

**Rogers Waterworks and Sewer Commission**

**February 21, 2017**

**Minutes**

The Rogers Waterworks and Sewer Commission held its rescheduled meeting at 4:00 PM Tuesday, February 21, 2017 in the Rogers Water Administration Building. Present were Commissioners Travis Greene, Roger Surly, Mike Watkins, and Kathy McClure arrived late. Commissioner Don Kendall was absent. Present was Rogers Water Utilities staff Brent Dobler, Todd Beaver, Joyce Johnson, Jennifer Lattin, Jene' Huffman-Gilreath, Johnny Lunsford, Brian Sartain, Vera Hall, Randy Watson, Donna Wilson and Earl Rausch arrived late. Others in attendance were Robert Frazier of the Frazier Law Firm, Craig Hardin and Lane Crider of McGoodwin, Williams, and Yates. Chairman Roger Surly called the meeting to order at 4:02 PM.

A motion was made by Commissioner Travis Greene, second by Commissioner Mike Watkins to approve the minutes of the January 23, 2017 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller for the presentation of the January 2017 Financial Reports. Lattin stated that water consumption for the month of January 2017 was up 14.73% from January 2016. Billed revenue was up 10.07%. The Water Department reported income of \$41,000 for the month ending January 31, 2017, and a loss of \$57,000 for the month ending January 31, 2016. Collections of access and impact fee revenue for F'Y' 17 are \$457,000 and up from \$363,000 in F'Y' 16. Actual access and impact fee revenues are \$119,000 over budget in the Water Department for Fiscal Year 2017.

Sewer consumption for January 2017 was up 12.20% from January 2016. Billed revenue was up 8.28%. The Sewer Department reported a profit of \$275,000 for the month ending January 31, 2017, and \$162,000 profit for the month ending January 31, 2016. Collections of access and impact fee revenue for F'Y' 17 are \$924,000, and are up from \$759,000 in F'Y' 16. Actual access and impact fee revenues are \$224,000 over budget in the Sewer Department for Fiscal Year 2017.

The Restricted and Unrestricted Funds Report show total funds are at \$30.6 million. \$8.5 million is restricted. The unrestricted funds are at \$9.4 million in Water and \$12.7 million in Sewer. Total funds on hand at January 31, 2016 were \$33.6 million. Year to date profit in the Water Department was marginally less than the prior year, but ahead of budget. Year to date profit in the Sewer Department is also less than last year but ahead of budget. Year to date collections of access and impact fees are over budget in both the water and sewer departments.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the January Engineering Report. Sartain highlighted the plan review summary including a variety of development for residential subdivisions, apartments, offices, nursing facilities, church expansions, industrial, and a hospital. Growth is continuing on West Walnut and West of I-49. The utility relocations of the Monte Ne Rd Project are approximately 20% complete. The Cross Creek Lift Station improvements are

currently underway and hope to be completed in 5-6 more weeks. Commissioner Greene inquired about the status of the Scissortail Subdivision. Sartain stated at this time, most of the water and sewer lines have been tested. Delay is due to the lift station and also coordinating with Carroll Electric to get power to the site. Upcoming projects submitted are preliminary relocation proposals for the I-49 and 71 B interchange. This is expected to be 100% reimbursable from the Arkansas Highway Department. There were no further questions.

Chairman Surly recognized Todd Beaver, RPCF Manager for the presentation of the January RPCF Reports. Beaver stated that the Osage Creek Monitoring Report is within limits, no issues reported. The FOG Inspection Report strives to provide education and outreach for Food Service Establishments (FSEs), being able to assess risk factors and identify high risk establishments for future evaluation. Our strategic goal while visiting FSEs is to focus efforts on potential problems that might exist. Chairman Surly asked what specific problems could require action. Beaver stated minor issues can include diligent record keeping, acknowledgement of pumping requirements and follow-up plan. Beaver explained how the FSEs are required to use permitted Liquid Waste Transporters (LWT) for FOG removal. We are able to correlate information from the septic haulers with our database, when they access the receiving station as to which restaurants was pumped. The Industrial Pretreatment Report had no visits reported due to the primary concern this month was revising the pretreatment ordinance in order to get the draft submitted to ADEQ for its final review. Beaver stated that an Administrative Compliance Order and Assessment of Administrative Fine (exhibits 1-4 attached) was issued on February 8, 2017 to Southeast Poultry (SEP) located at 2200 Townwest Drive, Rogers, Arkansas. The Compliance Order will contain required activities and calendar deadlines for specific activities. SEP has within fifteen (15) days of its receipt to respond to the Compliance Order indicating that it will comply with this Compliance Order and describe specific steps it will take, in addition to those specifically listed. For the violations listed, an Administrative Fine in the amount of one thousand dollars (\$1,000) was assessed against SEP and shall be paid within thirty (30) days of the date of this Order and Assessment. There could be future additional fines assessed if they do not meet certain criteria. Commissioner Kathy McClure asked about the timeline in which SEP has to achieve compliance. He indicated as this is the first incident as such with RWU, will take some extended time to process. Beaver said this order and assessment is an enforcement response to repeated incidents of significant non compliance with the discharge limits of the Permit, and that an engineer will need to submit a report to RWU for approval outlining the response plan within a reasonable timeline. After review, it could take up to one (1) year to get necessary equipment installed onsite and operational. Chairman Surly asked how SEP was participating in the process and he said that they were being very cooperative with staff. There were no further questions.

Chairman Surly recognized Brent Dobler, Operations Manager for the presentation of the January Operations Reports. Dobler briefly highlighted the data from the various departments. Locates are up which is indicative of the increased construction underway. Service calls remain consistent in line. Shutoffs are lower, but down largely due to the customers being given longer than normal to pay because of the holiday schedule. The TV inspection has been operating with one unit. The new camera truck has arrived and getting final touches to be operational soon. The Vac-Con Report shows

good results. The leak detection has incurred a manpower shortage due to an employee medical leave with the remaining staff moved to valve exercising. We do expect to be back to regular schedule next week. Since January we have given valve exercising a higher priority. Commissioner Greene asked what is valve exercising. Dobler explained that since valves are the only way we have of controlling the flow of the water when breaks occur, we must make sure that we can (1) locate our valves, and (2) that the valves operate properly. Some of the valves in our system have been in place since the 40's. Using the rover survey tool has helped us record locations to "survey grade" which greatly improves our locating accuracy. This is beneficial if a valve has been covered up with landscaping or asphalt over the years. At this time, the number of valves in our system is undetermined. We are striving to collect informational data for future reference and to better serve our customers. In the meter change-out program thus far have installed over 3,300 meters in F'Y'17. The Lost Water Report is at 15% for the last twelve (12) months, and 18% for the month. The January average daily water usage was 7.49 MGD with a single daily use high of 8.69 MGD. There were no further questions.

Chairman Surly recognized Jene' Huffman-Gilreath, Shared Services Manager to present a request for cancellation of a Contract for Removal of Biosolids with Grassworks and Authorizing RWU to Solicit Bids for a Replacement Firm at RPCF. She stated she was recently notified by the owner of Grassworks of his immediate wish to end the contract dated June 30, 2014 and no longer intends to remove Biosolids from the RPCF. This contract was for a three (3) year term to expire on June 30, 2017. Grassworks is not required within the contract to provide notice of cancellation. Commissioner Greene asked what reasons if any were given for his decision to cancel the contract. Huffman-Gilreath said the abundant amount being produced required more trips and also quality is being considered class "A" sludge. She has contacted an interested hauler from Conway that will come and pickup (no costs to RWU) our large inventory in need of immediate removal. Commissioner Kathy McClure made a motion, second by Commissioner Mike Watkins to approve Resolution No. 17-04 as submitted Authorizing Cancellation of a Contract for Removal of Biosolids from the RPCF; and Authorizing to Solicit Bids for a Replacement Firm. There were no further questions. All in favor, motion carried.

Chairman Surly recognized Earl Rausch, Utilities Superintendent to request approval of Resolution No. 17-05 adopting a Policy on Deposits and Investments for the Rogers Waterworks and Sewer Commission and the Rogers Water Utilities. Rausch presented to the Commission a revised policy, (Policy on Deposits and Investments; exhibit 1 to Resolution 17-05, exhibit A 1-2 attached) which provides for the creation of a Depository and Investment Committee which shall serve as both the Depository Board and the Investment Committee. Attorney Robert Frazier added that the purpose of this Committee is to review the list of banks making sure our money is sound, and is in the best interest of Rogers Water Utilities, the Commission and the City of Rogers. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 17-05 as submitted adopting a Policy on Deposits and Investments for the RWWSC and RWU. All in favor, motion carried. Rausch continued, asking for Commission approval to renew the appointment for Chairman Roger Surly to serve another two (2) year term on the Depository Board/Investment

Committee. Commissioner Travis Greene made a motion, second by Commissioner Mike Watkins to approve re-appointment of Chairman Roger Surly as requested. All in favor, motion carried.

Rausch presented for approval Resolution No. 17-06 adopting a Shutoff Deferral Policy for Reasons of Medical Necessity. RWU and the RWWSC believes that the policy (exhibit 1 attached) is a sound policy and is for handling requests to defer utility shutoffs for reasons of medical necessity. RWU and the RWWSC believe that the policy is in their best interest and the public at large. Commissioner Kathy McClure made a motion, second by Commissioner Travis Greene to approve Resolution No. 17-06 adopting a Shutoff Deferral Policy for Reasons of Medical Necessity as submitted. All in favor, motion carried.

Chairman Surly recognized Brian Sartain, Utility Engineer for the bid results of the Sanitary Sewer Manhole Rehabilitation Project that was held on February 15, 2017. This work includes manhole ring/lid replacements, cementitious grout, and epoxy lining. The low bidder was Corgill Construction, Inc. in the amount of \$171,575.00. Sartain noted that there will be a separate purchase for the manhole rings and lids from HD Supply in the amount of \$24,039.47. Staff recommends approval for the total amount of \$195,614.47 for the Sanitary Sewer Manhole Rehabilitation Project with Corgill Construction. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve the total amount of \$195,614.47 as submitted. All in favor, motion carried.

Sartain also presented the Engineering Agreement with MWY for the Detailed Design of the West Bardenpho Basin Rehabilitation Project as previously discussed. The detailed design includes:

Field survey, structural concrete repair details, concrete joint repair details, concrete coating, guardrail, handrail, and stair plan & details, recirculation pump station plan (includes piping, valves, & pumps), electrical systems evaluation, division box valves, lift station structure concrete joint repair, and bidding services. The fees are estimated on an hourly basis and represent a not-to-exceed amount. Staff recommends approval for the Engineering Agreement with MWY in the amount of \$112,075.00. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve the proposed fees of \$112,075.00 to MWY for the Detailed Design of the West Bardenpho Basin Rehabilitation Project. All in favor, motion carried.

Chairman Surly addressed Jennifer Lattin, Utilities Controller to present a report on the water and sewer department trends from 2008 through 2016. Using charts, Lattin highlighted several trends including income (loss), interest income, consumption, outstanding debt, reserved funds, and expenditures during these periods. Since 2008 growth has increased the number of water and sewer customers an average of 2% each year. In addition, debt for both the water and sewer departments has decreased from \$29 million to \$23 million and \$43 million to \$24 million, respectively. There were no questions.

With no further business, Chairman Surly adjourned the meeting at 5:10 PM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Earl Rausch".

Earl Rausch, Acting Secretary/djw

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