

Rogers Waterworks and Sewer Commission

February 19, 2013

Minutes

The Rogers Waterworks and Sewer Commission held its regular meeting at 4:00 PM on Tuesday, February 19, 2013, in the Rogers Water Utilities Administration Building. Present were Commissioners 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, Robert Moore, Earl Rausch, Vera Hall, Pat Sharp, and Jordan Waterhouse. Also in attendance was Deputy City Attorney Jim Clark. Travis Greene called the meeting to order at 4:10 PM.

There was a motion by Huffman-Gilreath, second by Surly to approve the minutes of the January, 2013 regular meeting as submitted. All in favor, motion carried.

Greene recognized Joyce Johnson, Utilities Controller. Johnson presented the financial reports for January 2013. RWU had a loss of \$90,000.00 in the Water Department in January. Johnson stated she prepares a report every month that calculates the number of days on average that RWU bills the customers. In January 2013, RWU read the meters a little early while in January 2012, we read the meters a little later. When the two months were compared, there was quite a difference in percentage of consumption and percentage of revenue (billed revenue). Johnson explained this is why RWU revenue is down 8 percent for January 2013. This should correct itself next month. Johnson stated that sewer revenue is more consistent and stable. Surly asked with the trend of water revenue loss in February through May, will RWU still come out ahead. Johnson stated RWU is ahead of last year in revenue but the Utility started experiencing losses in November 2011 and the Utility had positive revenue a little longer into 2012; until the first lost in December 2012. Johnson also stated that the Utility had budgeted for a loss in revenue in 2013 but that was without prior knowledge of the drought. Greene asked when RWU will start putting together next year's budget. Johnson stated that she has already started working on the 2013-2014 budget. Johnson stated she usually has the first budget ready by the May Commission Meeting.

Greene recognized Earl Rausch, Engineering Manager. The engineering staff is working on the scheduled street projects and has added a water and sanitary sewer project to the schedule. This schedule includes a water line replacement for Easy Street and Roselawn Street at 2nd Street and a water line and sanitary sewer line located at 24th and Cherry Street. 24th Street is still under construction.

Rausch presented the Project Review Report that includes grease trap, cross connection control (CCC) and civil project review, and large scale planning projects. Most of the review this month was regarding cross connection control.

Greene recognized Robert Moore for the Rogers Pollution Control Facility (RPCF) report. The plant is running great and the phosphorus numbers were extremely low in January 2013. These numbers should rise in February, March and April. Moore stated that RWU is continuing to monitor Osage Creek for an additional year. RWU signed a contract with USGS to continue until January 2014.

Greene recognized Robert Moore for the sludge dryer update. Moore stated that RWU has not accepted the sludge dryer. RWU has to have three (3) consecutive days of good tests. Therma-Flite will get a good test and then stop for a day. Therma-Flite will start testing again tomorrow (February 20, 2013). Greene asked if the delay was prompted by Therma-Flite. Moore answered yes. Moore also stated that the dryer has dried all of the January sludge and the sludge is meeting 503 Regulations for a Class A EQ sludge. The metal test has not been received. Once RWU is classified as Class A EQ sludge, RWU will be able to dispose of it by new means. Surly asked if we have any prospective customers. Moore stated that he is talking to prospective customers. Huffman-Gilreath asked about the retail price and how the sludge is measured. Moore stated that sludge is sold by the ton. Huffman-Gilreath asked if RWU would have to get bids or set a price. Jim Clark stated that bids would be required since RWU is disposing of Utility property. Surly asked how many tons are expected to be produced on an annual basis. Moore stated that RWU will produce 1,440 metric tons annually. Surly asked how much sludge can be stored at the plant. Moore stated that he does not plan to store any of it. One criteria of the bid will be to provide an extra trailer to use as the other is filled. Greene asked about the capacity of a trailer. Moore stated that the trailers are end dump trailers and they hold about 2.5 tons. Huffman-Gilreath asked how often a trailer is filled. Moore stated that it takes 2.5 days. RWU was filling 10-12 trailers per week before we started drying the sludge. Greene asked about the natural gas bill. Moore stated that the gas bill was \$21,000.00 last month. Therma-Flite is drying the sludge too dry currently, so when RWU takes over, we will try to reduce the fuel cost. Surly asked do we buy natural gas on the spot market. Moore answered no. Surly suggested talking to the gas company regarding commodity gas prices. Greene ask when Therma-Flite passes their three (3) tests will they vacate the site. Moore stated that once the testing is over, Therma-Flite is going to work with RWU to bring the percent solids down and then they will be here another six weeks. Greene asked about the warranty on the sludge dryer. Moore stated that most of the equipment has a one year warranty.

Greene recognized William Evans, Water Field Operations Supervisor. Evans stated that the unaccounted for water rate was 21 percent for the month but realistically, it was probably 14 percent for the month due to the fluctuation in number of reporting days. The unaccounted for water rate was 10 percent for the last 12 months.

Greene recognized Johnny Lunsford, Sewer Field Operations Supervisor. Lunsford presented the collection system report. Lunsford stated that RWU had an I/I event last month. RWU found a car wash and a construction site where they were draining the site into the RWU Collection System. This is a violation of the Federal law. RWU has fixed the construction site and is still working on the car wash. The I/I cost last month was approximately \$36,000 but that cost does not include electricity for the Utility lift stations. The numbers are down for repairs, TVI camera operation and flushing because of the weather and employee shortage. In January RWU hired a new employee and in February we lost an employee to the City of Rogers Street Department.

Lunsford stated that he has been looking at new equipment for the two camera vans. RWU is running Hanson 7.7 but the current version is Hanson 8.3. Lunsford stated that his crews can video a problem sewer line and 3 months later, the video will be gone. On a recent job, RWU videoed a sewer line prior to CIPP and afterwards, the crew was going to re-camera the sewer line to make sure all services were cut out. The first video was completely gone. This is because the Utility software is outdated. Surly asked how long the new system had been out. Lunsford stated that Hanson 8.3 does not come out until the end of March, 2013. Noble stated the version of Hanson that the Utility has is a 1993 version. Surly asked for a cost estimate. Lunsford stated that the software is on the H-GAC (Houston Galveston Area Council) bid and the cost is approximately \$103,000.00 including GIS software. Surly asked what kind of support comes with this. The Granite XP has a wireless connection in the vans, the RWU operator can call Florida support techs, and they can take over the computer in the camera van. Granite XP will fix the problem then give the computer back to the operator. Surly ask about training. Lunsford stated the Granite XP provides a week of training at the RWU office. Granite XP also works with the existing RWU cameras.

Joyce Johnson introduced Jordan Waterhouse to present the IBM i Power 7+ computer. Waterhouse stated that RWU is requesting permission to purchase a new i7 computer to replace the Utilities existing i5 computer. The current computer was purchased 8 ½ years ago and is reaching the end of its product life cycle. Surly asked what is an i5. Waterhouse stated that the i5 runs all the business software such as receiving payments by credit cards, web page, tracking fixed assets and payroll. Noble stated that is the new name for the IBM AS-400. Waterhouse stated that the i7 server is an upgrade and the cost is about \$25,000.00. Huffman-Gilreath asked will the i7 be more secure. Waterhouse answered yes. Huffman-Gilreath made a motion to purchase the i7, second by McClure. All in favor, motion carried.

Greene recognized Earl Rausch. Rausch presented the bid tabulations for the Sanitary Sewer Rehabilitation Phase 2. RWU received three bids on Feb. 16, 2013 and Layne Inliner; LLC submitted the low bid of \$688,985.00. Rausch asked for approval to accept the low bid. Surly asked if we have checked Layne Inliner references. Rausch stated that the pre-qualifications are impressive; during 2012 Layne Inliner completed \$244 million dollars worth of CIPP work. Surly asked how many feet this project covers. Rausch stated that this job contains 20,000 feet of sewer line. Greene asked how many feet were in Phase 1. Rausch stated Phase 1 had a different approach to the CIPP contract. Phase 1 included lining the sewer service lines within the property

line/right-of-way. Noble stated that in Phase 2, RWU will either install top hats or re-line the sewer service. The top hat and re-lining will be determined by the RWU sewer camera crew. There was a motion by Greene, second by Huffman-Gilreath, to approve the bid from Layne Inliner, LLC in the amount of \$688,985.00. All in favor, motion carried.

Rausch presented price quotes for the Financial Storage Remodel. Since all bids were below \$20,000.00 no action was required.

There being no other business, the meeting was adjourned at 5:30 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Craig Noble". The signature is written in a cursive style with a large initial "C".

Craig Noble, Acting Secretary
Rogers Waterworks and Sewer Commission
File: RWWSC minutes, 2-19-2013