

Rogers Waterworks and Sewer Commission

February 17, 2003

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled monthly meeting at 4:00 PM, Monday, February 17, 2003, in the Rogers Water Utilities Training Center. Commissioners present were Donnie Moore, Lon Pepple, Dick McLelland, Fred Wanger, and Jerry Pittman. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, Don Roberts, Mike Lawrence, Robert Moore, Earl Rausch, and Stephen Ponder. Others in the audience were Jason Kelley, Mike Watts, Billinda Watts, Mike Rowe, John Moore, E. J. Miller, Barbara Miller, and Gary Jech. Chairman Moore called the meeting to order at 4:00 PM.

There was a motion by Pittman, second by Wanger, to approve the January minutes. All in favor, motion carried.

Moore recognized Mike Lawrence, Rogers Pollution Control Facility Manager. Lawrence recognized Robert Moore, RPCF Operations and Maintenance Team Leader, for ten years of service to RWU.

Moore recognized Tom McAlister, RWU Manager. McAlister recognized Don Roberts, Superintendent of Field Operations, for fifteen years of service.

Moore recognized Mark Johnson, P. E., RWU Engineer. Johnson presented the Commission with a report that detailed most of the projects in which the Commission had an on-going interest. Johnson said that the 1998 Sewer bond fund projects were completed. He said that most of the property owners in the Phase VI area had either connected to the new sewer, or were in the process of connecting. The area sewer lift station to serve the Cooper Homes project near Garrett Road and Bellview was under design, he said.

Johnson said that engineering design work was continuing on the water and sewer relocations to facilitate the widening of New Hope Road. Johnson said that the contractor for Phase IV of the sewer RLF project, Insituform, was in town and working to rehabilitate some old sewers. He commented that the rehab technique known as cured-in-place-pipe (CIPP) was very non-intrusive, since it was essentially a no-dig technology.

Continuing, Johnson presented the Commission with a bid tabulation for the proposed Lilac St. ground storage tank/pump station. Bids were opened on the 13th of February, Johnson said. The low bid for a concrete tank was \$3,778,593.28 from Van Horn Construction. He said that contractors were asked to bid a steel tank as an alternative. Johnson said that steel tanks were cheaper to build, they were more costly to maintain. Johnson said that the cost difference between steel and concrete could be made up the first time the steel tank was painted, probably in 10 to 15 years after it was built.

How much was the cost estimate? Someone asked. Johnson said the estimate was \$3.5 million, which had not been updated in over a year. There was a motion by Pittman, second by Pepple, to approve the bid of Van Horn Construction, for the concrete tank. All in favor, motion carried.

Moore recognized Joyce Johnson, Utilities Controller. Joyce presented the Commission with a proposal from Farris Insurance Company to provide property insurance for RWU. Johnson said that this was the only proposal received after advertising. The bid, for \$28,787, was 38% higher than last year. Gary Jech of Farris Insurance, said that rates had gone up all over the country. He said that his proposal included \$1001 for “acts of terrorism” insurance, which had been excluded in years past, but was now underwritten by the federal government. There was a motion by Pittman, second by Wanger, to approve the proposal by Farris Insurance. All in favor, motion carried.

Moore recognized Mike and Billinda Watts. The couple was attempting to close on some property on Highway 94 East in Benton County, in order to build a home. Watts said that he had called the water department in August of 2002, and had been quoted a price of \$4100 for a water service on his property. A few days later, he claimed to have been contacted again by the water utilities, and quoted at \$3800. Now, when he is ready to move on the property, the price has gone up \$6900. Watts said that he understood that the Commission had instituted another \$2000 in connection fees, but he argued that he should not have to pay it, since he contacted the Utilities last year before the Commission acted, and since the additional \$2000 was specifically for the lots in Avalon subdivision.

McAlister said that there were two connection fees applicable in this area currently. One was instituted by the now defunct Horseshoe Bend Water Association (\$2000), and one for RWU, which was to be used to defray the cost of improvements to the old rural water system. The Commission instituted the latter fee last September, he said. McAlister said that the earlier fee would expire when the rural water system’s debt was paid.

There was some confusion about what exactly the Commission had instituted last September. Moore said he thought that the additional fee was for Avalon subdivision. McLelland said that the original fee of \$2000 from Horseshoe Bend Water Association might need to be reinstated in some form, since it was set to expire. After some discussion, the Commission agreed to let the fee to Watts remain the same for now, but cautioned that they wanted to know exactly what the intent of the Commission was last

September. McLelland directed McAlister to fax Commission members copies of the minutes of the September 2002 meeting, as well as listen to the tape recording, if available.

McAlister brought up the issue of the pending contract negotiations for sewer service for the City of Lowell. After the last meeting, McAlister had made several changes in the proposal from Lowell, and these changes were incorporated. However, since then, the Deputy City Attorney, Jim Clark, had retired, the second draft had been on the City Attorney's desk for about two weeks. Moore expressed his frustration with the process, since, at the last meeting, he had told the Lowell City attorney that the entire Commission was needed to act. Now, the entire Commission was in attendance, and the matter was not even on the agenda! Moore cautioned the Commission that a special called meeting might be necessary to dispense with the matter.

McLelland said that he thought the staff could handle the legal and technical issues with the contract. Pittman said that he thought the Lowell sewer rates should not be 130% of the Rogers' rates, as offered in the proposed contract, especially since Lowell had "given up so much" in the settlement of the Act 779 lawsuit. There was a motion by Pittman, second by Wanger, to recommend a sewer rate to the Rogers City Council, of 120% of the Rogers city sewer rates, for Lowell only. All in favor, motion carried.

Moore recognized Joyce Johnson, Utilities Controller. Johnson presented the Commission with financial sheets for January 2003. She cautioned that the water department showed a loss of \$14,000 for the month. She blamed low demand, decreasing interest revenue, and shrinking reserves. The Commission accepted the statements without comment.

The meeting adjourned at 5:10 PM.

Respectfully submitted,

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

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