



Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

July 15, 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 & Tim Mays of ESI, Heather Owens of Harrington Miller, Auditor David Eaton of Przbysz & Associates, City of Centerton present: Mayor Bill Edwards, Lorene Burns & Kayla Knight.

(2) Pledge of Allegiance

Announcement – Meeting Format Change - Commissioner Donald Casteel: See Item 6d.

(3) Approval of Consent Agenda: Commissioner Casteel introduced the minutes of Centerton Utilities from June 17, 2025, and asked if anyone had questions or concerns. Commissioner Anderson made a motion to approve the consent agenda as presented. Commissioner Wells seconded the motion. No members were opposed, and the motion was carried.

(4) Audit Report – Przbysz & Associates: Mr. David Eaton of Przbysz & Associates presented the audit for the year ending December 31, 2024, and stated that the financial statements were free of material misstatements. He noted that the audited financial statements appear on pages 8–12 of the report, with notes on pages 13–30.

Mr. Eaton reported that changes in total current assets were primarily due to a reduction in restricted investments for bond issues. Capital asset additions in 2024 included grinder pump, water line, and downtown sewer improvements (\$871,406); a lift station addition (\$29,219); building signage (\$6,451); and vehicles, which resulted in a net increase of \$114,360. Contributed capital increased net position by \$4,590,039. Construction in progress included the Northwest Sewer Project (engineering only) and the new water tower (\$11,709,704).

Operating revenues increased by \$1,315,905, while operating expenses rose by \$962,300, primarily from payroll and water purchase costs. Net income from operations totaled \$3,161,527. A \$1,000,000 transfer was made to return unspent ARPA funds to the County.

Summary of Audit: The 2024 audit confirmed Centerton Utilities' financial statements were accurate, with net position growth driven by contributed capital, capital improvements, and major projects, including the new water tower.

Public Comment – Audit Question: Chris Mooney, a citizen of the City of Centerton, asked whether the audit report for 2023, which included the number of gallons of water purchased but not billed to customers, also contained the same information for 2024. He inquired if this information could be provided during the meeting.

Mr. Eaton responded that the data is included in the notes section of the audit report. Commissioner Anderson offered a copy of the report to Mr. Mooney during the meeting. Mr. Mooney clarified that he was requesting the specific number of gallons purchased and the corresponding dollar value for gallons that were purchased but not billed. After a brief review, Mr. Mooney withdrew the request, stating he now had the information needed.

Commissioner Anderson made a **motion** to accept the audit report as presented. Commissioner Haverkamp 2nd the motion. All Commissioners were in favor and the motion passed.

(5) Old Business:

a. **Attorney report – Harrington Miller Law Firm** - Nothing new to report.



Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

b. Project Updates – Engineering Services, Inc.

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

Contract Section One - 24" Water Mains: Installation of the 24-inch water mains is complete. Final cleanup work was completed last week, and closeout documents are being prepared. The project exceeded the scheduled completion date due to delays in vegetation reestablishment caused by wet weather. A reconciliation change order will be executed as part of the closeout, reducing the overall contract value by approximately \$96,000, bringing the final cost below the current contract amount.

Commission Discussion: Commissioner Anderson asked if the water line had passed its final inspection. ESI confirmed that the inspection was completed approximately one week ago Tuesday. Staff noted that there had been a couple of complaints received during the process, which were addressed.

Contract Section Two – Tank and Painting: The bowl of the storage tank was hoisted to the top of the column yesterday in approximately seven-inch increments until fully in place. The contractor will now focus on welding the top portion of the tank and completing additional painting while the bowl remains elevated. This work is expected to continue into early to mid-October.

ii. **Hwy 102 Widening – Utilities Relocations: Jeff Dehnhardt with ESI:**

ESI reported that comments had been received back from the Health Department on the Highway 102 widening utility relocation project. The comments were minor, including typographical corrections and slight discrepancies between plan and profile views. These items are being addressed, and the project is expected to be resubmitted to the Health Department this week for review.

In response to a question about easement acquisition, ESI stated that initial contact letters are anticipated to be sent to property owners this week or next. Some landowners have already been contacted. The acquisition agent has obtained representative appraisals for different property types along the project route. While no easements have been finalized, the process is well underway and proceeds according to plan.

ESI confirmed that the Arkansas Department of Transportation (ARDOT) bid for the widening project is still expected in the Spring of next year. The bid schedule remains contingent on the completion of all necessary utility relocations.

iii. **Sanitary Sewer – Connection Options: Jeff with ESI:**

ESI presented two alignment options for a potential connection to the Northwest Arkansas Conservation Authority (NACA), as shown in the meeting handout exhibit. The initially preferred alignment included a 500-foot segment near Shell Road that could not be made workable due to proximity to existing utilities and the narrow approach to NACA's line; accordingly, two alternatives are now under evaluation:

- **Option 1 (Blue – Preferred):** Approximately 6,400 feet of force main and 3,700 feet of gravity main, connecting to NACA near Opal Road, northwest of the Walmart D.C. This option would require easement acquisition from 7 landowners.
- **Option 2 (Green):** Connection to NACA along Rainbow Farm Road. Length is similar to Option 1 but would require coordination with 19 property owners and has greater utility congestion due to an existing Bentonville gravity sewer along Rainbow Farm Road.

ESI noted Option 1 is currently preferred due to fewer easements and less congestion. Cost estimates for both options are in progress and will be submitted to the Utility Director upon completion. Commissioners acknowledged the exhibit and thanked staff for the visual.

iv. **Sanitary Sewer – Collection Systems Upgrades: Jeff with ESI:**

ESI reported on collection system upgrades addressing Arkansas Department of Health (ADH) capacity concerns for areas primarily serving the west and northwest parts of town. After extended discussions with ADH regarding use of a value lower than

517 North Main ♦ Centerton, Arkansas 72719-9400

www.centertonutilities.com ♦ admin@centertonutilities.com

Office: (479)795-0222 ♦ After Hours Emergency: (479)633-1421



Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

100 gallons per capita per day (gpcd) for capacity evaluations, ESI noted that ADH has not approved an alternate value. Given the time sensitivity of multiple projects on hold, design has proceeded using 100 gpcd, resulting in larger, more complex, and more costly infrastructure than originally anticipated.

Plans are approximately 95–96% complete and will be submitted to the Utility Director Attwood for review prior to their first submittal to ADH later this week. Staff stated that any review comments from ADH will be addressed promptly.

In response to questions, ESI confirmed that portions of the project area overlap with areas previously improved. Because the higher 100 gpcd value is being used, the project scope has been extended and will require upsizing lines down to the Allen Road lift station, thereby including some segments that were already upsized to address earlier ADH concerns.

V. Decatur WWTP Status – Decatur Mayor Tharp:

Mayor Bob Tharp reported that the City of Decatur continues working toward Arkansas Department of Health (ADH) approval for an expanded capacity rating at the wastewater treatment plant. He stated that Decatur maintains a strong, ongoing relationship with ADH and is in regular communication with agency staff regarding the capacity increase application. He reported that ADH is actively reviewing the application in coordination with Decatur's engineering firm, responding to questions, and addressing issues as they arise. Mayor Tharp noted that certain procedural steps, such as required public hearings, may extend timelines due to statutory 30-day comment periods.

Decatur Current Projects

- **Headworks Project** – Mayor Tharp reported that the headworks equipment installation is on schedule for completion by December. A project coordination meeting with the contractor and engineer was held last week.
- **Plant Capacity Improvements** – Membranes have been delivered and are stored on site. A permit from ADH is being sought for their installation. Sludge processing equipment has also been delivered, with installation beginning immediately. Equipment deliveries have been ahead of schedule, and weather conditions have been favorable, resulting in minimal lost workdays.

Decatur Capacity Planning Discussion

Mayor Tharp discussed the projected lifespan of the pending 5.25 MGD capacity rating, noting the actual approved value could be slightly less. He presented a capacity projection spreadsheet based on the number of residential units (approved and proposed), calculated using 2.8 persons per unit and 100 gallons per capita per day (gpcd). The numbers indicated below are subject to review. There was some pushback on the actual units in the pipeline being much higher.

- **ADH-Approved Units:** Decatur – 168 units; Centerton – 924 units
- **Proposed (Not Yet ADH Approved) Units:** Decatur – 741 units; Centerton – 981 units

Based on these counts, Mayor Tharp stated that full build-out of both approved and proposed units would result in an estimated 4.46 MGD of usage, which is near the 4.2 MGD (80%) planning threshold but still within the projected 5.25 MGD capacity. He estimated that Decatur could accommodate approximately 20,545 additional residents and Centerton approximately 5,334 additional residents under the current standard, assuming no change in proposed unit counts.

Mayor Tharp cautioned against granting development approvals that could create false expectations for developers prior to capacity being available. He stressed the need for proactive planning for the next expansion of the plant, which will be a joint project between Decatur and Centerton under the wastewater contract. The expansion could increase capacity by approximately 50% and would represent a significant capital investment. He further noted that the location of future facilities may need to be reevaluated if capacity is expanded to 12.5 MGD or higher.



Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

Mayor Tharp advised that the City of Tulsa has an interest in the project due to downstream watershed impacts. He stated that public hearings will be part of the capacity increase process and agreed to notify the Commission of any scheduled hearings so that formal comments can be submitted.

Mayor Tharp concluded by offering to share his spreadsheet calculations with the Commission and work collaboratively to refine projections.

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.

Superintendent Klingler reported that Field Operations activity is currently business as usual and busy, with no specific updates unless there were questions from the Commission. One commissioner asked about the status of the Allen Road Lift Station pump. Superintendent Klingler reported that over the past weekend, the Allen Road Lift Station was operating with only one functioning pump. He noted that the pumps have an average operational lifespan of approximately 2,000 hours before requiring rebuild. Rebuilding pumps through the original manufacturer costs about 80% of the price of a new pump, so an aftermarket repair shop has been used; however, one recently repaired pump had to be returned for corrective work at no cost due to a repair error.

He further explained that Rogers has experienced long-term success using Flygt pumps, with some operating for ten years without removal. Flygt pumps are considered industry standard and top-of-the-line. The Allen Road Lift Station has historically faced challenges due to limited manpower during its early operation, which resulted in missed preventative maintenance such as protecting VFD panels from H₂S gas corrosion. While mitigation efforts have been made, existing damage to electrical components continues to require attention.

Superintendent Klingler noted that Flygt now offers a coupler that would allow new pumps to fit the current pump seats without major modifications, avoiding a previously estimated \$100,000-per-pump upgrade cost. He recommended considering Flygt pumps as a replacement option to improve reliability.

Commission Discussion

Commissioners agreed that the issue should be included in upcoming budget discussions. It was noted that the City's lift stations currently use pumps from multiple manufacturers, requiring the stocking of varied parts and complicating maintenance. Commissioners recommended exploring the standardization of lift station equipment to reduce maintenance complexity and improve operational efficiency.

Superintendent Klingler stated that efforts to standardize equipment began approximately two years ago and have already been implemented for the SCADA system. He noted that while some variability in components is unavoidable due to differing amperages and flow rates, adopting Flygt pumps could be incorporated into updated standard specifications for future developments. Commissioners expressed support for including such specifications to ensure new lift stations are constructed with standardized equipment.

Follow-Up: The Commission agreed that this matter will be revisited during the upcoming budget planning sessions to evaluate funding options for pump standardization and potential replacement at the Allen Road Lift Station.

(6) New/Other Business:

- a. **Service Line Replacement Project** – Superintendent Klingler reported that the service line replacement project recently began. Communication with the contractor has been positive. To date, six service lines have been replaced since work started

517 North Main ♦ Centerton, Arkansas 72719-9400

www.centertonutilities.com ♦ admin@centertonutilities.com

Office: (479)795-0222 ♦ After Hours Emergency: (479)633-1421



Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

approximately a week to a week and a half ago, though rain delays have occurred. He stated that this represents an improvement in output compared to in-house capabilities, and progress is expected to continue.

- b. **Workplace Immunization Program Update:** Human Resource Manager Leimberg reported that options are being reviewed for administering Hepatitis A & B and Tetanus vaccinations to employees. Conservative Care, the clinic currently providing Centerton Utility drug screening, workers' compensation services, physicals, and alcohol testing, has quoted \$236 per dose for Hepatitis and \$75 per person for Tetanus vaccinations. She noted that many employees may already have Hepatitis B immunity from prior vaccinations. Conservative Care can provide a blood draw for \$60 to verify immunity, which may prevent unnecessary vaccinations. The Hepatitis series is offered in two or three-shot schedules. Conservative Care is able to administer vaccines on-site if there is a large enough group. Several new hires over the last few months will need to be scheduled for vaccinations. She has contacted other clinics for pricing but has not yet received responses. Commissioner Anderson stated the Utility Director can make decision regarding which clinic to use.

c. **Sanitary Sewer System Hydraulic Analysis & Flow Monitoring:**

Utility Director Attwood reported meeting with RJN Group last week to review and revise their proposal for emergency flow monitoring services. The revised proposal aligns with project requirements and timelines. The updated contract for a 12-month flow monitoring period is \$364,270, with the option to review and adjust the amount annually upon renewal. The "collected monitoring data" will be incorporated into the dynamic flow model, which has a separate contract amount of \$169,000. Both contracts are linked, and the monitoring data will be used to calibrate the model.

It was confirmed that RJN Group will begin model construction concurrently with the flow monitoring so that calibration can occur once sufficient data has been collected. Calibration is anticipated in the spring or summer. The model will allow Centerton Utilities to evaluate the impact of new developments on the system.

A Commissioner requested that a monthly one-page progress summary be provided to track flow monitor installations, data collection, and model build-out status. The Centerton Utility Attorney will confirm that proceeding under the emergency declaration is allowable without a formal bid process.

Staff noted that the Commission previously authorized emergency contracting for this work and that last week's meeting was specifically to negotiate project timelines and terms.

d. **Updated Process for Public Comments – Commissioner Casteel:**

Going forward, during the public comment segment of the meeting, individuals wishing to address the Commission must proceed to the designated speaker podium, clearly state their name, and obtain recognition from the Chair before making their comments. Each speaker's remarks are limited to three (3) minutes. Additional time may be requested and may be granted at the sole discretion of the Chair.

No formal action will be taken during the meeting; however, all comments will be carefully considered and taken under advisement. The Commission reserves the right, at any time during the meeting, to request comments from a specific attendee on subjects listed in the meeting agenda.

To ensure clear and accurate communication, the Commission and its representatives will not provide estimated timelines for actions dependent on variables outside the control of the Commission or Centerton Utilities. Specifically, for matters requiring approval from external agencies—such as the Arkansas Department of Environmental Quality (ADEQ) or the Arkansas Department of Health (ADH)—the Commission acknowledges that it has no authority over other agencies' timeline.



Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

(7) **Resolutions – None**

(8) **Public Comment –**

- **Skip Anderson, Anderson Custom Homes** – Expressed appreciation for the initiation of the flow monitoring contract and shared concerns regarding recent changes to public comment procedures, the absence of specific project timelines in updates, challenges in reaching the utilities attorney, and the potential for financial impacts to his company related to easement matters.

☐ **Chris Mooney** – Referenced audit data showing notable water loss and estimated \$1.6 million in unbilled water, recommending consideration of consultants to help address the matter; also suggested enhancing public accessibility to audit summaries, meeting minutes, and broadcasts.

☐ **Melinda McAlindon, State Representative** – Highlighted the value of making information easily available to interested parties and recommended that reports also be shared with the City Council prior to each monthly meeting for members who are unable to attend.

☐ **Gavin Edwards, Big Sky Subdivision** – Thanked the Mayor of Decatur for providing capacity information and noted the importance of making relevant data available to help developers make informed business decisions; encouraged evaluating potential alternatives to address capacity constraints that may take years to resolve.

Commission Responses

- **Water Loss** – Commissioners explained that the utility's water loss rate of 32–33% is slightly above the state average and results from numerous small leaks rather than major failures. They noted that significant funds have been spent over several years on leak detection, repairs, and service line replacements, but water loss cannot be entirely eliminated.
- **Capacity and Transparency** – Commissioners acknowledged concerns about capacity and investment transparency, noting that Centerton is experiencing rapid growth and that the RJN Group's work will provide better system capacity data. They discussed pursuing a future ordinance or resolution requiring new developments to provide their own sanitary sewer and water studies, similar to other regional utilities, with the City serving as a resource.

(9) **Announcements – None**

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