completed at the new intake site. Report is completed.
- Design work has begun and is currently 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 #8 - \$170,487.77
- Total Payment to Date - \$1,072,638.89
- Balance Remaining - \$591,861.11
- Project is on schedule
- Currently working on finalizing mechanical work inside and beginning sheetrock installation. The outside has been sealed and weather proofed. Wall panels have mostly been installed. Roof panels to be installed soon
- Submittals and coordination underway

#### **Power Substation Land Acquisition**

- Met with Carroll Electric about size of area needed. Layout nearly completed – still working out details regarding the access and detention pond

#### **BWRPWA 36" J Street Relocation**

- Bentonville requesting the existing 36" line be relocated for J Street expansion and new interchange on I49
- Layout, cost estimate, and letter being prepared to send to Bentonville/Garver

**Operations' Report for January 2025** – Manager Borman then gave the Operations' and Managers' report for January 2025, which is herein included as part of the official minutes.

**Vac/Valve Exercise Trailer** – Manager Borman then discussed with the board a need for a Valve Exercise Trailer. With the new 54" valves (789 turns), maintenance and testing will need to be done periodically to prevent valves from not holding, which would help prevent future incidents of having to shut down valves completely down. Manager Borman mentioned that Maintenance Supervisor Eddie Cooper would like to purchase a combination vac/valve exercise trailer from Improved Construction Methods for \$57,148.05. After board discussion, Director Attwood made a motion to approve the purchase of a Hurco Spin Doctor SD808 (Vac/Valve Exercise Trailer) from Improved Construction Methods in the amount of \$57,148.05. A second was made by Director Kahrl. Motion carried unanimously.

Being no further business before the Board, Director Kahrl made a motion to adjourn at 1035 hours. A second was made by Director Attwood. Motion carried unanimously and the meeting was adjourned.

#### **NEXT BOARD MEETING – MARCH 20<sup>TH</sup>, 2025**

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