

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

**September 14, 2010
4:30 P.M.**

Commissioners present

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

Managers present

Barry Heller, General Manager
Tina Richardson, Business Manager
Todd Crook, Wastewater Manager

Attending

Vaughan Hankins, MWM legal counsel
Fred Oswald, Consulting Engineer
George Glenn, City Liaison
Mayor Mike Watson
David Jones, Marlar Engineering
Tom Martin, West Maumelle Limited Partnership

Call to order/Roll call

The Chairman called the meeting to order at 4:35 p.m. with all Commissioners present.

Approval of Minutes

After review, Commissioner Peyton motioned to approve the Minutes of the August 10, 2010 meeting as written. Chairman Kaufman seconded the motion, and motion passed unanimously.

Financial Report

The Board next reviewed and discussed the financial report for the period ended August 31, 2010 with explanation of various items given by Mr. Heller.

Manager's report

Mr. Heller reported no significant changes since the last meeting. Mr. Heller did report that the Sulfur Dioxide level readings have all been less than 5 ppm.

Old Business

Property Exchange Agreement – West Maumelle Limited Partnership (WMLP)

Mr. Hankins submitted a draft copy of the property exchange agreement for Board review and conditional approval. West Maumelle Limited Partnership will bear the cost for the title insurance, closing cost, and with Board approval, the District's legal fees associated with the exchange up to \$2,000 dollars. Commissioner Peyton said she has no problem with approval of the agreement, but she does not agree with closing until certain issues are discussed and agreed upon.

After further in depth discussion, and upon motion by Chairman Kaufman, seconded by Commissioner Kearney, and upon unanimous vote, the Commissioners approved the following Resolution as read by MWM's legal counsel:

Resolution

The draft "Property Exchange Agreement" is conditionally approved subject to the following: 1) MWM's counsel's modification of the agreement to require West Maumelle Limited Partnership's conveyance of an easement for ingress and egress to MWM's property as a condition to the agreement, and provision in the agreement that the exchange shall not close until all improvements in Phase 2A, Phase 5 and Phase 6 are completed and final plats recorded. (Those phases shown on the plat dated June 2010, Job #10-46): 2) West Maumelle Limited Partnership's conveyance of an easement to MWM's property satisfactory to MWM's counsel. This easement shall be from the current end of Maumelle Valley Drive through the proposed Sagamor Court also shown on the plat dated June 2010, Job #10-46. The legal description to be provided by the Engineer for West Maumelle Limited Partnership: 3) MWM's counsel's satisfaction with the language of the modified agreement.

MWM's general manager is authorized to sign the preliminary plat dated June 2010, Job #10-46 for Osage Terrace and Osage Hills so long as it is shown that the signature is "conditional approval" only and subject to the conditions regarding the Property Exchange Agreement and easement for ingress and egress to MWM's property.

Osage 2B Pump Station

Mr. Jones next informed the Board that the problem with the pump station has been worked out between the developers. The developers will be responsible, at their cost, to ensure that the pump station will be adequate to handle the wastewater flow for the Osage II B development.

New Business

Verizon Lease Termination

Mr. Heller was notified by a contractor, who was working for Verizon, that he had been hired by Verizon to remove some of their equipment from the tank site due to Verizon terminating their lease with the District. Mr. Heller informed the contractor that Verizon had not notified the District of their intention to terminate the lease. Mr. Hankins then stated that he had received a letter from Verizon's attorney admitting they were in error by not notifying the District in accordance with the provisions in the lease agreement about terminating the agreement and offered a \$6,200 termination fee to settle the matter and terminate the lease. This offer was not acceptable to the Board. The Board authorized Mr. Hankins to make a counter offer to Verizon of \$6,200 and Verizon's conveyance of the generator installed at the site to the District. Mr. Hankins and Mr. Heller will continue to negotiate with Verizon to try and resolve this matter.

Water Plant Discharge Permit/Treatment Changes

Lime Slakers are not working properly and are costing extra expense in employee overtime and causing poor water quality. Mr. Heller is going to research a Caustic Soda treatment process. Raw materials are more expensive than the lime that is currently being used, but it will stop the \$120,000 the District currently spends for the lime sludge removal each year, and this would reduce the amount of employee overtime.

2009 Audit Report

The Board was given a copy of the audit report for review only. Any questions will be addressed at the next meeting.

Engineer's report

Mr. Oswald had nothing to report at this time.

Attorney's report

Mr. Hankins stated the repeal ordinance will be discussed at the City's next council meeting.

Mr. Hankins stated that once the property exchange agreement has been settled with West Maumelle Limited Partnership, the District can go forward with working with the City to allow them to install a tornado siren system on the property.

Adjournment

There being no further business to come before the Board, Chairman Kaufman adjourned the meeting at 6:22 p.m.

Approved this ____ day of _____, 2010.

Respectfully submitted:

Approved:

Tina Richardson
Assistant Secretary

Dave Kaufman, Commissioner

Mary Peyton, Commissioner

Ralph Kearney, Commissioner

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