

Rogers Waterworks and Sewer Commission

February 20, 2018

Minutes

The Rogers Waterworks and Sewer Commission held its rescheduled February meeting at 4:00 PM Tuesday, February 20, 2018, in the Rogers Administrative Building located at 601 S 2nd St. Present were Commissioners Travis Greene, Roger Surly, and Mike Watkins. Commissioners Kathy McClure and Don Kendall were absent. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Joyce Johnson, Jennifer Lattin, Brian Sartain, Stephen Ponder, Todd Beaver, Debbie Putman, Randy Watson, Vera Hall, and Donna Wilson. Also in attendance was Robert Frazier of the Frazier Law Firm, Jerry Carmichael of the Rogers City Council, Dan Thompson of Crossland Heavy Contractors, and Chris Buntin of Garver Engineering. Chairman Roger Surly called the meeting to order at 4:00 PM.

Chairman Surly recognized Brent Dobler, Operations Manager. He accepted the ten (10) year service award and gift of appreciation on behalf of Bill Rizley (absent). The Commission expressed their appreciation.

A motion was made by Commissioner Travis Greene, second by Commissioner Mike Watkins to approve the minutes from the January 22, 2018 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller for the presentation of the January 2018 Financial Reports. Lattin stated water consumption for the month of January 2018 was down .93% from January 2017. Billed revenue was up .78%. The Water Department reported income of \$38,000 for the month ending January 31, 2018, and income of \$41,000 for the month ending January 31, 2017. Collections of access and impact fee revenue for F'Y' 18 are \$496,000, and are up from \$457,000 in F'Y' 17. Actual access and impact fee revenues are \$82,000 over budget in the Water Department for Fiscal Year 2018.

Sewer consumption for January 2018 was down .76% from January 2017. Billed revenue was down .48%. The Sewer Department reported a profit of \$274,000 for the month ending January 31, 2018, and a profit of \$275,000 for the month ending January 31, 2017. Collections of access and impact fee revenue for F'Y' 18 are \$973,000, and are up from \$924,000 in F'Y' 17. Actual access and impact fee revenues are \$140,000 over budget in the Sewer Department for Fiscal Year 2018.

The Restricted and Unrestricted Funds Report show total funds are at \$34.6 million. \$9.2 million is restricted. The unrestricted funds are at \$10.1 million in Water and \$15.3 million in Sewer. Total funds on hand at January 31, 2017 were \$30.6 million. Year to date profit in the Water Department is more than the prior year and ahead of budget. 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 over budget in both the water and sewer departments. There were no questions.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the January Engineering Report. Sartain noted another busy month in plan reviews. The area for new apartments is still strong with West Walnut Multifamily, Summer Ridge Townhomes, Palisades at Pleasant Crossing, and also 49 West represents approximately 700 units. Sartain pointed out the map is now indicative of the water service boundaries and also the Rogers city limits. The Monte Ne Reconstruction Project from Gum Street to Cherry is still underway. The Perry Road-21st St to Bellview is completed with the ribbon cutting soon. We believe the Bellview Road project with APAC will start in March. We anticipate Pleasant Grove Road Ph III to be scheduled and go out for bid in April. The I-49 and Highway 71 B Interchange is approximately 60% complete and will be submitted to the highway department for review. The Walnut Street widening from 8th Street to Dixieland will be a complex project because of the relocating of water and sewer utilities including both intersections. The Prairie Creek elevated storage tank does have an intermediate coating and weather permitting should be finishing up with the final coating soon. We will be starting the design to install a diesel backup generator at the Shadow Valley Lift Station (2nd largest). Chairman Surly asked if there was a generator at the location now. Sartain replied no, but the Cross Creek Lift Station currently has backup power. Rausch also added that the State Health Department will be requiring the lift station locations to have a backup source. The Contractor has given us a March start date for the Stream Stabilization Waterline Project. Crossland Heavy, working on the RPCF Train 1 Rehab Project has the basin cleaned out and are starting to make concrete repairs. There were no further questions.

Chairman Surly recognized Todd Beaver, RPCF Manager to present the January Reports. The Discharge Monitoring Report Summary has good results. The Osage Creek Monitoring Report looks good. The City of Rogers and RWU has renewed the contract with USGS to maintain a stream gauge and collect temperature, turbidity, and conductivity data. The FOG Report continues to show modification to performance data, and analyze past performance. As part of the inspection data, the 2017 inspections were scaled and recorded in the database (saturation, pumping frequency, securing of lids and any needed repairs). These factors can be combined to provide a snapshot of the condition of the grease interceptor at the time of inspection. This will show an establishment what specific action is needed to improve and help their compliance status at the next inspection. Continued efforts are being used to manage best kitchen practices and to map potential grease hotspots. The summary data shows 4% inspections completion thus far. The Industrial Pretreatment Report provided a chart showing CBOD monthly average loading data from the top five (5) users that are higher than domestic strength. The total amount of surcharges for 2017 is \$20,640.07. The surcharges per pound of pollutant have not been updated since 1990. The purpose of the surcharge program is to accurately allocate costs to those who generate high strength wastewater but are not permit violations. The new sewer rate study will include a surcharge evaluation. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for the presentation of the January 2018 Operation Reports. Dobler highlighted graphs from various departments. He reported that due to the diligence of the meter reading and service teams, the extreme cold did not result in a large number of frozen water meters. Thus being the result of enforcing meter box maintenance by customers over the last several years. On the construction side, the 21 verified water leaks have been

reduced now to 10. The cold temperatures did not adversely affect locates for January. The service calls were higher mostly due to weather related trouble calls. The shutoffs appear to be consistent. CCTV inspection had a reduction in productivity, but changes have been made and we are now completing around 1500 feet per day. The Vac-con flush truck and valve exercising cannot operate during the extreme below freezing temperatures. The leak detection is proving to be a continued success. The Lost Water Report is at 15% for the last (12) months, and 21% for the month. The January 2018 average daily water usage was 7.83 MGD with a single daily use high of 8.79 MGD. There were no questions.

Earl Rausch, Utilities Superintendent announced that Commissioner Travis Greene had accepted reappointment to the RWWSC with a new term to expire February 1, 2026. He noted that the Depository and Investment Committee met at 2:00 PM today. Rausch informed the Commission that the Committee is recommending seeking money market accounts and also interest bearing checking accounts at Arvest. There were no changes to the investment policy deemed necessary. Rausch asked for the RWWSC's approval to continue using the financial institutions as follows: a) Arvest Bank b) First Western Bank c) First National Bank of Fort Smith (First National Bank of Northwest Arkansas) d) Simmons First Trust Company, and e) Regions Bank. Commissioner Travis Greene made a motion, second by Commissioner Mike Watkins to approve as submitted. All in favor, motion carried.

Chairman Surly recognized Brian Sartain, Utility Engineer to present the Crossland Heavy CM/GC agreement for the RPCF Solids Handling Facility Project. RFQ was advertised and five (5) bids were received. After careful consideration from a management team consisting of Administration, Engineering and RPCF, staff recommends approval of the proposal from Crossland Heavy Contractors not to exceed \$82,000 for an hourly service for preconstruction services. This includes working alongside RWU staff as well as Garver Engineering, development of a project management plan and schedule with cost estimates for each stage of the plan. This proposal also sets the Construction Manager's service fee at six (6) % for the cost of the work. Chairman Surly asked about the time frame. Sartain said 30% of the plans should be ready in mid March and hoping 60% with the maximum cost available in May. Sartain assured Chairman Surly that he along with Todd Beaver and other members of RPCF staff will be working closely on this project. Sartain is asking RWWSC for approval to allow RWU management be authorized to negotiate the final form and content of this contract with Crossland as submitted. Commissioner Mike Watkins made a motion, second by Commissioner Travis Greene. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Business Manager to present a request for proposals for Credit Card and Debit Card bill payment options/processing. Johnson explained that after researching with other cities and the City of Rogers, it is time to address compliance issues and update credit and debit card procedures. The goal is to improve the credit and debit card process including saving staff time on the phone and address PCI compliance issues. After advertising a RFP (request for proposals) and ranking the proposals, staff will present a recommendation to the RWWSC. Johnson said from the onset of accepting credit card payments, RWU has absorbed all associated expenses. Possibly there could be a convenience fee assessed that would be absorbed by the rate payers. After discussion, Commissioner Travis Greene made a motion, second by Commissioner Mike Watkins to

approve the request to seek proposals for the credit/debit card bill payment options process. All in favor, motion carried.

Chairman Surly recognized Brent Dobler, Operations Manager to discuss the use of the WEX (fuel card) process for field operations. Dobler stated that we will no longer be using the fuel tanks (1 unleaded, 1 diesel) on site that were filled by a local wholesaler. After looking at possible costs of \$8-9,000 to replace the pump, we have selected to use the WEX process. There is no charge assessed to RWU but we will pay the advertised fuel price at the acceptable locations. Chairman Surly asked about the internal controls. Dobler said each vehicle/piece of equipment is assigned a card then identified with an employee PIN and odometer information. A Rogers Water Utilities Fuel Card Use Policy was drafted by Attorney Robert Frazier and presented to authorized employees that acknowledged this policy by signing and returning the form to the RWU Controller. Chairman Surly asked about the process of removing the fuel tanks from the site. Dobler made contact with the State Health Department to get the requirements for the discontinuation process. The excess fuel (100 gallons remains in both tanks) has been removed. The State does not require draining/filling or immediate removal. We must continue to participate in the inspection program and remain in compliance. The estimated cost of removal is \$10-15,000 for each tank. Dobler also stated that in the future, at time of tank removal, if there were any contamination issues we can participate in an insurance fund that could possibly help with removal costs. Chairman Surly asked if there would be changes to our budget. Lattin added that the use of the fuel cards will not affect our income statement, as we already currently expense fuel monthly. However, on our balance sheet we will no longer have an asset item for gas/diesel inventory. There were no further questions.

Chairman Surly recognized Jennifer Lattin, Utilities Controller to present a report on the water and sewer department trends from 2009-2017. Using graphs, Lattin highlighted several trends including income (loss), interest income, consumption, outstanding debt, reserved funds, and expenditures during these periods. Since 2009, the number of water and sewer customers has grown an average of 2% each year. Additionally since 2009, the utility has reduced the total combined water and sewer bonds payable from \$70 million to \$38.5 million. There were no questions.

With no further business, Chairman Roger Surly adjourned the meeting at 5:14 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary/djw

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