

# **Rogers Waterworks and Sewer Commission**

**March 27, 2006**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, Monday, March 27, 2006, in the Rogers City Administration Building. Commissioners present were Lon Pepple, Don Kendall, Donnie Moore, Donna Warren, and Jerry Pittman. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, William Evans, Mike Lawrence, Ken Mitchell, Everett Balk, Ken Daugherty, Wade Woodward, Michelle Williams, Earl Rausch, Tim House, and Stephen Ponder. Others at the meeting were David Todd, Chris Griffin, Lori Harrison-Stone, John Easterling, and Corrinne Morris. Chairman Moore called the meeting to order at 4:00 PM.

There was a motion by Pittman, second by Warren, to approve the March minutes as submitted. All in favor, motion carried.

Mark Johnson, Utilities Engineer, presented Ken Mitchell, RWU Engineering Technician, with a certificate and a gift in recognition of ten years of loyal service to Rogers Water Utilities.

William Evans, Superintendent of Field Operations, presented Ken Daugherty, Field Operations Technician II, with a certificate and a gift in recognition of five years of service to Rogers Water Utilities.

Moore announced that the agenda item for Habitat for Humanity was pulled at its request.

Moore recognized Corrinne Morris, 1005 Honeysuckle Road, Lowell. Morris presented the Commission with a letter detailing her experience with RWU since discovering a bad leak on her service line. She said that she didn't find out about the leak until she received a bill for over \$400. When she found the leak, she had it repaired immediately, she said. Now, she knows that the next bill will be very high (about \$1700). Morris said that she thought she should not be held liable for that bill, since the water department knew of the leak but failed to notify her of the leak.

Wade Woodward, Field Ops Team Leader, said that he had visited the meter and determined that a leak existed sometime in February. He said that he called a number for Morris Welding and talked to a man, who instructed him to leave the water on. Morris denied ever receiving such a message.

“What do we usually do in cases like this?” Pepple asked Tom McAlister, RWU Manager. McAlister said that the usual policy was to charge the owner for the cost of the water, and forego the profit. He said that the average cost of water for the year thus far was about \$2.50 per thousand gallons. McAlister said that he would have given a credit of \$500, if Morris signed a contract to pay the rest of the bill over a year’s time.

“If we reduced the bill \$500, what would she (Morris) owe? Moore asked. About \$1700 was the reply. “Why not split the difference, say take \$850, if she agrees to pay?” Moore asked. There was a motion by Pittman, second by Warren, to accept \$850 for the debt, provided Morris agreed to pay it, and to set a policy whereby, whenever a leak on a private system was detected, that the meter will be shutoff, and the owner notified as soon as possible. All in favor, motion carried.

Moore recognized Mark Johnson, P. E., Utilities Engineer. Johnson recounted the on-going saga of the proposed Holiday Inn on Horsebarn Road north of New Hope Road. He said that the developers had come to a Commission meeting over a year ago and received an assurance from the Commission to aid in the construction of water and sewer mains under Interstate Highway 540. He believed that the Commission had agreed to pay about \$250,000 at that meeting. Since that time, it had been determined that it was not feasible to bring sewer service across I 540, and that the nearest sewer with adequate capacity for the proposed development (two hotels and an office building) was on Stoney Brook Road, over 2000 feet away. He said that the sewer main would have to go down the middle of the street.

Continuing, Johnson told the Commission that a recent update to the City’s hydraulic model indicated that a large diameter (24-inch) water transmission main was needed on the west side of the City. Johnson said that the proposed line would need to be laid from the corner or N. 40<sup>th</sup> St. at Olive south to the area of Shadow Valley Golf and Country Club, a distance of several miles. Since the Rogers fire marshal had determined a need of 5000 gallons per minute for the proposed Holiday Inn, Johnson had concluded with staff that part of the transmission main could parallel the route of the sewer line, down the middle of Stoney Brook Road. He said that, since CEI, Inc., of Bentonville, was already the engineer for the Holiday Inn, he had negotiated a contract with CEI for the design off-site water and sewer. He asked the Commission for permission to further refine the contract and execute a contract acceptable to the City Attorney, so that the design might proceed. He noted that the Holiday Inn contractor was already starting to move dirt, and he was concerned that the water and sewer construction might hold up the project.

David Todd, P. E., of CEI, Inc., said that the developers would pay for the sewer line costs and most of the water line costs. He said that his firm would practice “rigorous

accounting” to keep fees and costs separate for what the Commission and the developer might incur.

There followed a lot of discussion about costs. Johnson said that, unfortunately, no cost estimate was available. Pittman said that he thought the developer might have the “cart before the horse”, since nothing was certain about the off-site water and sewer. Moore opined that the project seemed to be spiraling out of control. He said that the situation was a little scary, and he did not know where the money was coming from. Johnson said that the climate of big, commercial development in the area was very dynamic and rapidly changing. Kendall wanted to know whom the water transmission main would serve. Johnson said that all the property in the area would benefit by having increased fire-fighting capability. He said that the transmission main, when complete, would benefit the entire hydraulic system. Finally, there was a motion by Pittman, second by Kendall, to allow staff to negotiate a contract with CEI, Inc., for design services. All in favor, motion carried.

Since there was no one at the meeting to speak to the request by the developer of the Edinborough Addition for assistance with costs for an off-site water line, the matter was tabled.

Moore recognized Mark Johnson again. Johnson presented the Commission with a brief report on the status of the pending water and sewer projects in which the Commission had a pecuniary interest. He noted that the waterline contractor for the Mt. Hebron Road transmission main was slightly behind schedule. Johnson said that the Perry Road/I 540 interchange sewer relocation contractor was poised to start next Monday.

Continuing, Johnson presented the Commission with an updated Sewer Department Capital Improvement Plan (CIP). Johnson noted the changes since the last version was completed in 2005. He included about \$320,000 already spent by the Commission this year to aid development, and updated the cost figures to reflect the higher than expected bids for the sewer relocation work at the Perry Road interchange. He said that the sewer rehabilitation projects were moved back a year, since the overwhelming emphasis remained centered on new growth.

Moore asked for an update on the Water Department CIP. He emphasized that there was “not enough money” to do everything.

Moore recognized Everett Balk, Project Facilitation Engineer. Balk presented a short report detailing the activities of his section. He said that all plans were being reviewed within ten days of receipt. Balk said the number of plans received was tracking with the previous month. Moore asked if there had been any more complaints from the design/build community. Balk answered in the negative.

Moore recognized William Evans. Evans presented the Commission with a single bid for a replacement sewer television camera, for \$20,237, from SWECO, the sole distributor. There was a motion by Warren, second by Pittman, to waive the requirements of

competitive bidding and award the bid price of \$20,237 to SWECO. All in favor, motion carried.

Bill Millager of the Rogers Early Riser Rotary was not present to make known his request on behalf of the program known as Partners in Education (PIE). Pittman declared his desire for such requests to be reluctantly denied at the staff level, since the Commission could not grant funds to every good cause that might ask.

Moore recognized Mike Lawrence, Rogers Pollution Control Facility (RPCF) Manager. Lawrence presented the Commission with a brief report on the status of sludge (biosolids) disposal at the wastewater treatment plant. He said that soil reports from the Benton County Extension Service indicated that the plant would not be able to land apply all the sludge it produced this year. He said that state regulations would effectively kill the present land application program by 2008. Lawrence said that the current practice of thickening sludge to save room was causing justifiable odor complaints from the neighbors. In the short term, he said he wanted to rent dewatering equipment and have the material trucked to a landfill. In the long term, Lawrence said that his desire was to purchase a centrifuge and a dryer, and produce Class A biosolids for use as a soil amendment. Pepple asked if it wouldn't be cheaper to purchase the centrifuge outright, rather than rent. Lawrence said it would be cheaper, but the time required to have one built (about ten months) was prohibitive. He said his staff was looking into a lease-purchase option. He said he hoped to have firm costs available by the next Commission meeting.

Moore recognized Tom McAlister, Manager, Rogers Water Utilities. McAlister presented the Commission with a proposed sewer service line policy. McAlister said that the policy, as submitted, gave ownership and maintenance responsibility of that portion of the service line from the property line to the main line to Rogers Water Utilities, if the owner will provide access to the line at the property line (a cleanout). McAlister said that this requirement was not in the building code, but it could be made a requirement. He said that the cost of the cleanout, to be installed by a plumber, would be rather expensive, and thought the building community might rebel at the idea. In any case, the Commission should seek a lot of public input before adopting such a course of action, McAlister said. The Commission took no action on the policy.

Moore recognized Joyce Johnson, CPA, Utilities Controller. Johnson presented the Commission with a proposed budget amendment. She said that the amendment was necessary due to the changes in revenue (higher than anticipated), and a change in expenses (less than anticipated). She said that the FY '07 budget was underway, and the budget amendment would make the '07 budget less confusing. There was a motion by Pittman, second by Warren, to approve the budget amendment as submitted. All in favor, motion carried.

In response to a question from Moore, Johnson presented a spreadsheet detailing the status of the investments of the water and sewer departments. She told the Commission of the heavy spending and how it affected the cash flow. Johnson told the Commission of

the \$1.8 million dollar payment to Bentonville the week prior, as required by the contract for the buyout of the existing transmission mains. The \$3.9 million to relocate the sewer at the Perry Road interchange would come from sewer system reserves, she said. McAlister noted that the sewer system had no more bonding capacity without a rate increase. Moore repeated his call for more money, from a source other than rates. “We can’t continue to spend money like this”, Moore said.

McAlister announced that the next Commission meeting would be April 17.

The meeting adjourned at 5:25 PM.

Respectfully submitted,

Tom S. McAlister, Acting Secretary  
Rogers Waterworks and Sewer Commission

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