MINUTES OF A MEETING OF THE CITY COUNCIL May 20, 2003

A meeting of the Fayetteville City Council was on May 20, 2003 at 6:00 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

PRESENT: Alderman Reynolds, Thiel, Cook, Marr, Rhoads, Davis, Jordan, Mayor Coody, City Attorney Kit Williams, City Clerk Sondra Smith, Staff, Press, and Audience.

ABSENT: Alderman Lucas

CONSENT:

Approval Of The Minutes: Approval of the May 6, 2003 meeting minutes and approval of the January 7, 2003 meeting minutes.

Arkansas Forestry Commission Grant: A resolution authorizing the Fayetteville Parks and Recreation Division to apply for an Urban Forestry Assistance Grant in the amount of $20,000.00 through the Arkansas Forestry Commission.

Resolution 70-03 As Recorded In The Office Of The City Clerk.

Citizen's Survey: A resolution approving a proposal from the Survey Research Center (SCR) at the University of Arkansas in the amount of $23,639.64 with a not-to-exceed cost of $25,000.00 for the development and implementation of a Citizen Survey.

Resolution 71-03 As Recorded In The Office Of The City Clerk.

Fayetteville Public Library as City Library: A resolution establishing the Fayetteville Public Library as an independent Municipal Library; and ending the Interlocal Agreement for a joint City/County Library system with Washington County, Arkansas.

Resolution 72-03 As Recorded In The Office Of The City Clerk.

Mobile Vision: A resolution awarding Bid #03-34 to Mobile Vision, Inc. in the amount of 66,884.00 for the purchase of 17 in-car video systems, and the upgrade of the 144X zoom camera.

Resolution 73-03 As Recorded In The Office Of The City Clerk.

Carter Burgess Architects/Engineers, Inc.: A resolution approving a contract with Carter Burgess Architects/Engineers, Inc. in the amount of $42,536.00 for design and engineering services associated with the Lake Fayetteville spillway pedestrian bridge project; and approving a ten percent project contingency.

Resolution 74-03 As Recorded In The Office Of The City Clerk.

Alderman Jordan moved to approve the consent as read. Alderman Davis seconded. The motion carried unanimously.

Mayor Coody pulled the following item from the consent so there could be discussion on the item:

Fayetteville Public Facilities Board: A resolution ratifying the resolution of the Fayetteville Public Facilities Board authorizing the issuance of Fayetteville Public Facilities Board Multifamily Housing Revenue Bonds (Grandview Apartments Project), Series 2003 in a principal amount not to exceed $3,700,000.

Mayor Coody said there have been some changes made so we want to understand what is right.

Jim McCord Council for the Public Facilities Board said on April 21, 2003 the Facilities Board adopted a resolution approving the issuance of a bond issue not to exceed $3.7 million to renovate the Grandview apartments on the south side of town. I have distributed a memorandum this evening stating the reasons the developer has requested an increase in the bond issue from $3.7 million to $4,070,000. The board has approved this change and a Public Hearing was held after proper notice and no member of the public showed up. The memorandum from Bond Council points out that under federal tax law a second public hearing is not required because the increase in the bond issue was no more than 10% of what was originally approved. The project remains the same the bonds are special obligation bonds with no potential liability to the City, the City Council or the Facilities Board. I request that ratifying the resolution be approved this evening so the project can go forward.

Mayor Coody said the number amount changed after the Public Hearing and no one attended the Public Hearing is that correct.

Mr. McCord said that is correct.

Mayor Coody said in the memo from Kutak Rock says an amending resolution will go before the Board prior to a Public Hearing being held.

Mr. McCord said that has been changed to after a Public Hearing has been held. Mr. McCord said the purpose of the Public Hearing is to explain the project, the project has not changed, there has been an increase in the size of the bond issue as allowed by law is the only change. The Facilities Bond did approve this change this afternoon for the $4,070,000.

Mr. Rhoads asked if a notice went out to the Public for the hearing and if so was the amount stated in the notice.

Mr. McCord said yes. It was published in the Arkansas Democrat Gazette.

Alderman Rhoads said with the $3.7 million. That doesn't impact the fact that the notice was less than the actual bond issue that is being requested now.

Mr. McCord said he raised that very question with the Bond Counsel and his explanation is pointed out in the last paragraph of the memo that they prepared and I distributed just before the City Council meeting. This increase in the bond amount does not require a new notice of Public Hearing due to the fact that a change of 10% or less is considered under the IRS regulations to be an insubstantial deviation from the amount published in the notice. The IRS section applicable is sited. I am very comfortable as Counselor and issuer that everything is legal and I'll have to issue an approving opinion for the bond issue as will Bond Counsel Kutak Rock.

Mayor Coody asked Kit Williams with all the changes would we be liable for any of this.

Mr. Williams said he would hope not. It is set up to be not our responsibility, but the responsibility of the Facilities Board. I can't tell you that there is no way that they could somehow go about saying that we did something wrong.

A discussion followed on the changes in the bond issue.

Mr. McCord said State Statues does not require the City governing body to approve a bond issue authorized by the Facilitates Board, but your authorizing ordinance that created the Facilities Board does require it. You don't approve the issues of the bond; you just ratify the actions of the Facilities Board.

Gordon Wilburn with Kutak Rock said we have on other projects before sought the opinion of our tax specialist on this 10% deviation and have gotten that same opinion before that that is insubstantial and does not require a new Public Hearing under federal tax law. If there have not been any other changes in the project then I don't think as far as the hearing goes you've got any problems

Alderman Thiel moved to approve the amended resolution. Alderman Davis seconded. The motion carried unanimously.

Resolution 75-03 As Recorded In The Office Of The City Clerk.

OLD BUSINESS:

RZN 03-14.00 (Williams): An ordinance rezoning that property described in rezoning petition RZN 03-14.00 as submitted by James Williams for property located at the northeast corner of Mt. Comfort Road and Shiloh Drive, Fayetteville, Arkansas from R-2, Medium Density Residential and A-1, Agricultural to C-1, Neighborhood Commercial. ***This ordinance was left on the first reading at the May 6, 2003 City Council meeting.***

Alderman Jordan moved to suspend the rules and go to the second reading. Alderman Davis seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Tim Conklin, Planning Division, asked that this ordinance be held on this reading and let staff work with our traffic consultant over the next couple of weeks. This is one of the five intersections that are being studied as part of our master transportation study. They have been working on this site for the past year or two looking at developing this site and at the same time we've entered into this long range planning study to look at how we address some of these key intersections in the City of Fayetteville. I have spoke to the applicant and discussed some of the issues not just related to developing this site but an overall study of how we handle our traffic through this intersection.

Alderman Jordan said he does not have any problem with the convenience store going in there at all, but I do really have a problem with that curve down there. That intersection is really dangerous.

A discussion followed on the traffic study at the intersection.

The ordinance was left on the second reading.

WHM Land Investments, Inc. Condemnation: A resolution authorizing the City Attorney to seek condemnation and possession of certain lands owned by WHM Land Investment, Inc. to secure the necessary land on which to construct the West Fayetteville Fire Station. ***This resolution was tabled at the May 6, 2003 City Council meeting.***

Alderman Jordan moved to table the resolution indefinitely. Alderman Davis seconded. Upon roll call the motion passed unanimously.

Unified Development Code: An ordinance repealing Title XV, Unified Development Ordinance (originally adopted by Ordinance 4100 on June 16, 1998) of the Code of Fayetteville and adopting and enacting an amended Title XV Unified Development Code. ***This ordinance was left on the first reading at the May 6, 2003 City Council meeting.***

Alderman Thiel moved to suspend the rules and go to the second reading. Alderman Reynolds seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Thiel said this did go through the ordinance review committee and they unanimously approved this going forward. Is there a reason for holding it another two weeks?

Mr. Williams said we want to make sure we have an absolutely clean copy with no changes what so ever for the last two weeks sitting in the City Clerk's office. There have been a few typing errors that have been found, nothing that would change it.

Alderman Thiel said there was a couple of changes or one change and that has been done.

Dawn Warrick, Planning Division, gave a brief history of the UDC during the past couple of years and the codification process.

Mr. Williams said we are also going to make an attempt to put a draft copy of this on the web site.

This ordinance was left on the second reading.

NEW BUSINESS:

C-PZD 03-2.00 (Lowe's Home Center): An ordinance establishing a Commercial Planned Zoning District titled C-PZD 03-2.00 located at the southwest corner of Finger Road and Highway 62; amending the official zoning map of the City of Fayetteville; and according to the Associated Development Project as approved by the Planning Commission.

Sara Lefflar, a resident, said her husband and her are supportive of this Planned Zoning. She also discussed how informative Lowe's has been to the residents.

Mayor Coody asked Tim Conklin about the tree preservation area on the property.

Mr. Conklin said the tree preservation area is north and east of the Lowe's project, it does rap around the Lefflar home. There is additional tree preservation on the east side of Finger Road.

Mayor Coody said will this be like the Harp's parking lot or the Wal-Mart Neighborhood Store parking lot.

Mr. Conklin said this will be like the Wal-Mart Neighborhood Store Parking Lot.

Alderman Thiel asked about the road that ends at Superior Bank.

Mr. Conklin said Superior Bank built part of that access road to get into their development. Mr. Conklin also stated that the Arkansas Highway & Transportation Department did send a letter to the City stating that the traffic signal did not meet the warrants. The City Engineering department is looking at that and has talked with the traffic consultant. We feel the traffic signal

should be warranted, should be installed and we will be in contact with the Highway Department.

Mark Millis with Lowe's Home Center gave a brief presentation on the project. Mr. Millis said he has one correction from the proposed staff approval from Planning Commission and that addresses the pylon sign, we have one sign proposed for Lowe's which is what we are allowed, the developer is allowed a shopping center sign which is separate and Lowe's will not be on. In the discussions we were asked if we would agree to a monument sign, which we thought we were agreeing to a monument style sign, still maintaining the height and square footage. It was brought to our attention right before the vote that a monument sign under ordinance is six feet in height. We would ask that we revert back to what the ordinance states which is 30 feet in height and 75 square feet in signage area and move forward from there, all the other conditions we are in agreement with.

Mayor Coody asked Mr. Conklin if this is the right venue for making a change like that.

Mr. Conklin said typically those issues are handled at the Planning Commission level, since this has not been approved it could be handled at this level or you could refer that back and have the Planning Commission make the final decision. I would recommend that that be dealt with at the Planning Commission level.

Mr. Williams asked how they would get back to the Planning Commission level with everything being passed at the Planning Commission already.

Mr. Conklin said we could do this as an administrative item to take back and have them consider the signage issue.

Mr. Millis asked if the Council could approve the request and leave the signage issue to the Planning Commission for final determination. What we are asking for is what the ordinance allows in the signage.

Mr. Williams said sub-section 3 of the ordinance says as approved by the Planning Commission on April 28, 2003. If you want to get that changed you would need to get that back to them before the next City Council meeting.

Mr. Conklin said that it would be best to have the Planning Commission make the decision on the signage.

Mr. Millis said if we were to move forward with the ordinance as it states after approval by the Council what would be the appropriate avenue to request a variance as to what was approved by the ordinance.

Mr. Williams said he didn't think you could, this is a brand new procedure. The way the ordinance is envisioned is that your rezoning and everything is tied to the development proposal as approved by the Planning Commission so if there is any deviation from that, that would call into question the rezoning that the City Council is looking at tonight, so I would advise against

that. The City Council does not have to pass this tonight anyway with it being an ordinance it has three readings before being approved.

Alderman Marr asked if tonight was the first time that we've heard a request for this variance or is this something that has been known prior to coming tonight.

Mr. Conklin said they contacted Planning last week and have been talking to Planning about what they can do to change the Planning Commission approval.

Alderman Jordan said he would have wanted to leave this on the second reading tonight anyway regardless of the sign issue.

Mr. Conklin said the access to Finger road will be developed at the same time that Lowe's is developed, an access will be provided. The signalized intersection is Sherman Way.

A discussion followed on the access points to the new development, the map of the new development, the wetlands on the property, and the detention pond.

Mayor Coody asked if the store on the north end of town will remain open.

Mr. Millis said yes.

Mayor Coody said this will be a good addition to the community we are really glad to have Lowe's on the south end of town. We hope that the monument sign will fit your needs and that you will reconsider your drive for the 30 foot pole sign. Monument signs really add a nice touch to your development and our community.

Greg Simmons with Peters and Associates Engineers said they are the traffic consultants for Lowe's on this important project. We conducted a detailed traffic study. He gave an explanation of the traffic study that was conducted. He said they believe that a signal is warranted here and needs to be here, Lowe's has agreed to pay for the signal.

Alderman Thiel asked if the State was aware that Lowe's was going to pay for the signal.

Mr. Simmons said he didn't know if the highway department was aware of it or not but they certainly didn't ask them to pay for it.

Mr. Coody said we will see if the highway department will reconsider and we will let the Highway Department know that Lowe's will pay for the light.

Alderman Jordan asked how much traffic is going through there right now.

Mr. Simmons said about 22,000 cars a day. He said that is a major arterial street.

Alderman Jordan asked how much that was normally geared for.

Mr. Simmons said a street like that can normally carry somewhere in the neighborhood of 30,000.

Alderman Jordan asked how many at Finger Road.

Mr. Simmons said he would get that number for the Council, from memory 3,000 to 4,000 cars a day.

Alderman Jordan asked what it would be after the Lowe's development goes in.

Mr. Simmons said he would get the Council that information. Mr. Simmons said he would get Alderman Jordan and Alderman Lucas a copy of the report.

Gary Medley, a resident, said he had some concerns about a topography survey map that was shown to him that showed a creek in the wrong location. His mother has property near the development.

Mayor Coody said the Council has not seen the map that Mr. Medley is speaking of.

Mr. Medley showed the location of his mother's property on the map that was presented to the Council. The map presented to Council was different than the map that he had been shown.

Lance Mills with Ozark Civil Engineering the engineer for this project said he has not had any discussions with Mr. Medley.

Mr. Medley said it was the engineering firm that was subcontracted to do the topography survey.

Mr. Mills said their requirements would be to go 100 feet beyond the Lowe's property, if he had discussion with the surveyor's, they should not have represented themselves as Ozark Civil Engineers, because they are not engineers. Mr. Mills discussed the drainage planned for the property.

Alderman Reynolds asked are you moving the creek 170 feet that will make it run through his mother's house.

Mr. Mills said no.

Barbara Moorman a resident of Finger Road voiced her concern in the development and the creek located on the property. She asked the Council to look at the big picture, there are drainage areas, a creek and tree preservation to be considered. The standards that you apply to Mount Sequoyah should apply to other areas in the City. She also expressed her concern about the traffic that exists now and the increase of traffic when this development is completed.

This ordinance was left on the first reading.

VAC 03-7.00 (Bencor): An ordinance approving VAC 03-7.00 to vacate and abandon a drainage easement located on property at the northeast corner of Sixth Street and South School Avenue as depicted on the attached map and legal description.

Mr. Williams read the ordinance.

Alderman Davis moved to suspend the rules and go to the second reading. Alderman Thiel seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Davis moved to suspend the rules and go to the third and final reading. Alderman Reynolds seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4486 As Recorded In The Office Of The City Clerk.

VAC 03-8.00 (Wallace): An ordinance approving VAC 03-8.00 to vacate and abandon a drainage easement located on property at the Lot 98 of Covington Park as depicted on the attached map and legal description.

Mr. Williams read the ordinance.

Alderman Davis said none of the utility companies had a problem with it and the Planning Commission passed it on the their consent agenda.

Alderman Davis moved to suspend the rules and go to the second reading. Alderman Reynolds seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Thiel said that she understands that this has already been built, the background information from the City Engineering states that only the portion where the pool is to be constructed should be vacated. I would hope that in the future whenever we have something come before us, I understand there was a reason for this coming before us after the fact, but none the less this is misleading and I would like in the future that the City Engineering be sure and check this out before they give us reports like this.

Hugh Earnest said you may rest assured that that will happen.

Alderman Jordan moved to suspend the rules and go to the third and final reading. Alderman Reynolds seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4487 As Recorded In The Office Of The City Clerk.

OMI Contract: A resolution approving amendment No. 9 to the OMI contract providing for a net increase in fiscal 2003 of $36,209.00 to purchase equipment and perform services implementing a modified sludge disposal plan for the last 6 months of 2003. **No budget adjustment is requested.**

Alderman Jordan asked for a brief presentation.

Greg Boettcher, Water and Wastewater Director said this is a proposal with OMI that would provide for dewatering our wastewater sludge and on an interim basis hauling that to a landfill for final disposal. The driving force behind this is the fact that high phosphorus levels and the absence of an irrigation permit on our 540 acres sludge management site dictates that we look at an alternate sludge disposal. It is a trade off, do we obtain a permit to irrigate effluent on our 540 acres site and forego the sludge which I believe is the more positive environmental approach or do we continue to apply sludge and run the risk of a summer effluent release into the White River. We are recommending the sludge disposal, dewatering and landfilling. This is part of our long range plan for sludge management that was approved by the voters in November of 2001, it does come with increased cost, but we were anticipating that and this is reflected in the total rate increases that we advised the citizens of in November of 2001. What we are looking at is about $423,000.00 of capital equipment, which is trucks, trailers, and a belt filter press that we will own at the end of the five years. OMI will capitalize that or amortize that over the 5 years at 6 ¾%, we will have ownership. The cost impact this year we will absorb through various economies, one is a rebate from 2002 from OMI of around $70,000 that really offsets a lot of the 6 month cost. Next year we will be looking at about a $250,000.00 operating cost increase plus a predicted $75,000.00 for fuel. It is not a less costly sludge disposal approach but it is more responsible. It postures us to be able to participate in the Northwest Conversation Authority should they come up with a more viable plan. We are not entering into any long term commitments with the landfill. Initially we would go to BFI Landfill in Oklahoma but there is no commitment, if we find other economics, we will implement them.

This amendment will extend OMI's contract for five years, they are conceding part of their management fee per year, about $17,000.00 as an incentive, it provides stability for them, I think it is a positive thing to have them on board for five more years, we are going to a new West plant we are going to be doubling the staffing. we need to have continuity at that operation and this will allow OMI to plan for it, get us through that period, and at that time of course we will check their numbers again and go out for an RFQ. I think it provides some stability that is an advantage to us and is an advanatage to them.

Alderman Marr asked is there no appeal process to the agency that told us that we can't apply to the particular area any longer.

Mr. Boettcher said what has happened; 14 years ago our discharge permit for the Noland Plant said that we could apply sludge and or effluent on the 540 acres. Through multiple permit renewals at some point in that process that language was dropped. This came to light last summer when we were questioned why we were applying treated effluent on the 540 acres. We do not have that in a permit, we may have done it before it may have been understood, but in order to now get an irrigation permit we had to do soil testing that brings about evidence of high phosphorus levels and we need to go into a positive management plan.

Mayor Coody asked how often do we get those permits. It's not an annual permit is it?

Mr. Boettcher said this is a five year permit. He said he met with ADEQ in Little Rock last week to review the preliminary permit, they see this as a net positive issue. We are talking about probably reducing the amount of phosphorus in the White River water shed that is present by about 80%, it is a positive move with nutrient management and it's really what we were going to do anyway, we are just starting it early, I think it is an advantage to get some experience under our belt dewatering, some experience hauling, and be in a position maybe to help participate in maybe the Regional approach if that becomes viable.

Tom Brown, a resident, said he was here when the City Council considered previously what to do about the sludge and the phosphorus and whether or not we should participate in a program to create fertilizer. I have 30 plus years of farming experience. Why are there not any of the agricultural producers and utilizers of phosphorus apparently apart of this program. Have the agriculture producers and utilizers of fertilizers been a part of this process and is the City actively attempting to get those people engaged in this disposal problem?

Mayor Coody said the Northwest Arkansas Conversation Authority is looking to begin some kind of a program that maybe we can contract with or join to consolidate poultry litter and municipal sludge.

Mr. Boettcher said they are doing studies. He said we will be dewatering and we will be looking at all possible avenues that are more environmentally sound or more economical both as we go forward. One of our problems is our wastewater sludge is not a blended fertilizer so the ratio of nitrogen to phosphorus is not advantageous for crop production, this is why we have managed our 540 acres on nitrogen loadings, phosphorus was not regulated that's why we have above normal phosphours levels. Fertilizer is blended to plant needs, wastewater sludge is what it is, we will look at all these markets and if there are other markets or the Conversation Authority comes up with one we will be in the position with dewatering to where it will be a beneficial use. We are just getting one step closer to where we ultimately want to be, which would be fertilizer, reuse or any other viable plan.

Mr. Brown said the report has been made tonight that the 500 acres has a phosphorus level in the soil that would stop us from continuing to apply effluent and solid waste in that area.

Mr. Boettcher said we are proposing to cease adding additional phosphorus, the irrigation permit that we will request from the State of Arkansas will stipulate that our total application on that 540 acres will match, not exceed crop uptake with bermuda grass and we would hope to actually manage it the other way where the bermuda grass would mine out the phosphours over time much the same as we have accumulated. To our knowledge the phosphorus is bound in the soil, it's not soluble, creating stream problems, it's just in the soil waiting for the plants to take it back out again.

Mr. Brown said he would like to suggest that Bermuda grass and other grasses are very poor utilizers of phosphorus, grains are very good utilizes of phosphours. Corn, wheat, and beans need the application of relatively high levels of phosphours in their fertilizer program relative to what a grass land needs. I think that the City Council should be encouraging the department to engage with the agriculture producers and utilizers in the area so as to maximize the utilization of those 500 acres. If we've got more phosphours in that soil than we need or should have in that soil, that speaks to our management and not really to the issue of what we have to apply to that soil. Maybe we need a different crop on there. Every year the agriculture producers in Washington County purchase 10's of thousand's of tons of phosphate fertilizer that is brought into this county from outside the state in order to be spread on the golf courses and the lawns and the pastures. I think we are missing out on something; it seems to be that the City is not utilizing the agriculture resources that are available to it and that our program is not including a significant economic factor that already exists and has in the recent past been characterized as a burden to this community and to our water resources.

Alderman Thiel said she spoke to Mr. Boettcher some time ago about this and he did have a response and she wanted him to present it.

Mr. Boettcher said that we will be looking at other cropping plans and we are considering some others now that we are looking at going to an alternate mode. One of the functions of the site was to dispose of sludge and to accept effluent; you have to have crop plans that are water tolerant as well. We want something that can take water consistently during the summer, which hays are sometimes more positive than other types of crops. We are looking at that and we will be studying that, we will be investigating all viable options.

Alderman Thiel asked will that acreage still be used to some extent.

Mr. Boettcher said the only function that that site will use for the next three to four years is effluent disposal and if we have a problem we have approval to apply sludge but the sludge and irrigation will never exceed the crops phosphours demand. We will never worsen our problem; we will begin to take it the other way. Once the Noland Plant upgrades are completed, which we are predicting will be in 2006, we will have two belt filter presses a sludge building and we will be permanently set up to handle it as our primary method. What we are doing now with OMI, under this contract amendment is an interim measure at the most reasonable cost to get us started.

Alderman Davis moved to approve the resolution. Alderman Reynolds seconded. Upon roll call the resolution passed unanimously.

Resolution 76-03 As Recorded In The Office Of The City Clerk.

OMI Hamestring Lift Station: A resolution to approve an out-of-scope amendment with Operations Management International, Inc. in the amount of $250,000 to upgrade the Hamestring Sewer Lift Station. **No budget adjustment is requested.**

Alderman Jordan asked for a presentation.

Mr. Boettcher said this is a west side lift station that serves about 3,400 residents, late last year the Department of Health questioned the number of overflows at this lift station, that precipitated an engineering study. We satisfied the Department of Health concerns but when we looked at the pump run times we felt there was a problem with the long range ability of that station to serve the area. We commissioned RJN to do an analyze of the lift station. We worked with Planning to look at all the areas that had been plated; we looked at what might grow out in that area between now and 2006. We were concerned that the growth rate in that basin may intersect with the pump station capacity and we could be in a position where we could be looking at dry weather overflows before the new station was built. The study was completed in March of this year, we reviewed it, we submitted a copy to the Department of Health to let them know we were studying this issue and trying to look into the problem. We found four options ranging from $3 million down to $250,000, the $250,000 option is what we are recommending, it consists of installing a large wet weather pump to carry us through the 2006 period, we will reuse the existing force main, and it will supplement the current facilities. It provides more than an adequate margin to carry us out through 2006. In 1995 it was upgraded, predicting that in 3-4 years we would have the wastewater system project done, that has not occurred, that temporary upgrade has more than served its intended purpose. This project will carry us out beyond that based on growth predictions and other analysis. One thing that helps offset the cost, we did have capital needs at the Hamestring lift station last year because of the age of the facility and the fact that we have only one larger pumping unit, the other two are the small ones from 1970, we are going to go ahead and purchase a backup pump just to have in storage at OMI in the event that lightning would damage the one lead pump. The two smaller pumps would put us at high risk for overflows. We deferred that $30,000 cost last year, in the current budget this year for lift station operation and maintenance we have the funds to complete this project. Why are we spending money now for a problem that may not show up for another 2-2 ½ years, by building this improvement now, over the next three years we will reduce the frequency and severity of overflows because this pump will help us through all periods of peak flows. The predicated completion date is 6 months.

Alderman Davis asked if once the new plant comes on line will we still be using this particular station.

Mr. Boettcher said no we will not, there will be a Hamestring lift station but, in the changing of our wastewater system we are going to basically have the east side flowed to the Hamestring lift station, the current capacity on the station is about 1.2 million gallons per day, when all the east side of Fayetteville goes to the new Hamestring lift station it will pump 30 million gallons per day. We can't match pumps that was one of the things that was looked at, could we do something early that we could salvage, the other problem is the new Hamestring lift station will

pump directly into our new west side plant. The pumping, the hydraulics, and the capacities, there is no match, our best approach is to do the temporary fix. This solution provides a more than adequate margin based on what we are seeing in trends in that area.

Alderman Davis asked when do you see the new plant coming on line.

Mr. Boettcher said we are predicting design contracts will be coming to this council probably the first part of June. Based on our current schedules we believe the facilities can be on line and complete during the first quarter or there abouts of 2006.

Mayor Coody said one of the things we are discussing is making sure you all have the contracts plenty of time in advance and maybe having a special City Council meeting to discuss this one issue.

Alderman Davis asked why it has taken so long to get the design contracts out to finally be signed by the engineers so they can get to work.

Mr. Boettcher said there has been some review activities and reviewing project scope. There are some factors that I have confirmed that may amount to some substantial cost savings that we may need to discuss. I didn't feel it would be appropriate to bring those contracts in if that scope of work was not necessary. I had some preliminary stream modeling completed by CH2MHill to verify whether or not it was even viable.

Alderman Marr asked about the investment of this $250,000 on the Hamestring lift station, will we be able to recoup any of the expenditure long term.

Mr. Boettcher said $100,000 should be able to be recovered in terms of reuse or equipment salvage. We have a lot of lightning problems in that location, therefore we are proposing a spare variable frequency drive for fear that it may go out.

We are looking at a possible build out over the next three years of about 1,000 family equivalent units, with impact fees coming on line that represents probably two to three times the cost of this investment that we would recover in impact fees.

Alderman Jordan said at the last Water and Wastewater meeting I heard that we had approximately 1,300 units that had been okayed for out there, has that changed?

Mr. Boettcher said what he recalled was 1,000 over the next three years.

Alderman Jordan asked how many pump stations do we have in that western area.

Mr. Boettcher said we have 33-34 lift stations city wide. In that area we have approximately 17.

Alderman Jordan asked how many lift stations do we have in this situation. My concern is that it is not a straw that breaks the camels back it is the last straw that breaks the camels back. If we

continue to put one development on top of another then eventually we are going to be in trouble. We are looking at three years before we get that other treatment plant on line and I am wondering how many more times we are going to have to do this. One of our goals is planned and managed growth. Every development that goes in, in that area I want to know where that lift station is, how many units is on the lift station, and how many more it will take.

Mr. Boettcher said he is talking with OMI about extracting data from our pump station records, we currently monitor the pump stations for alarm conditions but we do not extract data on loadings. We are going to try to work with Planning and Engineering and start developing an analysis. What drives most of our pump station capacity is we get into our larger pump stations, those are sized for our wet weather flows which are 2-3 times our peak dry, and so we don't have dry weather flow problems in that many stations, Hamestring is a little unusual.

Mayor Coody said there may be a perception that this is an emergency, but when it was explained to me this pump station right now is operating below capacity and they started looking at the data, but if all the lots build out we would be over capacity by about 100 homes. The staff is looking down the road, it's under capacity now and they are trying to make sure it stays under capacity and doesn't cause any real problems for us. We haven't maintained our lift stations as well as we would like to. This is just like any other piece of equipment or vehicle, you have to upgrade and maintain it if you want it to keep working. I really appreciate the fact that the staff is looking down the road to make this work.

Mr. Boettcher said this is the first pump station upgrade that he has done since he has been here. At the Water and Sewer Committee one of the things we discussed was we need to eventually build a complete model of our system so as these things occur we can plug that in and it will automatically tell us where the problems are.

Alderman Cook asked what it will take to produce the model of our system.

Mr. Boettcher said that is a cost that we would have to develop; the water system model is about $200,000. The sewer becomes a little more involved because to calculate capacity you have to know the grade and the size of each line. It will be a sizeable investment.

Alderman Marr said he thought the modeling is a great idea.

Alderman Jordan moved to approve the resolution. Alderman Davis seconded. Upon roll call the resolution passed unanimously.

Resolution 77-03 As Recorded In The Office Of The City Clerk.

Hotel & Restaurant Bonds (Series 2003): An ordinance authorizing the issuance and sale of not to exceed $6,620,000 of Hotel and Restaurant Gross Receipts Tax Refunding Bonds, Series 2003, by the City of Fayetteville, Arkansas for the purpose of refunding the City's outstanding hotel and restaurant gross receipts tax bonds, Series 1998; authorizing the execution and delivery of a trust indenture pursuant to which the Series 2003 Bonds will be issued and secured; authorizing the execution and delivery of an official statement pursuant to which the Series 2003 bonds will be offered; authorizing the execution and delivery of a bond purchase agreement providing for the sale of the Series 2003 Bonds; authorizing the execution and delivery of an escrow deposit agreement providing for the redemption of the Series 1998 bonds; authorizing the execution and delivery of a continuing disclosure agreement; and prescribing other matters relating thereto.

Mr. Williams read the ordinance.

Alderman Cook said we are not lengthing the terms of these.

Mr. Williams said we should still be within the election date.

Tom Brown asked does this ordinance save money.

Mayor Coody said yes we hope the final amount saved at the end of the term will be approximately $1 million.

Dennis Hunt with Stephens, Inc. said the net of all cost; if the money was handed over to you today would be in excess of $334,000. The bond issue matures at the same time it would have previously. Your total cash flow savings is about $1.1 million.

Mr. Williams said we do not know exactly how much this will save the city until it is time to issue the bonds and at that point in time we will know what the interest rate will be and know fairly precisely what the rate will be. If the market changes suddenly and interest rates jump up we will not do this.

Alderman Davis moved to suspend the rules and go to the second reading. Alderman Jordan seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Davis moved to suspend the rules and go to the third and final reading. Alderman Jordan seconded. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Davis said this did come before the A&P Commission and because of the money this was going to save, the A&P Commission voted unanimously to accept this.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4488 As Recorded In The Office Of The City Clerk.

INFORMATIONAL:

Item # 3 Old Business: Unified Development Code:
Three copies of the proposed Unified Development Code, Title XV of the Code of Fayetteville are filed in the office of the City Clerk and are available for the public to inspect and view.

Item # 6 New Business: Hotel & Restaurant Bonds (Series 2003):
The Preliminary Official Statement, Trust Indenture, Bond Purchase Agreement, Escrow Deposit Agreement, and Continuing Disclosure Agreement documents that are related to this Agenda Item are available for review in the City Clerk's Office.

Meeting adjourned at 8:55 PM.

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Sondra Smith
City Clerk