

Rogers Waterworks and Sewer Commission

February 19, 2019

Minutes

The Rogers Waterworks and Sewer Commission held its rescheduled meeting at 4:00 PM Tuesday, February 19, 2019, in the Rogers Water Utilities Administration Building located at 601 S 2nd St. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, and Mike Watkins. Commissioner Don Kendall was absent. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Todd Beaver, Brian Sartain, Aaron Short, Jennifer Lattin, Jene' Huffman-Gilreath, Vera Hall, Debbie Putman, Joyce Johnson, Donna Wilson and Dana Daniel. Also in attendance was Robert Frazier of the Frazier Law Firm. Chairman Surly called the meeting to order at 4:03 PM.

Brent Dobler, Superintendent, recognized Dana Daniel as the new Rogers Water Utilities HR Manager. The Commission expressed a warm welcome.

A motion was made by Commissioner Travis Greene and second by Commissioner Kathy McClure to approve the minutes of the January 22, 2019 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Controller to present the January 31, 2019 financial reports. Lattin stated that Water consumption for the month of January 2019 was up .21% from January 2018. Billed revenue was up 2.13%. The Water Department reported income of \$31,000 for the month ending January 31, 2019, and income of \$38,000 for the month ending January 31, 2018. Collection of access and impact fee revenue for F'Y' 19 is \$360,000 and is down from \$496,000 in F'Y' 18. Actual access and impact fee revenues are \$136,000 under budget in the Water Department for Fiscal Year 2019.

Sewer consumption for January 2019 was down .83% from January 2018. Billed revenue was up .84%. The Sewer Department reported a profit of \$281,000 for the month ending January 31, 2019, and a profit of \$274,000 for the month ending January 31, 2018. Collection of access and impact fee revenue for F'Y' 19 are \$849,000, and are down from \$974,000 in F'Y' 18. Actual access and impact fee revenues are \$230,000 under budget in the Sewer Department for Fiscal Year 2019.

The Restricted and Unrestricted Funds Report show total funds are at \$37.7 million. \$8.3 million is restricted. The unrestricted funds are at \$12.4 million in Water and \$17.1 million in Sewer. Total funds on hand at January 31, 2018 were \$34.6 million. The year to date profit in the Water Department is more than the prior year and ahead of budget. The year to date profit in the Sewer department is also more than the prior year and ahead of budget. Year to date collections of access and impact fees are under budget in both the water and sewer departments.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the January engineering report. Sartain said plan review continues to show strong activity. There are several new projects this month including the Innisfree Nursing Rehab addition as well as Popeye's new location on Pleasant Crossing. Lakewood Subdivision Ph 6 is in Lowell and also the design for the

reconstruction of Arkansas St (city project from Oak to Chestnut St) is underway. Sartain also noted the Nabholz Office Expansion and the Fresh Roots Counseling Center. Chairman Surly asked about the average number of reviews for a single project. Sartain replied generally five (5) or less depending upon how many changes a project may encounter during the design process, but ideally no more than three (3). Chairman Surly noted some projects were showing a higher number of reviews indicated and questioned if there were any additional fees/charges assessed. Sartain said no extra costs are involved at this time but would evaluate the process further. The 10th & Rozelle Water/Sewer Project is near completion and the RPCF Solids Handling Facility Project is underway as they are installing some of the site utilities as well as working on the demo. RWU will receive bids for the 2017 West Area Annexation (Waterline Extensions on Sunbridge Dr and Price Alley Ln) on March 6, 2019. Currently, the engineering dept is working on the specifications for the recoating of the 11th St Elevated Storage Tank, following recommendations from the condition assessment report. RWU is awaiting the survey results from RJN on the Blossom Way FRP Sewer Rehab and expect a draft report by the next meeting. Sartain shared some photos showing the progress of the RPCF Solids Handling Facility. There were no further questions.

Chairman Surly recognized Todd Beaver, RPCF Manage to present the January Reports. The Discharge Monitoring Report had good results, with no permit violations. The annual Pretreatment Status Report looks good and was reported to ADEQ. The FOG Inspection Report provides a list of FSE's that have been pumped during January. There were 17 FSE inspections completed in January, that does not include follow up inspections. The operations team has now caught up with the solids process as it was inoperable when shutdown for construction activities. 336 MG was treated in January with approximately 125.2 MG additional flow treated with an average flow of 10.8 MGD. These flows included 4.57" of rain over 11 events. There were no questions.

Chairman Surly recognized Johnny Lunsford, Construction and Maintenance Manager for presentation of the January Reports. Lunsford stated that his team is now fully staffed. The different areas reported is showing a very busy time including RWU experienced (11) eleven water breaks. Chairman Surly asked if these all had occurred from the same boring company. Lunsford replied no, there are several different Boring contractors working in our area. There is a meeting scheduled for March 11, 2019 with Arkansas One Call and A T & T in hopes to get some of these issues resolved. Chairman Surly asked if any penalty or fines are assessed. Lunsford stated that the companies at fault are billed for the repair costs such as labor, time and material. Chairman Surly suggested that RWU re-evaluate the current fees to determine if it is cost effective at this time. Lunsford said that RWU employees are using the tablets to get more information, taking photos of the actual locates which will help in collecting detailed proof of the situations. The Lost Water is at 15% for the last twelve months, and 22% for the month. The January average daily water usage was 7.99 MGD with a single daily use high of 8.42 MGD. There were no further questions.

Chairman Surly recognized Brent Dobler, Utility Superintendent to report from the RWU Depository and Investment Committee Meeting today at 3:00 PM, there were no modifications made to the current RWU Investment Policy. Continuing, Dobler requested approval to continue using the following financial institutions: a) Arvest b) First Western Bank c) First National Bank of Fort Smith d)

Simmons First Trust Company, and e) Regions Bank. Commissioner Mike Watkins made a motion, second by Commissioner Kathy McClure to approve the Designation of Banks and Banking Institutions as submitted. All in favor, motion carried.

Dobler continued with request of approval to open a new sewer depreciation checking account. The existing sewer depreciation checking account # 1017896 with First National Bank of Northwest Arkansas was under a Water Tax ID and will be closed. The new sewer depreciation account will be opened with a Sewer Tax ID. A motion was made by Commissioner Kathy McClure and second by Commissioner Mike Watkins to approve the opening of a new sewer depreciation account. All in favor, motion carried. Dobler said that after discussion of the CDARS placement process, the RWU Depository and Investment Committee did not take any action at this time.

Chairman Surly recognized Jene' Huffman-Gilreath, Shared Services Manager to request approval of Resolution No. 19-03 with exhibit 1 attached. There was one (1) bid received from Kevin Hileman d/b/a Lawns & Leaves. This four (4) year contract is for approximately 180 acres of hayfield mowing services at the RPCF to permit cultivating and hay removal from the RPCF hayfield. Mr. Hileman will pay Five Thousand Dollars (\$5,000) per year for each year of the Contract to RWU. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 19-03 as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller to present a report on the water and sewer department trends from 2010-2018. Using charts, Lattin highlighted several trends including income (loss), interest income, consumption, outstanding debt, reserved funds, and expenditures. The water and sewer customers are showing an average growth of 2% per year. Since 2010, the utility has reduced the total combined water and sewer bonds payable from \$67 million to approximately \$31 million. The Beaver Water District cost has increased to \$1.36 per gallon. There were no questions.

Chairman Surly announced that his two (2) yr extended term as Chairman of the RWWSC has been fulfilled. Commissioner Travis Greene nominated Commissioner Kathy McClure and Commissioner Mike Watkins second the motion. Kathy McClure accepted to fill the two (2) yr term as Chairman of the RWWSC. All in favor, motion carried.

Also Chairman Surly asked for the Commission's approval to appoint a member of the RWWSC to serve a new two (2) yr term on the RWU Depository and Investment Committee. Commissioner Travis Greene made a motion and second by Commissioner Kathy McClure to nominate Commissioner Mike Watkins. Commissioner Mike Watkins accepted the vacancy of the two (2) yr term on the RWU Depository and Investment Committee. All in favor, motion carried.

With no further business, the meeting was adjourned at 5:00 PM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Brent Dobler', with a long horizontal stroke extending to the right.

Brent Dobler, Acting Secretary/djw

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