



# Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

June 17, 2025

**CALL TO ORDER** – The meeting of the Centerton Waterworks & Sewer Commission called to order by Commissioner Donald Casteel.

**(1) ROLL CALL** – Commissioners present: Melvin Coffelt, Robert Anderson, Donald Casteel, Michelle Haverkamp & TJ Wells. Centerton Utilities' present: Malcolm Attwood, Chad Klingler, John Daniels, and Mary Perkins, and Thresia Leimberg. Professional Services present: Jeff Dehnhardt and Tim Mays of ESI. City of Centerton present: Lorene Burns & Kayla Knight.

**(2) Pledge of Allegiance**

**(3) Approval of Consent Agenda:** Commissioner Casteel introduced the minutes of Centerton Utilities from May 20, 2025, and asked if anyone had questions or concerns. Commissioner Anderson requested two corrections for the minutes of the previous meeting: the date is corrected to May 20, 2025, and Commissioner Casteel's name updated in the last paragraph. Commissioner Anderson made a motion to approve the consent agenda with these changes. Commissioner Haverkamp seconded the motion. No members were opposed, and the motion was carried.

**(4) Old Business:**

a. **Attorney report – Harrington Miller Law Firm** - Did not attend meeting.

b. **Project Updates – Engineering Services, Inc.**

i. **Hwy 102 Water Tower #4:** Jeff Dehnhardt with ESI stated the following:

**Contract Section One – Site Work & Vaults – Jeff Dehnhardt with ESI:** We have continued to face challenges with the weather—this spring has been particularly wet, which has slowed progress more than anticipated. Despite that, Contract Section One is nearing completion. We are currently sitting at approximately 98% complete. Most of the payable work is complete, and we anticipate closing out the project under budget, with a modest reduction to the final contract amount. The only outstanding task is re-pouring the lid on one of the PRV vaults, located near Keller Road. Due to persistent muddy conditions, the crew has been unable to bring in a concrete truck without causing further site damage. That's the main source of delay at this point. Everything else is in good shape. Once the vault work is completed, we'll move forward with a final inspection and close out Section One.

**Contract Section Two – Tank and Painting:** If you've driven by the site, you've likely noticed recent **progress on the exterior paint**. That said, work has been slowed by the same wet weather and limitations related to humidity. We have strict parameters around when painting can take place, but despite the constraints, the outside of the bowl has received a solid coat, and the logo was completed yesterday. The crew has since moved inside the bowl for prep work ahead of hoisting. That part of the schedule has been pushed back slightly, with current plans to demobilize the paint crew on June 27. The bowl hoisting is now targeted for July 14, about a week and a half after the Fourth. Please note this date remains weather-dependent—high winds or rain could cause further delays. Once the bowl is raised, the contractor plans to accelerate the slab forming inside the column so that pump installation can begin sooner than originally scheduled. These adjustments aim to keep us on track to have water in the tank by the end of December. To date, we are 62% through the contract cost for Section Two.



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However, in terms of contract time, we're behind pace at 85%—reflecting the weather delays. The contractor is actively working to close that gap and maintain the end-of-year completion goal.

- ii. **Hwy 102 Widening – Utilities Relocations: Jeff Dehnhardt with ESI:** At our last meeting, I shared that we had resubmitted our plans to the Arkansas Department of Health in response to their previous comments. At this time, they have not yet issued approval. I checked their review portal yesterday. For reference, ADH uses a three-tier review process:

- First, the initial reviewer
- Then, the reviewer's supervisor
- Finally, the supervisor's supervisor

Each stage typically has **10 business days** allocated, meaning the full review cycle can take up to 30 business days. As of now, it appears they are using the full timeline at each step. The system currently shows that a comment letter is being drafted, rather than an approval letter. Based on that, I anticipate we will receive additional comments rather than final approval. We expect to hear from them within the next two weeks.

**Right-of-Way Acquisition Update:** The acquisition agent has begun preliminary work on the easement process. She is currently working on obtaining appraisals and is aiming for a representative mix—commercial, residential, and undeveloped properties—to help establish a fair valuation range. At this point, it's unclear whether any easements have actually been secured. She has also identified additional properties with unique characteristics that differ from the original group, and she plans to have those appraised as well. The strategy, as discussed with her, is to approach property owners with appraisals in hand. Having those numbers available upfront can help property owners better understand the value of their easements, which in turn may streamline negotiations and accelerate the acquisition timeline.

- iii. **Sanitary Sewer – Connection Options: Jeff with ESI:** Late last week, I met with Malcolm to review our 30% design plans. We had set a goal to reach the 30% milestone by this month, and I believe we've met that target. During our review, we identified a challenge with the proposed alignment — specifically, a stretch where obtaining an easement appears unlikely. As a result, we're planning to adjust the alignment slightly to the south. Instead of connecting at Shell Road as originally planned, the new alignment would tie in further south. The alignment is not yet finalized. We're working to schedule a site walk with Malcolm in the next couple of weeks to assess the area in person and determine the best route. The goal is to finalize a workable alignment based on those findings.

- iv. **Sanitary Sewer – Collection Systems Upgrades: Jeff with ESI:** Late last week, we met with Malcolm to review the progress of the sanitary sewer collection system upgrade plans. Based on that discussion, we estimate the plans are currently 40–50% complete. For design purposes, we are proceeding with a flow rate of 100 gallons per capita per day (GPCD). While a lower value was considered initially, we'll continue using the 100 GPCD standard unless or until the Health Department approves a reduction—potentially through a flow monitoring program that meets their requirements. This higher design flow has necessitated larger pipe sizes and expanded the overall project scope. In fact, some of the upstream (outer) lines are now larger than the downstream pipes, which is

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not hydraulically acceptable. To address this, the downstream segments will also require upsizing—extending nearly to the Allen Road Lift Station. As a result, the current project limits now stretch from near the Allen Road Lift Station on the east side, to Woodcrest Walk, near the old Centerton Café. Further refinement of the design has shown that pipe sizes will increase up to 24 inches, with a mix of 18-inch, 21-inch, and 24-inch lines under consideration. Initially, we expected to rely heavily on pipe bursting for installation. However, with the inclusion of larger pipe sizes (21" and 24"), pipe bursting is no longer a viable method for those segments. These sections will require open-cut installation, which significantly increases construction costs. We still believe pipe bursting remains feasible in certain upstream areas limited to 18-inch pipe, which could help control costs in those sections. However, overall, these design changes are pushing the project cost well above the original estimate. To put it into context: the original long-range planning estimate was \$2.7 million. With the larger pipe sizes, open cut requirements, and substantial flow rates changes, current projections suggest that the total cost could potentially triple. We are continuing to refine the estimate, but it's clear the final figure will be significantly higher than initially anticipated. Despite the cost impacts, we had a productive review session with Malcolm, and we are continuing to refine both the plans and the cost estimate to provide a more accurate picture as the project progresses.

- V. Decatur WWTP Status – Decatur Mayor Tharp:** So, I want to give you a quick update on the two major projects we've got going in Decatur right now. The first one—what we've been calling the *Headworks project* is on schedule. Construction is well underway, and we're still looking to have that wrapped up by the end of the year. That project will put us in a much better position to handle more flow coming into the plant.

The second project is called the *Decatur Internal project*—something we've managed to fund ourselves through financing and savings. This one's focused on boosting our membrane capacity, improving sludge handling, and completing our biological upgrade. We hit our submission deadline with the Health Department back on May 4, and while we haven't heard anything final yet, our engineers have been going back and forth addressing questions. So, we're moving along. Our goal here is to reach 5.25 MGD in capacity. We've already received the new sludge machine we purchased for about \$100,000, and we expect to spend another \$100,000 to get it fully installed and operational once the remaining parts arrive. Once that's in place, we'll be able to move sludge more efficiently and help keep the plant running healthier overall. On the membrane side, we've spent about \$3.2 million, but unfortunately, we got hit with some unexpected cost. There was a 25% tariff that's been in place since 2018 that we weren't initially aware of, and on top of that, an additional 30% tariff was applied. So, we're looking at roughly a 55% overage — about \$444,000 we're pulling from our savings to cover. We're also looking ahead at additional upgrades — things like UV disinfection and better thickening processes to help optimize the plant even further. We've still got a little money left from that original \$6.5 million we refinanced, and we plan to use it wisely to strengthen the system. A few hurdles ahead, but overall, we're staying on track.

One of the comments during the DEQ review asked whether the receiving stream is a *losing stream*. That question hasn't turned into a requirement yet, but it could per Jeff Dehnhardt with ESI. If it's determined that the stream is losing — meaning water is soaking into the ground rather than flowing downstream—Decatur might have to start dealing with nitrate and nitrite effluent limits. That would mean some denitrification at

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the plant, which is no small thing. The challenge there is that proving whether it's a losing stream involves a specific kind of study that can only be done during a low-flow period—what's called a 7Q10 event. And with the kind of wet year we've been having, there's a chance we won't even hit those conditions this summer. That could push testing back into next year. Jeff recommended that Decatur keep a close eye on that and work with their engineers to figure out if there's anything in the historical data that might help respond without delay.

**c. Director's Report:**

- i. Project Planning Worksheet (attached):** Utility Director Attwood reviewed the "Project Planning Worksheet" with the commission.
- ii. Field Operations & Customer Service Report:** Superintendent Klingler & Office Manager Perkins' reports are in the packet for the commission to review. They both stated there was nothing to report out of the ordinary unless anyone has questions. Superintendent Klingler stated the standpipe was repaired by USG. One thing to note on the standpipe: when they installed the geometry dome, they had to remove the exterior level indicator. When they came back to reinstall it, they didn't send the right crew or the right equipment. This issue has been dragging on since 2023, and we finally held up payment to get their attention. That seemed to do the trick, and from what I understand, everything's been taken care of now. We also had some SCADA rework done—there were a few programming flaws that showed up right in the middle of the transition from LEC back to our previous provider. That was kind of expected, and they're working through it now. It should be resolved in the near future.

**(5) New/Other Business:**

- a. Hiring Update – Operations –** Human Resource Manager "Thresia Leimberg": Since our last meeting, we've made some progress on staffing. We've hired two new wastewater employees and three for water construction. That brings us to fully staffed—all of our open positions are now filled.
- b. Commercial Deposits - Mary Perkins:** On the topic of commercial deposits—Mary provided a copy of the new deposit form in your packet. This is the form you all reviewed and approved last month. We've been working on refining the actual deposit amounts for commercial accounts, especially multi-family properties, like apartment complexes with multiple meters. That's where we're seeing the highest outstanding balances. Mary met with Commissioner Anderson, and together they came up with a structure that calculates the deposit based on the number of units served by each building, using the utilities schedule of fees as a baseline—specifically the minimum fees for water and sewer. That means if the fee schedule changes in the future, the deposit amounts will also adjust accordingly. For standard commercial accounts, they tied the deposit to meter size since that directly impacts billing amounts. So, the larger the meter, the higher the potential usage—and the larger the deposit. Mayor Edwards stated because this ties into fees set by city ordinance, they'll need to bring a formal update to the city council. Commissioner Anderson stated it might be a good opportunity to review all our fee schedules at once before submitting that. Mary Perkins stated: To be clear—the form layout itself was already approved by the commission, and our attorney reviewed the contract language. What we didn't have finalized at the time were the actual deposit amounts, which we now do. So, for now, we're still using the standard \$250 deposit, but once the council approves the new fee-based structure, we'll implement the new calculation. Commissioner Anderson recommended that the



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commission review this proposal now and then move to adopt it next month as part of a broader fee review.

- c. **Service Line Replacement Project -- Utility Director Attwood:** Right now, we're in the process of finalizing the work orders. We're preparing an initial batch of 30 work orders to hand off to the contractor when they arrive on site. We're expecting crews to get started within the next week or two once they mobilize.
- d. **Sanitary Sewer System – Hydraulic Analysis & Flow Monitoring – Utility Director Attwood:** In your packets, you'll find the proposal from RJN Group for the hydraulic analysis and flow monitoring of our sanitary sewer system. The total cost is approximately \$299,250.

Commissioner Wells raised the idea of possibly issuing an RFQ to explore additional proposals. Utility Director Attwood: Personally, I'm confident in RJN Group's qualifications—they've done substantial work in this field, particularly in nearby communities and I've been present at some of those meetings. I trust their experience, especially when it comes to sanitary sewer work and flow monitoring. That's why I reached out to them directly following our last commission meeting. Commissioner Anderson: That said, we understand the importance of staying in compliance with state law and contracting guidelines, including any requirements related to minority participation or procurement procedures. Given the urgent condition of our system, I believe we're facing what could be considered an emergency situation, and that we need to move forward quickly.

Commissioner Anderson made a motion to declare this an emergency situation and authorize the Utilities Director to proceed with finalizing a contract with RJN Group, subject to final review by legal counsel. Commissioner Wells 2nd the motion. All Commissioners were in favor and the motion passed.

- e. **ACT 605 Repair Invoices – John Daniels: Invoices Clifford Power \$3734.42 Sewer Account and Clifford Power \$19,199.14 Water Account.**

Commissioner Anderson made a motion to allow the invoices noted above to be paid out of the ACT 605 account. Commissioner Casteel 2nd the motion. All Commissioners were in favor and the motion passed.

- f. **BWRPWA 2025 Rate Study – Utility Director Attwood:** Just a reminder—the two-ton rate study was approved unanimously at last month's meeting. The implementation is automatic, so effective January 1, the rates will increase by \$0.35 per 1,000 gallons. Rates will also increase in 2027 and 2028, although those future adjustments will be re-evaluated based on which capital improvements they move forward with at that time. The full-rate study presentation is included in your packet for reference.
- g. **June 6<sup>th</sup> Regional Discussion – A brief recap – Utility Director Attwood:** I wanted to highlight a few key takeaways from the June 6 regional discussion. First, the Mayor of Gravette shared that their city plans to begin providing water to Hiwassee once their federal loans are paid off. That puts the timeline somewhere around **2040**, and while any infrastructure would still need to be purchased, it's something we should keep in mind moving forward. Second, it was made clear that interceptor capacity issues are

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affecting every major city in Northwest Arkansas. So, it's not just us—these challenges are widespread across the region, regardless of what's being said publicly. Another important point—there was discussion around regional wastewater planning models. Gentry is currently developing a dynamic hydraulic model of their system to help guide future planning. That's very much aligned with what we voted on today. With our new partnership with RJN Group, we're moving in the same direction. The goal is to have a real-time system model that allows us to evaluate how proposed developments will impact our infrastructure before they're approved. That's a smart, forward-thinking move for us. One comment that stood out—Mayor Gravette mentioned their plant is operating at just 30% capacity. Just an interesting data point to note. And finally, the population projections discussed were significant. By 2050, Centerton is projected to reach 50,000 residents, and we're also expected to serve around 14,300 Bentonville-addressed customers. Those numbers will need to be front of mind as we continue planning—especially when it comes to the wastewater connection and broader infrastructure needs.

**(6) Additional Items – Landscaping Proposal & Audit -- Utility Director Attwood:** I have a few items that weren't on the agenda. First, I've provided a landscaping proposal. As Mary Perkins can attest, this is from a contractor she's familiar with, and it includes two parts:

1. **Revitalizing the exterior landscaping** at the utility office—removing weeds, cleaning up the beds, and replacing mulch with decorative rock for easier long-term maintenance for \$7,254.00.
2. An **annual maintenance contract** to keep the landscaping in good shape going forward for \$1225.00.

This work wasn't included in the current budget, so we're bringing it to you for approval. The beds have become pretty overgrown, and we want to maintain a clean, professional appearance at our facilities.

Commissioner Anderson made a motion to authorize the Utility Director to proceed with contracting with Treemendous Landscape for both the revitalization and annual maintenance. Commissioner Wells 2nd the motion. All Commissioners were in favor and the motion passed.

Second, as of yesterday afternoon, we received the final draft of the audit. I do want to clarify that there was a preliminary version circulated earlier, but it wasn't fully updated. The correct draft was sent out yesterday. The auditor will be here for the final presentation, and I'm pleased to report there are no findings in the audit.

Third, NACA will not be meeting this month. Their regular meeting would have taken place this Thursday, but due to the holiday schedule, it's been postponed. That change was announced just yesterday.

## **(7) Resolutions – None**

## **(8) Public Comment –**

- Timeline for the Centerton Utility Sanitary Sewer Connection project, Centerton Utility Collection Systems Upgrades, & Decatur Plant upgrade project/approval delays may have an impact on developers' projects.



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- Capacity Uncertainty - a proposed increase to 5.25 MGD at the Decatur plant - is still pending Health Department approval; unclear how much additional capacity will actually be granted.
- Backlog of Lots – even if the Decatur upgrade is approved, it may only cover existing demand.
- Future Upgrades: To accommodate future growth, Decatur may need another major upgrade shortly after the proposed current improvements.
- Alternative Systems: Developers are exploring STEP systems as an interim solution, but face confusion about who has authority --- Water & Sewer or Planning.
- The absence of the Utility attorney at recent meetings and his lack of responsiveness.
- Questions about availability of meeting minutes for public access.
- In last year's audit, the final page showed gallons purchased but not paid for by users. Did the commission follow up in this year's audit?

**(9) Announcements** – None

**(10) Adjournment** - Commissioner Casteel asked the attendees if there were any questions. With no further business, Commissioner Coffelt made a motion to adjourn, Commissioner Haverkamp 2<sup>nd</sup> the motion. All were in favor and the meeting adjourned.