

# **Rogers Waterworks and Sewer Commission**

**May 21, 2018**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regular scheduled May meeting at 4:00 PM Monday, May 21, 2018, in the Rogers Administrative Building located at 601 S 2nd St. Present were Kathy McClure, Travis Greene, Roger Surly, Don Kendall, and Mike Watkins. Present was Rogers Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Jennifer Lattin, Jene' Huffman-Gilreath, Joyce Johnson, Todd Beaver, Brian Sartain, Josh Porter, Stephen Ponder, Terry McCauley, Debbie Putman, Randy Watson, Tony Kinion, and Vera Hall. Others in attendance were Shawki Al-Madhoun and Greg Stellmon of Walmart, John Youll of CEI, Lori Ericson from the City of Rogers Community Development, and Robert Frazier of the Frazier Law Firm. Chairman Roger Surly called the meeting to order at 4:00 PM.

Chairman Surly recognized Brian Sartain, Utility Engineer, and Johnny Lunsford, Construction & Maintenance Manager to present Josh Porter with a five (5) year service award and a gift of appreciation. The Commission expressed their appreciation.

A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve the minutes from the April 16, 2018 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller for the presentation of the April 2018 Financial Reports. Lattin stated water consumption for the month of April 2018 was down 3.30% from April 2017. Billed revenue was down .98%. The Water Department reported a profit of \$2,000 for the month ending April 30, 2018, and a profit of \$26,000 for the month ending April 30, 2017. Collections of access and impact fee revenue for F'Y'18 are \$609,000, and are down from \$615,000 in F'Y'17. Actual access and impact fee revenues are \$17,000 over budget in the Water Department for fiscal year 2018

Sewer consumption for April 2018 was down 2.29% from April 2017 as indicated on the second page of the End of Month Cash Report. Billed revenue was down 1.63%. The Sewer Department reported a profit of \$221,000 for the month ending April 30, 2018, and a profit of \$172,000 for the month ending April 30, 2017. Collections of access and impact fee revenue for F'Y' 18 are \$1,215,000, and are down from \$1,242,000 in F'Y' 17. Actual access and impact fee revenues are \$23,000 over budget in the Sewer Department for fiscal year 2018.

The Restricted and Unrestricted Funds Report show total funds are at \$35.7 million. \$10.1 million is restricted. The unrestricted funds are at \$9.9 million in Water and \$15.6 million in Sewer. Total funds on hand at April 30, 2017 were \$31.8 million. Year to date profit in the Water Department is ahead of prior year and budget. Year to date profit in the Sewer Department is also ahead of prior year and budget. Year to date collections of access and impact fees are over budget in both the water and sewer departments. Surly asked about the reporting of the annual APERS adjustment to the RWU financial statements. Lattin stated the APERS adjustment will be reported in the end of fiscal year financial statements in June. There were no further questions.

Chairman Surly recognized Brent Dobler, Operations Manager for presentation of the April Operations Reports. Dobler stated locates are continuing to rise with locates at 1,065 for April, which set a record high. Historic locates continue on an upward trend. Service calls, which are made up of reads, removes, sets, and troubles, have increased and we will continue to watch for any possible trends. The April shutoff count is lower than usual, due to the fact that April did not have a Cycle 1 shutoff. Additionally, historical shutoffs seemed to have leveled off. CCTV inspection, flushing, and valve operating were all on schedule. The Lost Water Report is at 15% for the last twelve (12) months, and 21% for the month. The April 2018 average daily water usage was 7.8 MGD with a single daily use high of 9.46 MGD.

Dobler directed the commissioners to a slide show of CCTV photos from inside a 30" fiberglass gravity sewer main approximately 18' deep and located south of New Hope Rd along Blossom Way Creek. From the photos, it appears that the pipe has collapsed. RWU staff is unable to run the camera above the supposed collapse due to flooded pipe conditions. Below the supposed collapse, only clean water can be seen entering the pipe at deflected joints at roughly 300gpm. Dobler stated that it is very fortunate to have a parallel 24" sewer main to handle the redirected flow. This line is connected to the 30" in several locations. Any backup in the 30" reaches one of these connections and simply continues to flow into the 24". Once RWU crews discovered this issue, they immediately cctv'd the entire length of the fiberglass main. RWU staff found no other issues at this time; the supposed collapse appears to be a localized problem, however, could be several hundred feet of repair. Staff spoke with the original installer who stated that a large amount of water was experienced in the trench at this same location during installation. The Health Department has been notified of the supposed pipe collapse.

At this point, the discussion was turned over to Brian Sartain, Utility Engineer. Sartain stated that the repairs needed were beyond the abilities of in-house field operations and that the Engineering Dept. had prepared plans and specifications for the repair of the project, which was currently out to bid, with a bid opening date of May 31<sup>st</sup>. There were no further questions.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the Engineering Report. Sartain stated that plan review remains busy with mostly subsequent plan reviews of previously reviewed projects with several new projects coming up including a multi-story parking/office/retail space and an additional phase to the Shadow Valley subdivision. Sartain went on to outline the status of utility and street projects, noting that Monte Ne Rd. is coming to a close and should be substantially complete by the end of May. The utility work on Bellview road is approximately 50% complete. Pleasant Grove Rd. to Hwy 112 is anticipated to go out to bid in July. Relocation proposals have been submitted to ARDOT for the I-49 / Walnut St interchange. A utility project including areas along Shores Ave. and also in the area of 10<sup>th</sup> & Rozell is getting closer to going out to bid as easement acquisition continues. A project addressing stream stabilization for utility crossings is approximately 50% complete. The RPCF Train 1 Rehabilitation project is about 50% complete and on-schedule. RWU staff continues to work through the design of the RPCF solids handling facility with Garver Engineers and Crossland Heavy. The 60% plans and guaranteed maximum price should be available in June, which is anticipated to be presented to the Commission in July. Upon conclusion of project updates, Commissioner Green asked who is responsible for easement acquisition. Sartain responded that the engineering dept. prepares easement documents on standard forms. There were no further questions.

Chairman Surly recognized Todd Beaver, RPCF Manager, to present the April RPCF Reports. Mr. Beaver noted an overall good month for testing results in the DMR summary. Beaver stated a fairly standard month for industrial pretreatment activity. Tyson's efforts to conserve water are starting to show a trend towards greater strength in their wastewater and an overall loading increase. Osage creek monitoring back on track after a scheduled off month and a month with flows too high for testing. The significant events at RPCF are the staff shortage in the lab that has caused us to obtain the services of a contract lab. However, the lab staff shortage should be short-term. RPCF also sent 4 people to the AWW/WEA conference for training. RWU personnel and Garver Engineers attended a meeting with ADEQ and ADH to help the permitting process for the solids handling project using the alternative delivery method. Beaver drew attention to the inflow and infiltration (I & I) data included in the notes and explained how that data helps to focus attention on problems in the collection system.

Chairman Surly addressed Jennifer Lattin, Utilities Controller, to present the Fiscal Year 2019 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, 2019 in the water department are expected to be at \$14.2 million which is in excess of minimum reserves required by the RWU Investment Policy. Surly asked how the water capital budget of \$7.6 million compares to FY18. Lattin stated that FY 19 is within reason of the prior year. Lattin noted a budgeted reduction in industrial water revenue, which is the result of Tyson's planned water conservation program; the budget considers a 15% reduction in Tyson's annual consumption, in both water and sewer. Revenue from hydrant meter rentals had previously been included in miscellaneous income, but now has a separate general ledger account. One new position is included in the water office budget. Surly asked what the impact of capital is on the annual depreciation expense. Lattin answered roughly \$29,000 additional depreciation is budgeted for FY 19 as a result of existing and new capital items. McClure asked about the increase in training expense in General Expenses from FY 18 estimated expenses to FY 19 budgeted expenses. Lattin stated the program was first implemented in January 2018; FY 18 reflects half-year implementation of the employee Education Assistance Plan (EAP). FY 19 anticipates a full year of expense.

Lattin continued by presenting the sewer department capital, cash flow and accrual basis budgets. She 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 sewer department reserves. She indicated that if all revenue and spending occur as budgeted in the sewer budget, reserves at June 30, 2019 in the sewer department are expected to be at \$14.3 million. This is in excess of the minimum reserves required by the RWU Investment Policy. Two additional positions are budgeted for the Sewer Department for FY 19. The Sewer capital budget for FY 19 is \$12.7 million, with \$5.6 million being for the RPCF biosolids building project. Kendall questioned the budgeted use of and balance of reserves in the sewer department. Lattin stated that current reserves were adequate to meet capital needs in FY 19. Additional funds of roughly \$1.8 million will be needed in FY 20 to complete the RPCF biosolids building project. Additional depreciation of \$63,000 in general expense and \$95,000 in pollution control is budgeted for FY 19 as a result of existing and new capital items.

Chairman Surly recognized Earl Rausch, Utility Superintendent to present the Building Setback Reduction within Utility Easement and Right of Way for the Walmart Store in Pleasant Crossing. Rausch introduce to the Commission Mr. Shawki Al-Madoun of Walmart. Rausch stated that this agreement is to allow Walmart to install their equipment and expand their food pick-up facility within the existing 25 foot wide utility easement containing a deep sanitary sewer main. In addition, Walmart takes responsibility for all costs related to any repair and/ or replacement of the sanitary sewer line if excavation is required. However, many sanitary sewer repairs can be performed from the inside of the pipe. Robert Frazier, RWU General Counsel added that he prepared the resolution giving the Utility Superintendent the authority to execute the final agreement once a few agreement changes are approved by both parties. Commissioner Travis Greene, made a motion to approve Resolution No. 18-04 A Resolution Authorizing an Agreement for Building Setback Reduction Within Utility Easement and Right of Way at Walmart Store 5260, second by Commissioner Don Kendall. All in favor, motion carried.

At 4:20 PM, Chairman Surly asked to go into executive session so that the Commission could discussion the filling of the Utility Superintendent position.

At 5:40 PM, the Commission came out of executive session concerning the filling of the Utility Superintendent position.

With no further business, Chairman Roger Surly adjourned the meeting at 5:43 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary

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