

Rogers Waterworks and Sewer Commission

January 21, 2013

Minutes

The Rogers Waterworks and Sewer Commission held its regular meeting at 4:00 PM on Monday, January 21, 2013, in the Rogers Water Utilities Administration Building. Present were Commissioners Don Kendall, Travis Greene, Kathy McClure, Roger Surly, and Jene' Huffman-Gilreath. Rogers Water Utilities staff in attendance were Craig Noble, Joyce Johnson, Johnny Lunsford, William Evans, Vera Hall, Robert Moore, Stephen Ponder, Jordan Waterhouse, and Earl Rausch. Others in attendance were John Gore of the Morning News, Deputy City Attorney Jim Clark and City Planner Derrel Smith. Chairman Kendall called the meeting to order at 4:00 PM.

There was a motion by McClure, second by Greene to approve the minutes of the December 17, 2012 regular meeting as submitted. All in favor, motion carried.

Chairman Kendall recognized Joyce Johnson, Utilities Controller. Johnson presented the financial reports for December 2012. Johnson stated that the Water Department reported a loss of \$26,000 as compared to a loss of \$61,000 for the same month last year. The Water Department is running \$290,000 ahead of the prior year. On the sewer side, we had a profit of \$194,000 compared to the prior year profit of \$119,000 for the same month. We are running \$130,000 ahead for the year. Johnson stated that it is expected that the utility will show losses in the Water Department until June.

Chairman Kendall asked Johnson to explain the effects the weather has on water loss. Johnson stated revenue is primarily tied to consumption. When the utility has a month of normal consumption without irrigation, the utility does not sustain profit in the Water Department. One can look at the winter months and see that the utility would not be making a profit without irrigation revenue. As soon as customers start irrigating in the spring and summer months, RWU starts seeing a profit. In drought years, when more irrigation is required profits are higher. Also significant are access and impact fees. RWU recognizes these fees as income as they are collected. Chairman Kendall noted that the access and impact fees are earmarked for capital improvements. Chairman Kendall asked if RWU did not have a drought, would RWU have a problem with revenue. Johnson stated that when RWU prepared the budget it was projected that RWU could have a loss. I believe a financial loss would be likely if we did not have a drought. This would be a good indicator that we need to be looking at our rates because if we are not covering our expenses, this is about the only route we have to increase our revenue and keep our expenses intact. Depreciation and interest expenses are something that we do not have a lot of

control over. Chairman Kendall stated that we have a new water park coming online and asked if we have done any studies on how that might affect our water costs. Johnson stated that she does not know if we yet have a prediction of the consumption that will be needed there. Noble stated that we have had some dialog with the Parks Department and they do not know what their usages are going to be. They will not know until they fill the park and determine what the evaporation rates are during the course of the summer. The water costs currently will be borne by RWU.

Chairman Kendall recognized Earl Rausch, Interim Utility Engineer for the Engineering report. The Insituform contractors will finish Phase 1 of the sanitary sewer rehabilitation project this month. RWU has selected another 20,000 feet of sewer line for the next phase. RWU will advertise this at the end of January and take bids in February. Chairman Kendall asked the location of the rehabilitation lines. Rausch stated that rehabilitation will continue downtown for at least a couple more phases. RWU is selecting sewer lines older than 50 years. Chairman Kendall asked if the Utility has quantified the amount of sewer lines that need rehabilitation. Noble stated we have a 10 year plan and we are in the third year. Noble stated this is a never ending process. Surly asked if we need to make it a rolling plan, and then develop a 10 year projection. Huffman-Gilreath stated that would be a good idea.

Rausch stated that RWU has had dialog with the City of Lowell engineers regarding a possible service boundary change. This proposed service area will require lift stations and is downhill from RWU's existing wastewater treatment plant. RWU has a 173 acre subdivision in that area that also needs a lift station. Chairman Kendall asked if the City of Lowell would pay for this. Noble replied that the City of Lowell would construct the lift station, and RWU would service it. This would require approval from both the RWU Commission and the Rogers City Council. Chairman Kendall inquired about the cost of a large lift station. Rausch estimated it to be around \$2,000,000.00. Chairman Kendall asked what would be the cost of a lift station to service only the 173 acres. Rausch estimated that expense to be approximately \$600,000.00. Chairman Kendall asked at what capacity is the RPFC at right now. Moore stated we are at approximately 50 percent (50%). Moore stated we have a plant capacity of 14.3 million gallons per day capacity and we are averaging 6.5 to 7 million gallons per day. We can expand the plant with one more phase. Moore stated grow out of the plant site is 21 million gallons per day. Huffman-Gilreath asked would we need another EPA permit since it is existing. Moore stated we would still have to go through the building permits.

Rausch presented the project review report that includes grease trap, cross connection control (CCC) and civil project review, and large scale planning. Surly asked Rausch to explain these types of review. Rausch stated CCC review is RPZ and grease traps: civil review is water and sewer extensions (Planning Large Scale); and fire sprinkler review is to make sure the underground to the fire protection riser meets RWU specifications.

Chairman Kendall recognized Robert Moore for the Rogers Pollution Control Facility (RPCF) report. Moore stated the plant is running great and the numbers are in from the Highway 112

bridge site. There were not a lot of changes from January thru December. The wastewater treatment plant is running good with no major issues.

Chairman Kendall recognized William Evans, Water Field Operations Supervisor. Evans stated that the unaccounted for water rate was 9 percent (9%) for the month and totaled 9 percent (9%) for the year. The total water used for 2012 is 3,349,000 gallons and a daily usage of 9.137 million gallons per day. RWU set a new peak pumpage rate of 17.451 million gallons per day during July, 2012. Greene asked was that the all time record. Evans stated that yes, that was a new record for Rogers. RWU set a record on June 16, 2012 but that was beat on July 15, 2012.

Evans stated that Chlorine Dioxide (CL₂O₂) is being fed at 0.53 mg/l by BWD and we continue to maintain good chlorine levels throughout the RWU system. It is in the second month of testing and we are seeing a levelized system throughout Rogers. On December 22, Evans received a call from Beaver Water District (BWD) stating that they had had a chlorine feeder malfunction. RWU responded accordingly and it turned out as a non-issue. BWD did a really good job of notifying all four cities.

Chairman Kendall recognized Johnny Lunsford, Sewer Field Operation Supervisor. Lunsford presented the collection system report. Lunsford stated RWU had four (4) sewer overflows this month. The overflows were private but RWU is required to report them to ADEQ. RWU's footage of flushing and cleaning is down for December due to vacations and the holidays. RWU cannot take the vacuum truck out when it is 27 degrees or below because the water tanks will freeze. RWU's hydro-cleaning for the year was 801,848 linear feet of pipe (151 miles).

Chairman Kendall recognized Robert Moore for the sludge dryer update. Moore stated the dryer is coming along slowly, however training has been completed. We are drying all of RWU's sludge now and waiting on performance testing. After performance testing, the utility will accept the sludge dryer and complete testing for class A EQ sludge. Surly asked once we accept it, is it going to be sustainable. Moore stated he thinks it will run good with all new pieces of equipment, but you have a lot of little things that can happen. Therma-Flite has worked most of the bugs out and they have been running pretty much continuously since Christmas. We have not had many problems but we did have a gear box crack about a week ago which has been replaced. Surly asked what kind of warranty will the dryer have. Moore stated most of the dryer will be covered by a one year warranty and some seals will have an extended warranty of five years. Surly asked before we accept it, do we go over and look at everything. Moore stated we will have a punch list and we have performance criteria before we will accept it. We are getting close since we are drying material and all material is leaving the location dry. Hopefully next month, I will tell the Commission it is ours. Surly asked about a service contract after we accept it. Moore stated the first year; the dryer will be taken care of by the manufacturer and the contractor. We will be researching service contracts.

Chairman Kendall recognized Craig Noble, General Manager, for the future Commission Meeting schedule and pay plan update. The Commission Meeting in February is scheduled for

the Presidents Day Holiday and the March meeting is scheduled for Spring Break. Chairman Kendall stated the February meeting should be moved to February 19, 2013 at 4:00 PM and the March meeting moved to March 25, 2013 at 4:00 PM.

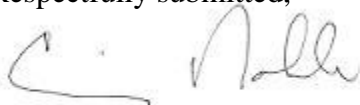
Noble asked the Commission for approval to administer the pay plan in accordance with the budget that was approved in 2012. He requested permission to make pay plan adjustments to mimic those of the City of Rogers. Huffman-Gilreath asked what the city is doing. Noble stated they have authorized a \$1,000 increase for those employees making less than \$50,000 per year and those making more than \$50,000 will receive a 2 percent increase. Greene asked if this required a motion. Chairman Kendall asked Jim Clark who stated the General Manager has the authority to complete this action.

At 4:58 PM there was a motion by Huffman-Gilreath second by Greene to adjourn into Executive Session for the General Manager Evaluation. All in favor, motion carried.

The meeting was called back to order at 5:58 PM. Chairman Kendall announced that the Commissioners are back in regular session. Chairman Kendall announced that the Commission reviewed personnel issues and no action was taken.

Being no other business, the meeting adjourned at 5:59 PM.

Respectfully submitted,



Craig Noble, Acting Secretary
Rogers Waterworks and Sewer Commission
File: RWWSC minutes, 1-21-2013