

Rogers Waterworks and Sewer Commission

February 24, 2014

Minutes

The Rogers Waterworks and Sewer Commission held its regular meeting at 4:00 PM on Monday, February 24, 2014, in the Rogers Water Utilities Administration Building. Present were Commissioners Don Kendall, Kathy McClure and Travis Greene. Rogers Water Utilities staff in attendance were Joyce Johnson, Johnny Lunsford, William Evans, Jordan Waterhouse, Jennifer Lattin, Robert Moore, Vera Hall, Stephen Ponder, Brian Sartain, Lloyd Ericson and Earl Rausch. Others in attendance were Deputy City Attorney Chris Griffin, City Planner Derrel Smith, City HR Director Thomas Dunlap, John Gore of the Morning News, Thad Butcher and Kelli Butcher. Chairman Don Kendall called the meeting to order at 4:06 PM.

Chairman Kendall recognized Earl Rausch, Interim Superintendent. Rausch presented a certificate and a gift to Lloyd Ericson, Construction Inspector, to commemorate twenty years of service to RWU and the citizens of Rogers.

There was a motion by McClure, second by Greene to approve the minutes of the January 20, 2014 regular meeting as submitted. All in favor, motion carried.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent for a service boundary adjustment request from Thad and Kelli Butcher for the property located at 1662 Shores Lane. Rausch stated the property is 975 feet from the nearest City of Rogers fire hydrant and 300 feet from the City of Cave Springs city limits and water main. Rogers fire hydrant is located within the Ivey's Subdivision which is north of the Mt. Hebron Elementary School. The City of Cave Springs boundary is to the west of the property. The Utility does not have a service agreement with the City of Cave Springs. Butcher stated he and his wife have been residents of the City of Rogers for twenty years. They requested short term access to Cave Springs water. In the process of buying the lot, Butcher spoke to the neighbor to the west, Ramey Herren, who informed him of his Cave Springs water connection. Butcher spoke to the Mayor of Cave Springs and was told that Herren was granted a special exception to have Cave Springs water as part of an annexation. The Mayor of Cave Springs also stated that he would allow this lot to connect to Cave Springs water if the City of Rogers would allow it. Butcher stated that Rausch had informed him of the City of Rogers service area boundary. Rausch stated that Butcher would have to extend the water main from the fire hydrant in the Ivey's Subdivision and the cost will be around \$60,000 (1,000 ft. at \$60/ft). Butcher stated they couldn't afford to spend that much money; they are looking for a short term solution by using Cave Springs water until Rogers Water became available. Butcher stated that he and his wife do not want to drill a well because they do not want to drink well water. Chairman Kendall asked if there was a problem. Chris Griffin, Deputy City Attorney, stated this was the first time, RWU has heard that this was a temporary request. Griffin stated it

was his understanding that Butcher just wanted out of our service area to connect to Cave Springs water. Griffin stated that we were not brought into the loop regarding water for Herren but that is another matter; the Butcher property is the matter at hand. The Commission can release the property from the Rogers service area but there is no mechanism for a temporary service area boundary release. The question is, "do we not want to set a precedent that allows property owners along our service boundary to go in and out of our service area as they choose?" Butcher stated he has no desire for the Commission to make a special exception for him. He is willing to enter any type of agreement. Griffin stated the Commission can release Butcher out of the Rogers service area. Chairman Kendall asked if this property could not be released with an agreement in writing and enforceable to change the boundary back. Griffin stated that the present Commission cannot incumbent a future Commission. Chairman Kendall asked can a future Commission force the property owner to connect to Rogers Water. Griffin stated that he does not know the answer to that question. Griffin stated that an agreement would not work; it would take a legislative action by the Commission. Rausch asked Chairman Kendall if he wanted RWU staff to research this since we are anticipating future development of a subdivision along Shores Lane. Chairman Kendall stated he did not have a problem with entering into an agreement but is concerned that the agreement may not be enforceable. Greene asked Griffin if the City Attorneys Office would draw up the agreement. Griffin stated it takes a legislative action. McClure asked Butcher if he knew the water situation before he made his offer to purchase the property. Butcher answered yes and he is going to buy the property regardless. Rausch stated that we could extend the water line and take Butcher's \$10,000. Chairman Kendall asked what that would cost the Utility. Rausch stated it would cost the Utility \$50,000. Chairman Kendall asked if RWU could charge the developer for the water extension. Rausch stated we do not have a cost sharing developer policy. There was a motion by Chairman Kendall, second by Greene to release 1662 Shores Lane from the Rogers service area with the stipulation the property must connect to Rogers Water when it becomes available. The results of the vote were: All in favor, Kendall and Greene voted for and McClure against. Griffin stated that the Commission does not have a quorum for the vote*. The motion fails. Griffin states Butcher can resubmit for the next Regular Commission Meeting.

Chairman Kendall recognized Joyce Johnson, Utilities Controller. Johnson presented the financial reports for January 2014. Johnson stated in December we estimated many meter reads due to the weather. During the month of January we read all the meters. We can conclude the January year to date financial statements reflect any possible adjustments from estimating in December. The bad news is that we had to estimate the meter reads again in February due to inclement weather. The water department had a loss of \$50,000 in January 2014 which is considerably less than the loss of a year ago. But, if you combine December and January, the difference in the amount of losses between 2013 and 2014 is minimal. We are running ahead of budget and it is likely the water department will break even by the end of the fiscal year. The sewer department is stronger and will probably be ahead of budget at the end of the fiscal year. However, Johnson does not think we will have the \$2.7 million of profit that we had in 2013 in the sewer department. Johnson asked if there were any questions. McClure said, to clarify, we are estimating meters in February? Johnson stated, yes we have estimated about 1/3 of our water

meters in the month of February. We will have to wait until these water meters are read again to be confident there are no adjustments due to estimating that affect the financial statements. Greene asked about the increase in the utilities bills at pollution control. Moore stated we are using more fuel due to the cold weather. There were no other questions.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent for the Staff report. Rausch presented the January departments reports. In engineering, RJN will present the final report of the collection system monitoring next week. This report will be a tool to identify sewer repair locations needed for the rehabilitation program. The generator for the administration office is progressing and the electrical engineer, Charlie Raef, is preparing a proposal for advertising. Chris Griffin, Deputy City Attorney, will also be reviewing the contract. The Monte Ne city street widening project is waiting on some remaining right-of-way issues to be cleared and DECCO will start the water and sewer relocation project in mid-March. The Dixieland Road intersection project has been advertised and the small amount of water relocation is in the city street project. Price Lane water and sewer relocation is about 70% complete. The 2013 water and sewer replacement project is complete with the exception of the street paving due to the cold weather. Chairman Kendall asked the location of these streets. Rausch stated Easy Street and Roselawn Drive near 2nd Street and Cherry and Cypress Street between 12th and 13th Street. The project reviews have increased in commercial and residential. Greene asked about the size of the Mt. Carmel Community Project. Rausch stated the project is on West Laurel Avenue and is planned as two twenty acre phases. The pollution control DMR numbers look good and there were no sample results for Osage Creek. The Pretreatment report includes a surcharge on Ozark Mountain Poultry. Chairman Kendall asked what the violation was for. Rausch stated they were over their Biochemical Oxygen Demand (BOD) limit. The water department had a 15% unaccounted for water in January and 888 troubles largely due to frozen water service lines. The sewer department's camera and flushing footage was down due to the cold weather and snow on the ground; some of the sewer department's employees were helping with the troubles. Rausch asked if there were any questions. There were none.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent. Rausch presented the update on the Arkansas Water Quality Standards (Regulation 2) amended that is in the state legislative committee. Rausch stated the bill did get out of the Rule and Regulation Committee and is now being presented to the PC&E Commission on Friday, February 28, 2014. Rausch stated he did not know when it will be voted on by the full house. Rausch asked if there were any questions. There were none.

Chairman Kendall recognized Robert Moore, Plant Manager for the Rogers Pollution Control Facility (RPCF) report. Moore stated the sampling and testing is complete and the test results were submitted to ADEQ on the first of January. Approval of the sludge could take up to 120 days but ADEQ approved the sludge on February 10 2014. RWU's sludge is certified as Class A sludge and now, we are looking for a home for the sludge. Greene asked if we are still trucking the sludge. Moore stated we are trucking it to Kansas but we are looking for a fertilizer company to buy it. Last month, we paid approximately \$7,000 to it haul to Kansas. Chairman Kendall asked where we were in the selection process for fertilizer companies. Moore stated there are two

companies interested. We will meet with them next week. McClure asked will they truck it at their expense. Moore stated that is our plan. Moore asked if there were any questions. There were none.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent. Rausch presented a request to purchase a new 4wheel drive pickup truck from state bid. The pickup truck purchase price is \$20,505 which will replace a Chevrolet 4wheel drive pickup truck. Rausch stated after the last three months, we need all six 4wheel drive pickup trucks in our fleet. There was a motion by McClure, second by Greene, to purchase a new Dodge 4wheel drive pickup truck from state bid for \$20,505. All in favor, motion carried.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent. Rausch introduced the new City of Rogers HR Director Thomas Dunlap to the Commission. Chairman Kendall asked the Commission if they wanted to know his background or ask questions. Chairman Kendall stated he had already talked to Mr. Dunlap. McClure asked about Dunlap's background. Dunlap stated he lives in Rogers. He began at the City of Rogers three weeks ago after eleven years with Benton County in Human Resources. Dunlap stated the city and the county have many parallels.

At 4:52 PM Chairman Kendall announced the Commission was going into executive session to discuss a personnel matter.

The meeting was called back to order at 5:03 PM. Chairman Kendall announced that the Commission was back from executive session. There was a motion by Greene, second by McClure, to advertise the position of Utility Superintendent and to accept applications/resumes. All in favor, motion carried.

Chairman Kendall stated the HR Department (Thomas Dunlap) will advertise on the City of Rogers website starting February 25, 2014 and ending on March 14, 2014. During the March 17, 2014 Regular Meeting, the Commission will have another executive session to determine what action will be taken.

Chairman Kendall adjourned the meeting at 5:07 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary
Rogers Waterworks and Sewer Commission
File: RWWSC minutes, 2-24-2014

*On February 27, 2014, the City Attorneys Office informed the Commission, Thad and Kelli Butcher and staff that the Butcher service area release motion did pass based upon the requirement of the majority of the Commissioners present. The Butcher Request to be released by the City of Rogers is now forwarded to the City Council for action.