

# **Rogers Waterworks and Sewer Commission**

**January 15, 2007**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, Monday, January 15, 2007, in the Rogers City Hall. Commissioners Donnie Moore, Don Kendall, Donna Warren, and Lon Pepple were present. Jerry Pittman was absent. Rogers Water Utilities staffers in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, William Evans, Mike Lawrence, Earl Weber, Stephen Ponder, Earl Rausch, Michelle Williams, Cindy Bitgood, Everett Balk, and Tim House. Others in attendance were Asa Hutchinson III, Derrel Smith, Lori Harrison-Stone, Pat Harris, David Harris, and Holly Smith. Chairman Moore called the meeting to order at 4:08 PM.

There was a motion by Warren, second by Kendall, to approve the December 18, 2006 minutes. All in favor, motion carried.

Moore recognized Mike Lawrence, Rogers Pollution Control Facility Manager. Lawrence presented Earl Weber, Maintenance Mechanic for RPCF, with a certificate of appreciation for ten years of loyal service to RWU.

Moore took up the issue of hookup fees for the new Harris-McHaney Real Estate building at 602 S 52<sup>nd</sup> St. Moore recognized David Harris, owner of the building. Harris explained that his builder, Precept, had recently requested a water service for the building, but was told that the new hookup fees would apply (\$21,000). Harris said that he had turned plans into the Building Department on March 10, 2006, well ahead of the April 1, 2006, cut-off date (builders were told that, due to the extreme crush of building applications at the time, that those with permit applications received by the Building Department would, in effect, be “grand fathered-in”). Therefore, he asserted that the hookup fees should not apply.

McAlister responded that he had never seen a “plan review permit” and was not certain that it met the criteria for a building permit application. Harris said that all commercial buildings went through the plan review permit process with the City. He said that he got his building permit on 4-19-06, and had been working steadfastly toward completion ever since. Cindy Bitgood, Customer Service Representative for RWU, said that the building permit expired after six months. Harris said that it often took over six months to build a building, and his permits had never expired.

Kendall said that the intent of the Resolution and following interpretation was, to deal fairly with those, who, through no fault of their own, were unable to get a building permit due to the backlog of applications. McAlister said that nine and a half months had past

since the April 1, 2006, deadline, and RWU was still processing service applications with building permit applications dated “received 3-31-06”. Also, there were still some builders that “applied” for permits before the deadline, but had yet to purchase a building permit for various reasons.

Moore recognized Bill Watkins, a local attorney. Watkins said he represented the developers of the Arbors Addition, who were told by unnamed representatives of RWU, that their lots would not be assessed the new hookup fees, since the building permit applications were received by the City prior to 4-1-06. Now, his developers were being told something else. Watkins said that the building permits for the Arbors were not purchased until August, because “ the streets, drainage, water and sewer had to be built first”. He said hookup fees would cost his developer an additional \$60,000.

Moore said that the Commission had tried to be fair to those who had not figured the connection fees into their financing. He said that the Commission needed to do some additional research and get back to Watkins, since there were several developments in the same predicament. Moore said that the fee for Harris should be waived, and the other Commissioners agreed. Moore asked Asa Hutchinson to talk to James Willett, director of the Building Department, to ascertain the City’s policies regarding permits and the duration of permits. Kendall asked Hutchinson to ask the City Attorney to ask Willett to attend the next Commission meeting. “When is the next meeting?” Watkins asked. McAlister said, “Presidents’ Day”. Moore asked McAlister to come up with a list of questions for the Building Department. Kendall said that the Commission should try to apply all policies as uniformly as possible.

Moore recognized Mark Johnson, P. E., Utilities Engineer. Johnson presented the Commission with a brief report on the status of the various projects in which the Commission had an interest. Johnson said that the staff was developing plans for a two million gallon elevated tank. He said that the staff was investigating a possible “composite” tank, with a concrete shaft, as opposed to an all steel hydro pillar style tank that exists at S. 24<sup>th</sup> St., a move that could save \$500,000 off the project costs. Johnson said that the City’s street consultant was in the process of designing a 12-inch water main to run along the alignment of the proposed Pauline Whittaker Parkway. “How much is that going to cost?” Moore asked. Johnson said that he did not know. “What about sewer?” Moore asked. Johnson said that there were no plans to build or relocate sewer lines for the project.

Johnson presented the Commission with a bid tabulation for the Dogwood St./Turtle Creek water transmission main. He said that eleven bids were opened last Friday, indicating a lot of interest in the project. He said that the low bid was from Garney Construction, at \$1,2224,245.00. He said that the bid was good, that the company was very capable of performing well on the project, and he recommended the low bid to the Commission. There was a motion by Pepple, second by Kendall, to approve the low bid. All in favor, motion carried.

Moore asked about S. 26<sup>th</sup> St. and S. 45<sup>th</sup> St. Johnson said that the City had resurrected the S. 26<sup>th</sup> St. project, but he had not seen any revised plans. He said that the City had hired a company to build a large bridge over Turtle Creek on the planned alignment of S. 45<sup>th</sup> St..

Moore recognized Everett Balk, P. E., Project Facilitation Engineer. Balk said that his section had received a few less plan sets than a month ago, but that Christmas and family vacations were probably the reason. Moore asked Balk about the efficacy of the predesign meetings. Balk said it made a “huge” difference in the quality of the submittals. Moore asked about the plan to show the young engineers the valves and fittings. Balk said that Earl Rausch, P. E., head of the Construction Inspection section, had conducted a number of “pipe schools” and the schools had been well received.

At this time, Kendall left the meeting.

Moore recognized Tom McAlister, RWU Manager. McAlister reported that the Council had approved the planned sewer rate increases, and passed a resolution allowing the Mayor to sign a bond purchase agreement for \$22 million. He said that the bond issue would close on March 1, allowing RWU to advertise for bids for the proposed wastewater treatment plant expansion. McAlister said that the latest cost estimate for the project was \$18 million, and the staff was working on a sludge-dewatering project in-house. He said that the bond issue should result in about \$20 million in the construction fund. He said if there were any monies left in the fund, it could be used to pay the Commission back for engineering fees. McAlister said that the plans were almost complete, and the only issue left remaining was the approval of the plans by the Arkansas Department of Environmental Quality. He said that the approval of ADEQ was subject to the review and approval by several state and federal agencies.

What about the TMDL? Moore asked. McAlister said that the EPA and ADEQ were at present negotiating the terms of a watershed management plan. Moore expressed his concern about the passage of time and nothing in writing from EPA.

Moore recognized Holly Smith of MSH Investments, LLC. Smith said that her company had built a spec house at 5105 Sloan Circle. She said the home had an irrigation meter, and that the builder had tried to grow a sod yard in order to help the sale of the house. She said that she received a shut-off notice for nonpayment from RWU. She said the “doorknocker” promised to shut the water off on 11-8-06. She paid \$391 on the account on the 9<sup>th</sup>. Smith said she sent a plumber to check for a leak on 12-4-06, and she could not believe the water was still on, since RWU promised to shut it off on 11-8-06. Therefore, she reasoned that the water lost between 11-8 and 12-4 should be RWU’s responsibility.

Warren asked McAlister if he had offered to give Smith a credit of \$100, and if so, why? McAlister said that, in some cases, he offered credit for leaks to help out needy people. He said he felt disinclined to credit Smith’s bill since it was a business concern, and that someone should have paid more attention to expenses. Warren said that the \$100 credit

seemed generous under the circumstances. Pepple agreed. Moore directed Smith to contact the Manager and “work things” out with the RWU staff.

Moore recognized Joyce Johnson, CPA, Utilities Controller. Johnson presented the Commission with financial reports for December. She reported that unaccounted-for-water rate had dropped to ten percent for 2006. She said that the December cash flow looked better than December 2005 primarily because there were three more days in the billing cycle last month. She termed demand to be very flat.

Johnson presented the Commission with a budget amendment for the last half of FY '07. She said that the first half of FY '07 was in the books, and there were trends that indicated a budget amendment, or else the monthly statements would look skewed. She went through the proposed budget amendments, and explained each one. The biggest adjustments were due to the rate increase in the Sewer Department, a bond issue in the Sewer Department and the Water Department, and the dearth of hookup fees collected so far. She said that RWU had optimistically projected hookup fees that had not materialized, and a more realistic forecast was now indicated. All tolled, the Water Department net profit was projected to be \$300,000 less than initially anticipated, the Sewer Department, \$790,000 less. Johnson said that both departments were still anticipating positive net revenues for the year.

Warren said she thought the revenue from hookup fees was like a “moving target”, and wondered if RWU should budget anything for hookup fees. After some discussion, there was a motion by Warren, second by Pepple, to approve the budget amendment.

McAlister repeated that the next scheduled meeting day was February 19, Presidents' Day, a holiday. Moore suggested the meeting be moved to avoid the holiday. After some discussion, the meeting was moved up a week, to February 12.

The meeting adjourned at 5:24 PM.

Respectfully submitted,

Tom S. McAlister, Acting Secretary  
Rogers Waterworks and Sewer Commission

Re: RWWSC minutes, 1-15-07

