

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF MAUMELLE
SUBURBAN IMPROVEMENT DISTRICT #500, A/K/A MAUMELLE WATER MANAGEMENT**

**April 14, 2009
4:30 P.M.**

Commissioners present

Dave Kaufman, Chairman
Mary Peyton, Vice-Chairman
Ralph Kearney, Secretary

Managers present

Mike Thomason, General Manager
Barry Heller, Asst. General Manager
Tina Richardson, Business Manager
Bryan Smith, Water Superintendent
Todd Crook, Wastewater Superintendent

Attending

Vaughan Hankins, MWM Legal Counsel
Fred Oswald, Consulting Engineer
Ms. Kim McCuien, Audience
Kevin and Iris Hunter, Audience

Call to Order/Roll Call

The Chairman called the meeting to order at 4:47 p.m. with all Commissioners present.

In order to accommodate Ms. McCuien and Mr. and Mrs. Hunter, the Chairman announced that the Board would first discuss the New Business agenda items; a. request for sewer connection outside city; and b. sewer back-up at #11 Ophelia Drive.

New Business

Request for sewer connection outside city – Ms. Kim McCuien

Ms. Kim McCuien explained to the Board that the home she has built, approximately two (2) miles from Maumelle on Highway 365, cannot sustain a sewer septic system and requested that she be able to tie-on to the District's sewer system. The General Manager advised Ms. McCuien that connecting to the District's system would be extremely expensive and suggested that Ms. McCuien contact the Daysprings Baptist Church that has just recently built their building in close proximity to Ms. McCuien's home and request to connect to their sewer package system. The General Manager did offer to make that contact for Ms. McCuien.

After further discussion, Commissioner Peyton made a motion to allow Ms. McCuien to connect to the District's system, at customer's expense, if she has no other options. Ms. McCuien would

have to sign a "Sewer Use Agreement" and agree to pay all costs associated with the service and install her connection according to the District's specifications. Motion was seconded by Commissioner Kaufman, and upon vote, motioned passed unanimously.

Sewer back-up damage – Mr. and Mrs. Hunter

Mr. and Mrs. Hunter have sustained extensive damage to their home at #11 Ophelia Drive due to a sewer backup that occurred and are asking if MWM is going to help with the cost of the damages. The General Manager distributed the following information to the Board; a chronological detail of the events that have happened since the back-up occurred on Friday, March 13, 2009; letters of denial of coverage from the Hunter's and the District's insurance carriers; MWM's Sewer Back Up policy; and MWM's Damage Claim form. (Attached as Exhibit A)

Mr. Crook, Wastewater Superintendent, stated that after his investigation, the problem was most likely a "grease clog" that occurred in the mainline that caused the back-up into the Hunter's home.

Mr. Hankins, MWM's legal counsel, explained to the Hunters that MWM could only compensate them according to its "Sewer Backup Policy" which only allows a maximum of \$2500 dollars in compensation for damages, however, in order for the Hunter's to receive the compensation, they would have to execute a release releasing MWM from any and all claims for damage.

The Hunters then left the meeting and discussion ensued about what the District can do to further educate the public about sewer damages and insurance coverage. The Board instructed the General Manager to develop an informative letter to be mailed to all MWM's customers.

The Chairman then went back to the normal agenda order.

Review/Approval of Minutes

There being no changes, additions or deletions, Chairman Kaufman motioned to approve the Minutes as written. Motion was seconded by Commissioner Peyton, and motioned passed.

Financial Report

The Board next reviewed and discussed the financial report for the period ended March 30, 2009 with explanation of various items given by Mr. Thomason.

Manager's report

Well field update

Mr. Thomason said that the Sanitary Survey has been received by the Health Department which approved all test well and future well sites. A meeting is to be held on Thursday to look at the current Hydraulic Model and research what it will take to lay a new line from Well #11 and not have to do anything in the Starr farm area. The District is looking at possibly sharing the cost of the new line with Bottomline, Inc. Layne Arkansas will be coming to drill the test wells as soon as they are able to do so. Mr. Thomason will continue to update the Board on this issue.

Water Plant Structural update

Mr. Thomason stated the best solution is to shore up the existing structure with beams and sheeting. Mr. Summerlin will create the design and the District employees will do as much of the physical work as possible. The design plan will cost approximately \$15,000.

Bio-solids dewatering update

Mr. Crook then explained how the District will be handling its bio-solids dewatering by refurbishing one of its current drying-beds.

The Chairman next asked for Old Business.

Old Business

Employee Benefit Recommendation (Life and Disability Insurance)

After proposal review and discussion, Commissioner Kaufman made a motion to authorize Mr. Thomason to implement the Short Term and Long Term Disability insurance at the District's expense, and the District will pay ½ of the Life Insurance premium for two times the employee's base pay. The employee will be responsible for ½ of the life insurance premium and any additional coverage they may want. Commissioner Kearney seconded the motion, and motion passed unanimously.

Policy on Employment of Relatives

More information is being gathered concerning this issue and will be discussed at a later meeting.

The Chairman then asked for New Business

New Business

Request for donation

Arkansas Wildlife Officers (Hunting and Fishing for Special Needs Children)

The Board denied this request as it does not comply with the District's policy.

Methodist Behavioral Hospital Maumelle

Due to confusion about this institution, the Board instructed Mr. Thomason to investigate its origin, and if it meets the District's criteria, this request can be brought back to the Board for approval.

Request for Customer Meter Deposits

Mrs. Richardson explained to the Board that due to the increase in rates recently, the current \$30 dollar and \$20 deposits for Residential meters are not sufficient to cover a customer's final bill. After a brief discussion, and review of surrounding utility deposit costs, Chairman Kaufman motioned to increase the Residential meter deposits to \$50 dollars for the house meter, and \$20 dollars for the sprinkler meters, effective immediately. Motion was seconded by Commissioner Kearney, and upon unanimous vote, motion passed.

Procedure for General Manager's Evaluation

Commissioner Kearney stated his concerns about the current process of the annual evaluation of the General Manager. Commissioner Kearney does not believe that department managers should be included in the evaluation process. Chairman Kaufman and Commissioner Peyton disagree with Commissioner Kearney and would like to continue to keep the feedback from the department managers. After in-depth discussion, the Board decided to leave the process as is.

Engineer's report

Mr. Oswald had nothing to report at this time.

Attorney's report

Mr. Hankins stated that they have not heard from Bottomline, Inc. since meeting with Mr. Andy Francis on the 19th. Mr. Francis did agree about the encroachment on the access to well site #3. Mr. Frances said he would meet with Bottomline, Inc.'s engineer, and their engineer would meet with the District's engineer and try to resolve this issue. A separate agreement will probably have to be made between MWM and Bottomline, Inc. concerning these issues, and the settlement of the District's complaint of intervention in the peninsula litigation. Any conflict of interest issues will have to be researched before an agreement can be entered into

and the District would have to ask county court approval for any agreement with Bottomline, Inc. if there were actual conflict of interest or appearance of a conflict of interest as to Commissioners.

Adjournment

There being no further business to come before the Board, the Chairman adjourned the meeting at 7:05 p.m.

Approved this _____ day of _____, 2009.

Respectfully submitted

Approved

Tina Richardson
Assistant Secretary

Dave Kaufman, Chairman

Mary Peyton, Commissioner

Ralph Kearney, Commissioner