

Rogers Waterworks and Sewer Commission

May 22, 2007

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled monthly meeting at 12:00 noon, Tuesday, May 12, 2007. Commissioners present were Donnie Moore, Don Kendall, and Donna Warren. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, Everett Balk, Mike Lawrence, and William Evans. Others in attendance were Doug Schrantz, Alan Fortenberry, Asa Hutchinson, Larry Lloyd, Alan Fortenberry, Evie Blad, and Lori Harrison-Stone. Chairman Moore called the meeting to order at 12:03 PM.

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

Moore recognized Mark Johnson, P. E., Utilities Engineer. Johnson presented the Commission with a brief report on the status of the several projects in which the Commission had a pecuniary interest. He said that work had started on the Dogwood St./Turtle Creek water transmission main project. He said that he had to deal with a few unhappy property owners, whose properties were being crossed by the waterline construction. However, after some meetings, the landowners were placated somewhat.

Johnson said that the Stoney Brook Road water project was hung up due to the lack of an easement. He said the easement had been condemned and the affected property owner was unhappy. He said that the planning for the new elevated tank was on going, and that he expected the job to bid in June. Johnson said that the Pauline Whitaker Parkway water main project had been bid, and that the bids would be presented by Brad Hammond.

Johnson said that the Pleasant Grove Road overpass was under design, but he did know how it would affect the Utilities. Moore asked if he had an idea of the cost. Johnson replied that the City and State of Arkansas were working things out. Johnson said that, if the City requested the work (overpass), then it was the city's responsibility to move utilities, even though the utilities may be in their own easement.

Moore recognized Everett Balk, Project Facilitation Engineer. Balk said that the number of plans submitted for review over the last month had peaked and was decreasing to historical levels. Moore asked Balk what was available for, say, real estate agents who desired to develop in Rogers. Balk said that the RWU guidelines and checklists were available online, as well as the standard specifications and the Resolution No.05-05. He noted that the City's Geographic Information System was available online at *rogersark.gov*.

Moore recognized Joyce Johnson, CPA, Utilities Controller. Johnson presented the Commission with a revised budget proposal. She noted two additional reports, which delineated the capital needs due to growth for the water and sewer departments. These costs would be eligible to be paid for by the hookup and access fees, she said. Kendall asked about the budget amount for the hookup fees and access fees. Johnson said that the Utilities had collected a large sum of fees for the month, but she did not increase the budgeted amount for the next fiscal year, since such revenues were not be counted upon to balance a budget.

Johnson said that, in order to meet the requirements of the state statute regarding impact fees, that she proposed to yearly zero-out the restricted accounts in which the fees were held, and partially pay back the Operations and Maintenance funds of the water and sewer departments, since the money will have been spent already during the year. If the courts decided that the fees must be paid back, then the monies would come from O&M rather than the hookup and access fees trust accounts.

Moore raised the questions of the two ordinances presently before the Council. Moore asked Asa Hutchinson, the Attorney for the Commission, if he thought the hookup fees and the access fees would be "safe" if passed by the council in their present form. Asa answered in the affirmative. Moore said he wanted to be sure the Utilities could spend the money to reimburse itself.

McAlister announced that the above mentioned ordinances were to be the object of a public hearing set by the Public Works Committee of the City Council. The meeting was set for 6:00 PM, Monday, June 4th, 2007, in the Rogers City Hall. McAlister said that he thought that the amount of the fees would be a topic for discussion, since a man at the Committee meeting raised it. He also noted that the city attorney and Jim Clark, Chairman, Public Works Committee, had been negative about the retroactive feature of the proposed ordinances. Kendall said that the retroactive feature was important due to the state law and the litigation pending against the Commission and the Utilities.

Moore recognized Brad Hammond, P. E., of McGoodwin, Williams, and Yates, the City's consultant for the Pauline Whitaker Parkway water line project. Hammond said that nine bids were received, and the low bid was for \$178,217 for approximately 12,000 feet of 12-inch water line. He recommended the low bid to the Commission. Kendall asked if this was the recommendation by the staff? McAlister replied in the affirmative.

There was a motion by Kendall, second by Warren, to approve the low bid from DECCO Contractors. All in favor, motion carried. Moore emphasized that this is what the impact fees are for, to provide for new growth.

The issue of a replacement for the Commissioner's position vacated by Jerry Pittman was discussed. Moore said that he had received only one application, that from Travis Greene. He said that he talked to Greene, and was convinced that he would make an excellent Commissioner. There was a motion by Warren, second by Kendall, to recommend the appointment of Travis Greene to the Commission, to serve out the unexpired term of Jerry Pittman. All in favor, motion carried.

Moore recognized Doug Schrantz, who represented Billy and Linda Mann, who owned forty acres in Lowell in the Springdale water service area. Schrantz presented the Commission with a water service boundary map showing the Mann property moved into the Rogers service area. He said that all the parties had agreed to the boundary change, but he needed signatures from all three mayors (Rogers, Springdale, and Lowell) to make it official. The reason for the move was to secure water and sewer service from Rogers, Schrantz said. There was a motion by Kendall, second by Warren, to recommend the water service boundary change to the Rogers City Council. All in favor, motion carried.

The agenda item regarding fees for Liberty Bell South addition was tabled to the next meeting.

McAlister said that Richard McKeehan, the engineer for the Canopy Gated Community development on Pleasant Ridge Road, was not present because he was unable to contact him regarding the rescheduled Commission meeting. He said McKeehan wanted to extend an eight-inch water main into a fifty-acre parcel subdivided into ten lots. There was a motion by Kendall, second by Warren, to recommend the water line extension to the Council for approval. All in favor, motion carried.

Moore recognized Joyce Johnson again. Johnson presented the Commission with financial statements for April 2007. She noted that the Utilities had received a large amount of hookup fees and access fees last month, which had the affect dramatically raising the bottom line, even though sales continued to be very flat. She noted that the Help 2 Others (H2O) program was finally sufficiently funded to start June 1.

Moor recognized Alan Fortenberry, P. E., CEO for Beaver Water District. Fortenberry explained the philosophy of his Board of Directors to maintain reserves in order to keep rates low. He said that the district was modifying and updating the old Steele treatment plant at a cost of \$103 million, plus another 40 million gallons of capacity would be needed by 2018. In order to finance these improvements, the Board voted to raise rates \$0.02 per thousand gallons, to \$1.18/thousand gallons in 2008. Fortenberry said that the Board had asked that the staff work with the customer cities and their various fiscal years to bring about a rate increase that would have minimal effect on the cities' budgets. Thereafter, the rates would increase by two cents per year for the next three years, until

2012, which would see a three cent per thousand gallons increase, to a total of \$1.27/thousand gallons.

The meeting adjourned at 1:03 PM.

Respectfully submitted,

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

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