

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF MAUMELLE  
SUBURBAN IMPROVEMENT DISTRICT NO. 500, A/K/A MAUMELLE WATER MANAGEMENT**

**December 14, 2010  
4:30 p.m.**

**Commissioners present**

Dave Kaufman, Chairman  
Mary Peyton, Vice – Chairman

**Managers present**

Barry Heller, General Manager  
Tina Richardson, Business Manager  
Bryan Smith, Water Manager  
Todd Crook, Wastewater Manager

**Attending**

Stuart Hankins, MWM legal counsel  
Fred Oswald, Consulting Engineer  
Randolph Polk, City Liaison  
George Glenn, City Liaison  
Mayor Mike Watson  
Alderman Jamie Stell

**Call to order/Roll call**

The Chairman called the meeting to order at 4:36 p.m. Commissioner Ralph Kearney was absent.

**Approval of Minutes**

After review, Commissioner Peyton motioned to approve the Minutes of the November 9, 2010 meeting as written. Chairman Kaufman seconded the motion, and motion passed unanimously.

Review and approval of the October 12<sup>th</sup> Minutes were deferred until Commissioner Kearney is in attendance.

**Financial report**

The Board next reviewed and discussed the Profit and Loss Budget vs. Actual report for the period ended November 30<sup>th</sup> with explanations of various items given by Mr. Heller. Mr. Heller explained that he will be purchasing the remainder of the well valves which will reduce the WSP&D account by approximately \$ 50,000.

## **Manager's report**

Mr. Heller stated that water and wastewater operations were running smoothly.

Mr. Heller then stated that the sodium hydroxide pilot study has begun. The District has received a few "discolored water" complaints. The District is currently flushing hydrants to help solve this problem.

## **Old business**

### *Rate/Marketing Study Proposals*

The rate study and marketing study proposals that were presented to the Commissioners at the last meeting were deferred until a later date.

### *Short/Long Range Plan*

The Short/Long Range Plan was tabled until the next meeting.

### *Verizon Termination Lease Agreement*

The agreement has been finalized. The District will receive \$6,210 dollars for a termination fee and the generator and switches.

### *Employee Compensation*

Mr. Heller explained that in 2010 the District produced approximately 20 to 23% more water and treated approximately 10% more waste than in previous years with no additional personnel. The District was also without a General Manager for approximately six (6) months in 2010. The employees were given additional responsibilities with no increase in pay. In order to cut expenses, "in-house" labor was utilized for construction projects. According to Mr. Heller, the District recognized a savings of approximately \$280,000 dollars attributed to the above mentioned items. Mr. Heller then requested that the Board approve a one-time salary adjustment for each employee equal to one week's pay, and a 4% Cost of Living adjustment.

After discussion, Chairman Kaufman motioned to approve the one-time salary adjustment equal to one week's pay, and a 4% Cost of Living adjustment to become effective with the first pay period in 2011. Commissioner Peyton seconded the motion, and motion passed unanimously.

### *NLC Service Line Program*

Mayor Watson submitted an article to Mr. Heller about the Municipal League going into partnership with an insurance company to offer insurance to residents that would cover repair

of their water and sewer service lines. The District does not repair an individual residential water or sewer line. Mr. Heller stated he will gather more information about the program and report to the Board at a later date.

#### *Bottomline/Peninsula Easement*

Mr. Heller stated he had received a letter from Mr. James Dreher, engineer for Bottomline Construction, asking if the District would relinquish two of its easements in the peninsula area. Mr. Heller contacted the District's legal counsel to discuss the matter and legal counsel advised Mr. Heller that the District should not relinquish any of its easements. Mr. Heller notified Mr. Dreher of the District's decision.

#### *Ridgeview Phase I – (Pine Ridge Booster Station)*

In 2007 the District paid a portion of the construction of the Pine Ridge Booster Station which was necessary in order to provide adequate water pressures to the development. The cost of the booster station was to be split three ways between the District and the land owners; Cypress Bay Development (John Wright); the District; and Jim Hathaway. Mr. Hathaway refused to participate in the cost. The booster station was a necessity so the District paid its portion and Mr. Hathaway's portion. The property is now being developed and construction has begun. The District will need to recover its cost pertaining to the Hathaway properties. The District's legal counsel recommended that the District notify Metropolitan Bank, who now owns the property, to give them the opportunity to participate in the reimbursement of the cost. If Metropolitan does not want to cooperate, the District will need to put any potential buyers of the property on notice that they may not be able to connect to the water or sewer system. Mr. Hankins will get with Mr. Heller to come up with the wording for the notice.

#### *Entergy Easement at WWTP*

Entergy has requested an easement from the District so they can relay their lines between the wastewater treatment plant and the city's Public Works building. After legal counsel's review of the easement document and drawing the Board had no objections to granting the easement subject to a few wording changes.

#### *West Maumelle Limited Partnership /Osage Terrace and Osage Hills*

Mr. Heller stated that there are two existing issues in this development. The first issue is that the developer constructed the sidewalk on the same side of the street as the water line and caused the water line to be too shallow. Mr. Heller notified the developer that they will have to lower the line. After meeting with the developer, the developer told Mr. Heller they will be lowering the water line on Friday, December 12<sup>th</sup>.

The other issue is that, further down Manitou Drive, the street and infrastructure was never finished and overtime erosion has uncovered the water line in several places. Again, the

developer will have to fix this problem before home construction can begin. The developer was made aware of the situation.

*Finance Committee Rate Increase and Fee Recommendations*

Mr. Oswald presented the Board with the rate and fee recommendations of the Finance Committee. After in depth discussion, the Board agreed to the recommendations as outlined in the attachment with the following changes: Item #1 – monthly debt service fee: one-half to begin in 2011 and the other one-half to begin in 2012; Item #4 – senior citizens discount will not begin until 2012; and Item #5 – disabled citizen discount was deleted from the recommendations. The Chairman instructed legal counsel to prepare the Resolution and a Special Meeting was scheduled for Friday, December 17, 2010 to read and execute the Resolution.

**Attorney's report**

Mr. Hankins stated that the property exchange with West Maumelle Limited Partnership has been completed. Mr. Hankins recommended that the District put signs on the property giving notice of the possible future site of a water tower.

**Engineer's report**

Mr. Oswald reported that he had been contacted by a person representing Dillard's concerning the Target Distribution center. He had no further information at this time.

**Adjournment**

There being no further business, the Chairman adjourned the meeting at 7:04 p.m.

**Approved this \_\_\_\_ day of \_\_\_\_\_, 2011.**

**Respectfully submitted**

**Approved**

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**Tina Richardson  
Assistant Secretary**

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**Dave Kaufman, Chairman**

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**Mary Peyton, Vice Chairman**

## MWM 2010 Rate Proposal

1. Establish a monthly debt service fee of:  
This fee to be terminated upon retirement of the debt existing as of January 2011.
  - a) \$7.86 per meter for 5/8<sup>th</sup> and 3/4" meters
  - b) \$40.00 for 1" meters
  - c) \$60.00 for 1 1/2" meters
  - d) \$80.00 for 2" meters
  - e) \$100.00 for 3" meters
  - f) \$120.00 for 4" meters
  
2. Enact a 5% Rate Increase.
3. Enact an annual rate increase based on the consumer price index to become effective January, 2013.
4. Establish a senior citizen (age 65) discount of \$3.00 per household (not per meter). Some form of proof of age would be required.
5. Establish a disabled citizen discount of \$3.00 per household (not per meter). Some form of proof of disability would be required.

A rate payer over the age of 65 and on disability would qualify for both discounts.