

Rogers Waterworks and Sewer Commission

March 16, 2015

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM on Monday March 16, 2015 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, and Don Kendall. Jene' Huffman-Gilreath was not present. Rogers Water Utilities staff in attendance was Earl Rausch, Joyce Johnson, Jennifer Lattin, William Evans, Johnny Lunsford, Pat Sharp, Robert Moore, Randy Watson, Vera Hall, Stephen Ponder, Brian Sartain, and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm, Clay Thompson and Stephen Jeffus from the RJN Group and also attending was Ryan Breese the City of Rogers IT Director. Chairman Surly called the meeting to order at 4:00 PM.

There was a motion by Commissioner Kathy McClure, second by Commissioner Travis Greene to approve the minutes of the February 17, 2015 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Controller for the presentation of the February 2015 financial reports. Johnson explained water consumption was down 2.09% from February 2014. Billed revenue was up 0.40%. The Water Department reported a loss of \$92,000 for the month ending February 28, 2015 and a loss of \$4,000 for the month ending February 28, 2014. Collections of access and impact fee revenue for F'Y' 2015 are \$297,000 down from \$346,000 in 2014. Actual access and impact fee revenues are \$8,000 under budget in the Water Department for fiscal year 2015.

Sewer consumption for February 2015 was up 0.21% from February 2014 and billed revenue was up 1.09%. The Sewer Department reported a profit of \$116,000 for the month ending February 28, 2015, and \$191,000 profit for the month ending February 28, 2014. Collections of access and impact fee revenue for F'Y' 2015 are \$706,000 up from \$698,000 in 2014. The combined water and sewer reserves total \$29.9 million for both restricted and unrestricted funds. Unrestricted funds are at \$9.5 million in Water and \$11.1 million in Sewer. Total funds on hand February 28, 2014 were \$26.9 million. Water reflects YTD profit for fiscal year 2015 of \$4,400 which most likely will lead to a deficit by the end of the fiscal year. March generally is the worst financial month of the year because it is based on February's consumption for only a 28 day period. Johnson asked if there were any questions, there was none.

Chairman Surly recognized Earl Rausch, Utility Superintendent for the February staff reports. He said plans are still coming in for remodels and new construction. He said even though some are small projects that presents a good outlook for continued growth. The city First Street project continues with sewer being installed. The kick off meeting for the Water Master Plan was held on Friday March 13, 2015 for Garver Engineers to begin the water modeling project. The administration standby generator construction is scheduled to start in two (2) weeks.

Rausch continued with a good report from the Pollution Control Facility showing meeting all discharge parameters for the month. Samples were taken on Osage Creek but we do not have the results for the

Osage Creek Monitoring Report. There was only eleven (11) restaurant inspections performed due to the cold weather and we hope to catch up later this month.

The unaccounted for water is 13% for the calendar year and 9% for the month. The single daily water use high was 8.6 MGD with February's average daily water usage of 6.8 MGD.

Rausch explained the sewer field ops report shows a decrease in flushing footage due to the temperatures below freezing. He asked if there were any questions, there was none.

Rausch introduced Engineer Stephen Jeffus with the RJN Group to present the final report for the sanitary sewer evaluation survey. He explained the purpose of this study is to establish the flow rates within the sewer collection system and to prioritize the sub basins located in smaller areas that might have inflow/infiltration related defects. Inflow is surface water in the sewer line and infiltration is ground water in the sewer line. There are currently approximately 1.7 million linear feet of gravity sewer line and 7,300 manholes in the total sewer system. He gave an overview using bubble diagrams and graphs that provides RWU with accurate and valuable flow monitoring, smoke testing and visual manhole inspection data. Jeffus reported finding problems in the Bellview Subdivision area with the sewer pipe not being belled properly therefore allowing inflow/infiltration into the Cross Creek Lift Station Basin during rainstorm events. Chairman Surly asked how often we need to do this type of study. Jeffus recommended every ten (10) years with no significant changes or redevelopment in the collection system. He asked if there were any further questions, there was none.

Rausch recognized Ryan Breese, City of Rogers IT Director, to give a briefing on the new Cisco IP phone system. He said that this project is about 90% complete at the city and RWU would need to install a fiber circuit to the museum in order to connect to the city phone system. The fiber connection allows remote building sites to tie together and to provide communication with the city using a direct line extension. He said by connecting to the city's network, RWU could lower phone/internet costs and result in an estimated annual savings of \$12,000. Another advantage to connecting to the city's network is other applications such as GIS Mapping and connecting the planning, codes, and inspection departments which will provide assistance in large scale development and planning. Chairman Surly asked about a timeline. Breese said it could take up to a year depending on the workload for A T & T to install the fiber circuit. Breese asked if there were any other questions, there was none. Rausch added that this project is planned for in the next budget cycle.

Chairman Surly recognized Brian Sartain, Design Engineer to present the bid results from March 12th 2015 for a Janitorial Services Contract for the Administration and Training Center buildings. Sartain said six (6) bids were received and Razorback Janitorial was the lowest bidder of \$17,997.00. After further review, only one (1) bid met the necessary insurance requirements. Vanguard Cleaning Systems of the Ozarks which is our current janitorial provider met all requirements. Being satisfied with Vanguard's current service, staff recommends accepting the bid from Vanguard Cleaning Systems of the Ozarks for \$21,894.00. Chairman Surly asked if this was to be paid monthly. Sartain said this will be invoiced monthly and the contract is valid for one (1) year with the option to extend the contract for an additional year if both parties agree. Commissioner Greene made a motion to accept the bid from

Vanguard Cleaning Systems of the Ozarks for \$21,894.00 and second by Commissioner Kendall. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Controller, for the presentation of Rogers Water Utilities Proposed Investment Policy for Rogers Water Utilities Reserves. Johnson briefed the Commission on the "Highlights" (copy attached with minutes). She said consideration was given to determine minimum reserves based on amounts needed to provide adequate safe drinking water and sanitary sewer essential to quality of life, and the need to insure Public Health and Welfare in the event of any natural disaster. Reserves are needed to provide adequate funding for day to day operations in case revenues decline, as well as for funding capital improvements that can cost hundreds of thousands of dollars to replace. She noted that this policy has been reviewed by the Utility Superintendent, the City Finance Director and RWU's Attorney. Commissioner Don Kendall made a motion to adopt the Proposed Investment Policy for Rogers Water Utilities Reserves, second by Commissioner Kathy McClure. All in favor, motion carried. Chairman Surly commended Johnson for her efforts on the policy.

Chairman Surly recognized Earl Rausch for the selection of the Request for Qualifications for legal counsel received on Friday February 20, 2015. The two (2) responses for Requests for Qualifications received were Frazier and Frazier Lawyers, PLC and Mitchell, Williams, Selig, Gates & Woodyard, PLLC. Mitchell –Williams Law was not present. After discussion, the Commission decided to table this business until the next scheduled meeting on April 20, 2015.

Chairman Surly adjourned the meeting at 5:04.

Respectfully submitted,

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

Earl Rausch, Acting Secretary

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