

# **Rogers Waterworks and Sewer Commission**

**April 21, 2014**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regular meeting at 4:00 PM on Monday, April 21, 2014, in the Rogers Water Utilities Administration Building. Present were Commissioners Don Kendall, Kathy McClure, Roger Surly and Travis Greene. Rogers Water Utilities staff in attendance were Joyce Johnson, Johnny Lunsford, William Evans, Jordan Waterhouse, Jennifer Lattin, Michelle Williams, Robert Moore, Vera Hall, Stephen Ponder, Brian Sartain, Randy Watson and Earl Rausch. Others in attendance were City Attorney Ben Lipscomb, John Gore of the Morning News, Robert Whitley of Fairchild Construction and James Willett. Chairman Don Kendall called the meeting to order at 4:05 PM.

Chairman Kendall recognized Joyce Johnson, Utilities Controller. Johnson presented a certificate and a gift to Randy Watson, Meter Reading Supervisor, to commemorate twenty five years of service to RWU and the citizens of Rogers. Johnson stated Watson supervises the meter reading department, serves as the afterhours emergency service and works in the IT department.

There was a motion by Greene, second by McClure to approve the minutes of the February 17, 2014 regular meeting and the March 14, 2014 special meeting as submitted. All in favor, motion carried.

Chairman Kendall recognized Joyce Johnson, Utilities Controller. Johnson presented the financial reports for March 2014. Johnson stated our March financial statements reflect billing February consumption and, as expected, RWU did not have a good month. The Water Department had a loss of \$108,000. Year to date, the Water Department has a profit of \$358,000 as compared to \$633,000 the previous year. Johnson has started working on the fiscal year 2015 budget, and during that process has projected approximately \$150,000 profit at year end in the Water Department. On the Sewer Department side, we are doing well although we did not have a good March. The Sewer Department is at \$1,853,000 profit for fiscal year 2014. We are running about \$150,000 behind last year. However, we are ahead of budget and are benefitting from paying off the bond debt early. In preparing the fiscal year 2015 budget, Johnson projects the Sewer Department will finish the year with \$2.4 million of profit. We plan to bring the budget to the Commission next month. Johnson added we have reserve funds of \$15.5 million in water and \$11.6 million in sewer. Total reserves are \$27 million as of March 31, 2014. Johnson asked if there were any questions. There were none.

Chairman Kendall recognized Earl Rausch, Utility Superintendent for the Staff report. Rausch presented the March departments reports. In engineering, the sanitary sewer evaluation study report is nearing completion. The flow monitoring study is complete. Chairman Kendall asked if the flow monitoring study was for the entire town. Rausch answered in the affirmative and stated that RWU would receive three flow meters from the study. Monte Ne Road street widening water and sewer construction is under way. The 2013 Water and Sewer Replacement project is now complete. The Veterans Parkway water main replacement is in the testing phase. We have two state highway relocation projects (Hwy 265 and Walnut Street from Dixieland to 8<sup>th</sup> Street) that are in the preliminary stages. In the developer review report, we have several commercial and residential projects under review. The pollution control DMR looks good and Moore and Rausch are working on developing the agreement for selling the sludge. Chairman Kendall asked do we have an interested party. Rausch stated a company from Conway has expressed interest. Chairman Kendall asked will you shop the agreement. Rausch stated we will advertise the same as all requests for bids. In the water department report, we had 505 troubles and 787 service calls. Evans stated the bad weather was an influence and the large amount of service calls was due to the number of customers. McClure stated the number of service calls seems high. Evans stated we have over 29,000 meters and many of these calls are from high meter reads. Rausch asked if there were any questions. There were none.

Chairman Kendall recognized Earl Rausch. Rausch presented the request by J & D Liquor for a new commercial water service on Highway 12 (Prairie Creek Area). They are requesting a new 5/8 inch water service. Since this a commercial establishment, the water service request will need to be approved by the Commission and the Rogers City Council. Chairman Kendall asked if this is the standard procedure for outside the Rogers city limits. Rausch stated this policy only applies to commercial development and not a residential home. City Attorney Lipscomb stated the commercial policy has been in place for at least 15 years. Chairman Kendall asked if a resolution or a motion is required. Rausch stated that a motion is needed. There was a motion by McClure, second by Surly, to approve the 5/8 inch commercial water service for J & D Liquor in Prairie Creek as presented. All in favor, motion carried.

Chairman Kendall recognized Earl Rausch. Rausch presented the request to authorize Destruction of Certain Documents. Rausch stated the listed documents are not needed and they are just taking up warehouse space. Chairman Kendall asked did we not destroy documents last year. We destroy financial records yearly and employment records are kept permanently. Johnson stated we have questions on pensions and we need to keep these documents permanently. Chairman Kendall asked what determines the length of time to keep documents. Johnson stated that is determined by state statute. Rausch stated these documents are going to the recycle center without shredding (not confidential). There was a motion by Surly, second by Greene, to approve a resolution and affidavit authorizing Destruction of Certain Documents. All in favor, motion carried.

Chairman Kendall recognized Michelle Williams, identity theft compliance officer. Williams stated that the “red flag policy” reports on the Utilities’ effort to comply with the Identity Theft

Program. A report is required to be written each year and this report shows that we did not have any identity theft reported this year. Chairman Kendall asked, not one? Williams stated this year we did not have one identity theft reported. However, last year, we did have one identity theft reported. Surly asked where the report goes. Williams stated we keep the report on file. It is required by FTC regulations. There was a motion by McClure, second by Surly, to approve the “red flag policy report” as presented. All in favor, motion carried.

Chairman Kendall recognized Jennifer Lattin, Senior Accountant. Lattin said it is time for our annual property insurance bid. We advertised the request for property insurance bids in the newspaper in March. Our bid opening was April 15<sup>th</sup> at 1:00 PM and we only received one bid, from Rogers Insurance Agency, which is our current insurance agent. As shown on the proposal sheet, we have the option of two deductibles. The \$10,000 deductible has a total annual premium of \$42,265 with an additional \$1,270 for earthquake coverage. The \$25,000 deductible has a total premium of \$40,198 with an additional \$1,270 for earthquake coverage. Surly asked if Rogers Pollution Control Facility was included. Johnson stated Rogers Pollution Control Facility (wastewater treatment plant) is a big portion of the property value. Chairman Kendall asked if \$61 million is adequate coverage. Johnson stated the value is reviewed each year by staff. Chairman Kendall asked how much the premium is up. Lattin stated the premium has increased 9% and our property values have increased approximately 1.5%. Greene asked whether Rogers Insurance Agency gives us a good bid each year. Johnson stated Farris Insurance Agency from Springdale is the other company that usually bids, but they gave us a call and said that they were not going to be able to give us a competitive bid this year. There was a motion by Greene, second by McClure, to approve the low bid of Rogers Insurance Agency for \$43,535 including earthquake coverage as presented. All in favor, motion carried.

Chairman Kendall recognized Brian Sartain, Design Engineer. Sartain presented the Design Proposal Bid by Jacobs Engineering of Fayetteville, AR for the water and sewer relocation on East Walnut Street at Lake Atalanta. The consultant engineer is also under contract with the City of Rogers for the street and drainage design. The street design contract with the City of Rogers is \$205,770 and the proposed utility contract is \$13,850. Rausch stated this is just an amendment to the City of Rogers contract. Chairman Kendall asked what we were agreeing to. Rausch stated we are paying our share of the engineering fees. There was a motion by Greene, second by Surly, to approve the design proposal of Jacobs Engineering for East Walnut Street at Lake Atalanta in the amount \$13,850 as presented. All in favor, motion carried.

Chairman Kendall adjourned the meeting at 4:30 PM.

Respectfully submitted,



Earl Rausch, Secretary

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