

## Rogers Waterworks and Sewer Commission

May 15, 2017

### Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, May 15, 2017 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, Don Kendall, and Mike Watkins. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Brian Sartain, Todd Beaver, Joyce Johnson, Jennifer Lattin, Jene' Huffman-Gilreath, Randy Watson, Vera Hall, Ben Watson, Patrick Pruitt, and Donna Wilson. Others in attendance were April Wallace of the Northwest Arkansas Democrat Gazette, Chris Buntin and Jerry Martin of Garver Engineering, Jerry Carmichael of the Rogers City Council, and Robert Frazier of the Frazier Law Firm. Chairman Surly called the meeting to order at 4:00 PM.

A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve the minutes of the April 17, 2017 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller for the presentation of the April 2017 Financial Reports. Lattin stated that water consumption for the month of April 2017 was up 5.30% from April 2016. Billed revenue was up 4.30%. The Water Department reported a profit of \$26,000 for the month ending April 30, 2017, and a profit of \$118,000 for the month ending April 30, 2016. Collections of access and impact fee revenue for F'Y' 17 are \$615,000, and are down from \$625,000 in F'Y' 16. Actual access and impact fee revenues are \$132,000 over budget in the Water Department for Fiscal Year 2017.

Sewer consumption for April 2017 was up 4.54% from April 2016. Billed revenue was up 3.99%. The Sewer Department reported a profit of \$172,000 for the month ending April 30, 2017, and a profit of \$393,000 for the month ending April 30, 2016. Collections of access and impact fee revenue for F'Y' 17 are \$1,242,000, and are up from \$1,222,000 in F'Y' 16. Actual access and impact fee revenues are \$242,000 over budget in the Sewer Department for Fiscal Year 2017.

The Restricted and Unrestricted Funds Report show total funds are at \$31.8 million. \$9.9 million is restricted. The unrestricted funds are at \$8.9 million in Water and \$13.1 million in Sewer. Total funds on hand at April 30, 2016 were \$35.0 million. Year to date profit in the Water Department is ahead of budget but less than the prior year. Year to date profit in the Sewer Department is also head of budget but less than the prior year. Year to date collections of access and impact fees are over budget in both the water and sewer departments. There were no questions.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the April Engineering Report. Sartain noted April was a busy month reviewing a total of 36 projects. Sartain says with the Engineering Technician position recently filled, he hopes to get the plans reviewed within a two (2) week period. The business/retail area remains to be steady as well as restaurants and subdivisions. He noted the Tower Park Ground Storage Tank exterior painting project will be getting underway. The bids for the

stream stabilization waterline projects are expected soon. Due to stream bank erosion and recent flooding, the exposed waterlines have worsened and will require permit approval from the USACE. There were no questions.

Chairman Surly recognized Todd Beaver, RPCF Manager to present the April Reports. The Discharge Monitoring Report Summary has good results. The FOG Report showed a total of 28 FSE inspections during April and reports 41% progress for the year. Beaver said due to the recent high flow events, there was 135.2 MG extra treated at RPCF. The Osage Creek Monitoring Report represents a long standing agreement with USGS which maintains a stream-gauge collecting temperature, turbidity, and conductivity data. The RWU Environmental Services Team collects and analyzes the base flow stream samples for changes over time. Beaver provided a report of significant events pertaining to the sludge dryer which led to the special meeting of May 9, 2017. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for the presentation of the April Operation Reports. Dobler reviewed graphs from various departments. Locates had a slight decrease but still correlates with the continued growth. Service calls and shutoffs indicate a downward trend from last month. The robo texting is still progressing with hopes of starting soon. CCTV Inspection is expected to rise with the new camera truck. The sewer line flushing continues to increase with nearing a record high. Leak logging has a good report as it also contributes to locating valves and finds other problems. The Lost Water Report is at 14% for the last twelve (12) months, and 19% for the month. The April average daily water usage was 8.01 MGD with a single daily use high of 9.09MGD. There were no questions.

Chairman Surly recognized Todd Beaver, RPCF Manager to highlight new budget items for the RPCF in the Fiscal Year 2018 Budget. Included in the discussion was Plant Research, whereby RWU is planning to utilize the environmental services team to provide data to improve plant processes instead of engaging an outside consulting firm. Also, RWU is anticipating more maintenance costs in an effort to be proactive in its maintenance program. There were no questions.

Chairman Surly addressed Jene' Huffman-Gilreath, Shared Services Manager to present information on a proposed Employee Assistance Plan for RWU employees. This is the first year this plan has been included in the budget, and is currently in the planning stages. Huffman-Gilreath indicated the purpose of implementing the new plan is to attract new employees as well as increase employee productivity and employee satisfaction. The proposed budget for the plan is \$35,000 in the water department and \$35,000 in the sewer department. If the budget is approved as requested, RWU intends to complete guidelines for participation, and work to insure compliance with IRS guidelines as well.

Chairman Surly addressed Jennifer Lattin, Controller of RWU to present the Fiscal Year 2018 Budget. Lattin presented the proposed capital budgets for the water department and discussed the cash flow budgets, accrual basis revenue and expenditure budgets, and reported the total effect of the proposed budget on water department reserves. If all revenue and spending occur as budgeted, she indicated reserves at June 30, 2018 in the water department are expected to be at \$12.9 million which is in excess of minimum reserves required by the RWU Investment Policy. Commissioner Kendall asked about the

funding of capital items relating to City of Roger's construction projects. Superintendent Rausch indicated that costs may be shared based on the circumstances of each project. Commissioner Kathy McClure asked about funding the proposed Employee Assistance Plan. Lattin indicated \$35,000 was budgeted in the water department with another \$35,000 budgeted in the sewer department. Lattin also indicated staffing requests to be at the same level as the previous year and a decrease in the actual salary budget.

Lattin continued by presenting the sewer department capital, cash flow and accrual basis budgets. She highlighted the costs of the new budget items discussed by Todd Beaver in his presentation earlier. She indicated that if all revenue and spending occur as budgeted in the sewer budget, reserves at June 30, 2018 in the sewer department are expected to be at \$17.9 million. This is in excess of the minimum reserves required by the RWU Investment Policy. Lattin indicated staffing requests for the sewer department are at the same level as the previous year and highlighted a modest increase in the overall salary budget. After discussion and review, Lattin asked for the Commission's approval of the proposed 2018 Fiscal Year Budget. Commissioner Travis Greene indicated he thought the budget was well thought out and made a motion, second by Commissioner Don Kendall to approve the proposed 2018 Fiscal Year Budget as submitted. All in favor, motion carried.

Chairman Surly recognized Earl Rausch, Utility Superintendent to present Resolution No. 17-15 to authorize Rogers Water Utilities to issue a notice of intent to renew a Water Purchase Contract with Benton County Water Authority #4. Rausch said present terms of ten (10) years is set to expire on January 1, 2018. The contract states that if at least one party gives not less than six (6) months written notice of that party's intent to renew in advance of the termination date, then the parties shall have the option to renew the contract upon mutual terms and conditions. This contract will also be presented to the City of Rogers City Council for approval. Commissioner Don Kendall made a motion, second by Commissioner Mike Watkins to approve Resolution No. 17-15 to authorize Rogers Water Utilities to renew a Water Purchase Contract with Benton County Water Authority #4. All in favor, motion carried.

Chairman Surly recognized Brian Sartain, Utility Engineer to present the Sludge Handling Agreement for RPCF with Garver Engineering. Under this agreement, Garver will develop an engineering report which will serve as a master plan for modifications and future improvements of the solids handling process. The goals of the report are to produce a more marketable product, improve the reliability of processing equipment, and provide more efficient, safer working conditions for our staff. Chairman Surly asked about a timeline to proceed. Sartain replied approximately ninety (90) days from the approval date, a draft engineering report would be provided. Staff recommends approval of the Sludge Handling Agreement with Garver Engineering in the amount of \$89,800. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve the Sludge Handling Agreement for RPCF with Garver Engineering in the amount of \$89,800. All in favor, motion carried.

With no further business, Chairman Surly adjourned the meeting at 5:20 PM.

Respectfully submitted,

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

Earl Rausch, Acting Secretary/djw

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