



# Centerton Utilities

(Water/Wastewater Departments) (Franchised Utility Permitting)

August 19, 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, City of Centerton present: Mayor Bill Edwards, Lorene Burns & Kayla Knight.

**(2) Pledge of Allegiance**

**Announcement – Commissioner Donald Casteel:** Reminder that a public comment session is available towards the end of the meeting. Attendees are welcome to come forward at that time with any comments.

**(3) Approval of Consent Agenda:** Commissioner Casteel introduced the minutes of Centerton Utilities from consent agenda July 15, 2025, and special meeting agenda July 30, 2025. He asked if anyone had questions or concerns. Commissioner Anderson made a motion to approve both sets of minutes as presented. Commissioner Wells seconded the motion. No members were opposed, and the motion was carried.

**(4) Old Business:**

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

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

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

**Contract Section One - 24" Water Mains:** The line work portion of the project, is now complete per ESI. All closeout documents were issued last week. As previously reported, the reconciliation change order reduced the contract price by approximately \$96,000. This reduction did not affect the amount paid to Timco, as they had already earned the full contract value; the adjustment was primarily an accounting procedure. The project is now complete, in service, and providing benefit to the system.

**Contract Section Two – Tank and Painting:** It was noted that Contract Section Two, the tank project, is approximately two-thirds complete in terms of cost to date. The tank bowl has been hoisted to the top of the column, and erection of the tank is expected to be completed this week. Welding crews will demobilize at week's end, and the painting crew will remobilize next week to begin coating the structure. Painting is expected to continue for approximately six weeks, with full completion anticipated in October. At the last progress meeting, the substantial completion date was extended by five days, to January 5, 2026. ESI emphasized to the contractor the importance of timely completion, and the contractor acknowledged these concerns. Updates will be provided if further schedule adjustments occur.

ii. **Hwy 102 Widening – Utilities Relocations: Jeff Dehnhardt with ESI:** The Commission was updated that revisions previously submitted to the Arkansas Department of Health (ADH) generated another round of minor comments on August 12, 2025 (three in total). ESI staff are preparing responses and expect to resubmit revised plans by today or tomorrow.

iii. **Sanitary Sewer – Potential Connection Option with NACA: Jeff with ESI:** The Commission received an update from ESI on the potential connection to NACA. ESI Field work and survey of the alignment options have been completed, and design plans are approximately 40% complete. It was clarified that placing the item on the NACA board agenda would not represent a binding



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agreement or financial commitment, but rather an opportunity to open negotiations on what a future connection agreement could look like.

Commissioner Anderson made a ***motion to authorize*** Utility Director Attwood, as the Commission's representative, to request that the potential Centerton Utilities connection be placed on the NACA board agenda for discussion and consideration. Commissioner Wells seconded the motion. The motion carried unanimously.

iv. **Sanitary Sewer – Collection Systems Upgrades: Jeff with ESI:** ESI reported that design work is ongoing and is being developed along two paths:

- **Scenario A:** Connection to NACA moves forward, resulting in one design approach.
- **Scenario B:** If no NACA connection is pursued, lines from the McDonald's area to the Allen Road lift station must be upsized to accommodate additional flow.

Plans are estimated to be 75% complete, and staff are addressing comments from a recent review meeting with Utilities staff. Submittal to the Arkansas Department of Health is anticipated in the near future. It was noted that, depending on the outcome of the NACA connection, the project could be structured to bid both the larger and smaller diameter mains simultaneously, providing flexibility to proceed under either scenario. Bidding is tentatively expected in early 2026, although the timeline remains dependent on the Arkansas Department of Health's review process, which is anticipated to require multiple rounds of review.

v. **Decatur WWTP Status – Decatur:** James Boston with Decatur reported that construction remains on schedule. The last of the major concrete pours was completed this week, including the headworks structure, which is now backfilled and awaiting equipment deliveries. Equipment shipments, including bar screens, are expected within the next few weeks. Substantial completion is scheduled for December 31, 2025, with the possibility of earlier completion.

The new sludge press is scheduled for start-up on September 8, 2025, which will significantly enhance treatment capacity. A public hearing regarding the new permit is anticipated in the coming weeks, with final issuance expected by year-end. The requested permit was for 5.25 MGD; however, it appears the final approval will allow 5.36 MGD, based on modeling results and recent discussions with regulators.

Mayor Tharp emphasized confidence in financing options for future expansion, noting that Decatur is already working with engineering firms and pursuing state grants. Population growth projections show Centerton reaching approximately 50,000 residents within 10 years, necessitating eventual expansion of the facility to a 10 MGD plant. He cautioned the Commission to carefully consider long-term commitment to Decatur as opposed to diverting flows elsewhere and emphasized the importance of cooperation between both cities to maintain alignment on wastewater planning.

**Commissioner Anderson** asked about financing, and Mayor Tharp confirmed that non-bond funding routes were being pursued, with strong support at the state level.

**The Commissioners** thanked Mayor Tharp for his presentation to the Centerton City Council. They noted that remaining with Decatur may represent the most economical option and expressed that this would be the preferred method of wastewater treatment, provided that capacity needs are met.

## **Contractual Review with Decatur**

Commissioner Wells stated the potential need to revisit the current wastewater services agreement with Decatur. He suggested a working session to review and update terms related to financing, maintenance responsibilities, and billing practices, to ensure the agreement remains equitable as capacity is expanded. Staff will bring this forward on agenda for future discussion.



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## C. Director's Report:

### i. **Project Planning Worksheet (attached):**

Utility Director Malcolm Attwood reported that the project planning worksheet now includes an additional spreadsheet listing the developments and subdivisions currently on the books. He noted that the worksheet in its current form, provides only a broad overview of all development activity within Centerton Utility service area. Commissioner Anderson reiterated his request to receive a detailed priority list. Mr. Attwood responded that the priority list has been developed and he stated he would provide it.

- ii. **Customer Service Report:** Office Manager Mary Perkins presented a hardship request from a customer who experienced two significant service line leaks. The first leak had been repaired earlier in the year, and a rate adjustment was granted at that time. A second, more severe leak has since occurred, resulting in usage of approximately 400,000 gallons. Under current policy, customer service is authorized to provide up to a six-month payment arrangement. Due to the severity of the circumstances, the Office Manager requested Commission approval to extend the hardship payment plan to 12 months and to provide an additional rate adjustment.

Commissioner Anderson ***moved to authorize*** a one-time exception allowing a 12-month hardship payment arrangement and a rate adjustment for the customer. Commissioner Wells seconded the motion. The motion carried unanimously.

**Field Operations Report** - Superintendent Chad Klingler: Service line replacement with the subcontractor began in early July. To date, they have completed twelve short-side services and five long-side services. Communication with the contractor has been effective, and the pace of work continues to improve as processes are refined. To support these efforts, the Asset Manager has been temporarily assigned to assist field operations to coordinate paperwork and work orders, track subcontractor activity and maintain accurate records of work completed. This approach ensures accurate documentation of current work and will enhance our ability to forecast and plan future service line maintenance projects.

Commissioner Anderson: During our status review with RJN yesterday afternoon, several initial data requirements were identified that we need to support. It has been suggested that the Asset Manager could provide some assistance in meeting these needs. While the tasks you have assigned to him are also important, I believe we will need to balance priorities to ensure this initial field data is completed. Utility Director Attwood: The information we received yesterday was lacking. I will follow up with RJN and ask them to email us their specific requirements so we have everything in writing. Based on yesterday's meeting, I don't anticipate a problem meeting their request once we have that clarification.

Centerton Utilities is approximately ninety-seven percent complete with Act 605 requirements for asset tracking and depreciation on the water system. This progress has been accomplished through the work of the Asset Manager.

Utility Director Attwood: Replacement display units for the Allen Road and Decatur mag meters have been ordered. He will follow up on the order status, and once the units are received, the electrician will complete the installation.

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

### a. **Field Equipment**

- i. **Broken Trailer** - Red Klingler: Reported that the original dovetail trailer has been out of use for some time due to a snapped frame. The trailer was not originally designed for heavier equipment and, after years of use, became unsafe. Scrapping the trailer would not generate enough revenue to cover the cost of a new pipe rack. Staff proposed dismantling the trailer and repurposing usable parts to build an additional pipe rack for storage. Also, he stated the utility now has two tilt trailers and two dump trailers with hydraulic lifts, which have been effective. The broken trailer has been phased out and no longer serves a purpose as equipment.



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Commissioner Anderson made a ***motion***, seconded by Commissioner Wells, to authorize staff to dismantle the broken trailer and repurpose usable parts to build a pipe rack. All were in favor and the motion carried unanimously.

- ii. **Jeep Renegade** - Utility Director Attwood: Reported that the Jeep Renegade purchased for office use has become unreliable. Issues include an intermittent fuel gauge and other mechanical concerns. The vehicle is no longer needed, and he recommends declaring it surplus and listing it for sale on GovDeals, with proceeds returned to the vehicle fund.

Commissioner Anderson made a ***motion*** to declare the Jeep Renegade as surplus. Commissioner Wells seconded the motion. Motion carried unanimously.

- b. **Act 605 Repair Account Invoices** : Utility Director Attwood: Presented invoices related to service line replacement under Act 605. Commissioner Casteel: Noted that there were two invoices presented: one for \$1,870 and one for \$25,570.

Commissioner Anderson made a ***motion*** to authorize payment of the two invoices from the Act 605 account. Commissioner Wells seconded. Motion carried unanimously.

- c. **Step/Decentralized Wastewater Treatment Systems - Legislative Update – Act 935 - Limitation on Issuance of New Water Permits**: Utility Director Attwood: Reported on legislative updates recently distributed to municipalities. Act 935, effective August 1, stipulates that ADEQ cannot issue new permits or modify existing permits to increase design flow for a non-municipal domestic sewer treatment works within five miles of an existing publicly owned treatment works collection system.

- This effectively prohibits approval of “pocket plants” or decentralized systems within five miles of Centerton’s system (measured from city limits).

Commissioner Anderson: Commented that this new law essentially “puts the kibosh” on that idea unless an exception applies.

Attorney Owens: Noted there are two exceptions under Act 935:

- 1. If the applicant can demonstrate a significant threat to pollution.
  - 2. If the applicant can demonstrate there is no other viable, cost-effective alternative.
- However, Owens emphasized that these exceptions have not yet been tested, and it is unclear what level of proof DHS/ADEQ would require.

Commissioner Casteel: Clarified that the law changes the direction of the Commission’s prior discussion on decentralized wastewater or STEP treatment plants. At the last meeting, the Commission had considered moving forward with a resolution and approvals for contractors, but the state’s new restrictions now block that path. However, if a contractor can obtain state approval under an allowed exception, the Commission could still consider the request.

- d. **Sanitary Sewer System Hydraulic Analysis & Flow Monitoring**: Discussed earlier in the Field Ops reporting.

## **Flow Monitoring Project:**

The Chairman introduced **Colton Bryant of RJN Group** to provide an update on the flow monitoring project. Mr. Bryant reported that **nine flow monitors and five rain gauges** have been installed citywide, with approximately 30 days of

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monitoring already completed. The project will continue for at least 12 months, with the goal of capturing major rainfall events and developing a calibrated, dynamic hydraulic model for Centerton's sewer system.

This model will:

- Identify existing system constraints.
- Support planning for future growth scenarios.
- Size pump stations and gravity mains for future capacity.

Mr. Bryant noted that current flows are low due to dry conditions but show no immediate concerns. Commissioners requested that monthly flow graphs be provided to the Utility Director for tracking purposes.

**Commissioner Casteel** asked whether significant rainfall events collected in the coming spring could be combined with the nine months of data already submitted to the state to seek earlier reconsideration of the 100 gpcd limit. Mr. Bryant confirmed that this is possible and would allow the city to move forward sooner if sufficient data is available.

- e. **Easement Acquisition for 102 Widening – Utilities Relocations** - Utility Director Attwood: Reported on easement acquisition progress related to the Hwy 102 utility relocations. A large, color-coded handout was provided:

- Green: Agreements reached with property owners (settlement amounts shown).
- Orange: Active negotiations in progress.
- Gray: Developments along Hwy 102 where needed easements are being provided through the development process/right-of-way.

Attwood noted that this was one of the first and most comprehensive updates provided by Cassie and that it should give the Commission a clear picture of current status. Commissioner Anderson: Observed that good progress is being made. Utility Director Attwood: Stated that any exorbitant easement requests would be brought to the Commission for review. He noted that the Arkansas Highway Department has been paying higher amounts in some cases, but those payments were for right-of-way acquisitions (taking land outright) rather than utility easements. Commissioner Wells: Expressed appreciation for the clear approach and stated the chart should be updated monthly for the Commission's review. Utility Director Attwood: Confirmed that acquisitions are nearly complete, and staff will continue providing updates as needed.

- f. **Training / Certificates.** TJ Wells will confirm dates once Act 605 training is scheduled and provide certificate upon completion.
- g. **Mayor's Bill Edwards Comments & Request for Joint Meeting:** I wanted to follow up on the email I sent after our City Council meeting last week. We spent about an hour and 20 minutes on water and sewer, and I appreciate Mayor Thorp for giving a very thorough update. That said, I was disappointed that no one from the Water & Sewer Commission attended. Going forward, I think it's important that either a commissioner or staff member be present at each Council meeting to answer questions directly. The Council has also requested a joint meeting with this Commission next week at the city courthouse building. I'll provide a list of questions in advance, and Council members may add more. The goal is simply to work together, answer questions, and build understanding. One of the topics will be a contract currently under review by the City Attorney. We've also had requests for more transparency: posting minutes on your website and making audio recordings available, through YouTube. Our staff is happy to help with this if needed. Lastly, I'd like someone to notify Gavin Edwards about Act 935, since he's been a strong supporter. And before I finish, I want to thank Commissioner Anderson for attending a prior Council meeting—his update was very much appreciated."

Commissioner Casteel made a ***motion*** for the Commissioners to schedule a joint special meeting with the City Council for August 26<sup>th</sup> at 6:00 P.M. Commissioner Wells seconded the motion. All members were in favor and the motion passed.

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(6) **Resolutions – None**

(7) **Public Comment –**

- **Wendy Henson** thanked Mayor Tharp for attending and emphasizing the importance of transparency and collaboration. She suggested that Commission meetings be moved to the courtroom to allow for recording, as discussed at a prior special meeting. She noted that full transparency is essential, including accurately reflecting public comments in the minutes. Recording meetings would help council members, business owners, and residents who cannot attend in person, while also building trust and understanding around sensitive issues such as water and sewer rates.
- **Skip Anderson, Anderson Custom Homes** – He expressed appreciation for the positive and cooperative tone of the meeting, noting it was more amiable than past sessions. He also thanked Mayor Tharp for his recent City Council presentation, acknowledging his late nights and hard work on behalf of the City of Centerton. Anderson added that without the Mayor's efforts, the city could be in a difficult position. He closed by thanking both the Commission and the Mayor.
- **Chris Mooney** – Stated that in 2023 the water loss rate was 41.4%, representing approximately \$1.26 million in unbilled water (based on audit figures – water purchased versus water billed). Compared this to 2022, when the rate was 42.4% (about 503 million gallons). Urged the Commission to seek outside assistance to address the high-water loss, calling it the second largest cost item for the utility. Asked how much has been spent this year on outside service line work and how much is budgeted to address this issue going forward.
- **Mayor Tharp:** Commended the overall positive tone of the meeting but cautioned that public comment is not the time for detailed back-and-forth debate. Suggested the Commission and Mr. Mooney meet separately to review the budget, audit, and water loss in detail.

(8) **Announcements – None**

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