

# **Rogers Waterworks and Sewer Commission**

**June 19, 2006**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting on June 19, 2006, at 4:00 PM, in the Rogers City Administration Building. Commissioners Donnie Moore, Donna Warren, Don Kendall, and Lon Pepple were present. Jerry Pittman was absent. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, Everett Balk, and William Evans. Others in attendance were City Attorney Ben Lipscomb, Chris Griffin, Mark Dossett, Steve Baugher, Steve Lewis, Judy Lewis, and Mark Love. Chairman Moore called the meeting to order at 4:00 PM.

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

Moore recognized Mark Johnson, Utilities Engineer. Johnson presented the Commission with a brief report depicting the status of the several projects in which the Commission had a pecuniary interest. Johnson said that the Mt. Hebron 24-inch water line was “live”, and that only a few cleanup items remained on the contract with Garney Construction. He said that the sewer relocation project at Perry Road and I 540 was on going, with the contractor out of the way for the interchange construction. Johnson said that the state highway engineer was complimentary of the job the Commission’s contractor (Rosetta Construction) had done.

Continuing, Johnson said that the water and sewer relocations for the widening of S. First Street was back on after a brief hiatus. Johnson said that the City of Rogers had temporarily stopped the project at New Hope Road, but has since turned the street contractor loose to finish the project.

Johnson said that due to all the residential development planned for the area of Mt. Hebron Road south of Garrett Road, it was necessary to extend water from the new 24-inch water main just completed, south to the city limits. He said that there were several hundred lots depending on a single eight-inch line for water service. The proposed water main would create a hydraulic loop, strengthening the water system in the area. Since the Commission had three contractors working in town, he had asked each to consider a change order to extend the main south approximately ¼ mile. All three had submitted change order proposals, which Johnson presented to the Commission in tabular form. He said he asked each contractor for a price to lay an 8-inch line and a 12-inch line approximately 1690 feet. Johnson said that the best option was to execute a change order with Rosetta Construction, for \$94,148.30, for a 12-inch main. After some discussion, there was a motion by Kendall, second by Pepple, to approve the proposed change order. All in favor, motion carried.

Continuing, Johnson said that RWU staff had asked the developer of Cross Creek Phase III, Cooper Communities, to upsize water and sewer mains running through the development, in order to serve land beyond the borders of Cross Creek. He asked that a proposed 8-inch water main be up scaled to a 12-inch water main, and a proposed 8-inch sewer main be upsized to a 12-inch main, and be laid at a greater depth. The Commission recognized Mark Love of Crafton, Tull, and Associates, the engineer for the job. Love said that the requested improvements had been done, and now the contractor was seeking reimbursement of \$55,281.90 for the increased cost of the sewer main, and \$27,901.25 for the water line, for a total reimbursement to Cooper Communities of \$83,183.15. There was a motion by Pepple, second by Kendall, to approve the request. All in favor, motion carried.

Moore recognized Everett Balk, Project Facilitation Engineer. Balk presented a brief report to the Commission on the activities of his section. He said that all plans were receiving a review within ten days of receipt. He said that the number of plans received on a daily basis was continuing to be steady. When time permitted, the engineers in his section were working on the data base (that would help engineers and developers track their projects), as well as continuing to update the minimum standards for construction on the website. Moore asked if engineers were coming in for predesign meetings. Balk said that many were. Moore asked if there had been any more complaints from the design/development sector. Balk said he knew of no complaints.

Moore recognized Mark Dossett, attorney for Benton County Rural Development Authority No. 4. Dossett presented the Commission with a draft contract proposal to replace the existing contract. Dossett said that, when the City of Rogers raised its rates two years ago, RWU raised the rates to BCRDA No. 4 by 37 percent. He said that Beaver Water District only increased their rates by 16 %, and that the rest of the rate increase was to pay for improvements to the water system “uptown”, which did not affect his client. Dossett said that RWU reads his client’s meter once per month and renders a bill. He said the RDA reads its own meters, does the billing and maintenance, and paid for the system. He alleged that the system cost the City of Rogers nothing, since the master meter for the RDA was just north of the Beaver Water District property.

Dossett said that he had last come before the Commission in February of 2005, and at that time was sent to the City Attorney to redraft a contract. He said that he had worked with the former Deputy City Attorney, Jason Kelley, and had come up with the draft in the form presented to the Council. City Attorney Ben Lipscomb said that he had reviewed the contract and approved it as to form. However, he made no recommendation as to the price to be charged for water.

There followed a long discussion about the proposed price of water to be purchased by BCRDA No. 4 from the seller, Rogers Water Utilities. Tom McAlister, Utilities Manager, asked Dossett where the figure \$1.99 per thousand came from. Dossett said that he had negotiated the figure with Kelley. McAlister listed some wholesale water fees from around the region for comparison. Finally, Moore asked Dossett if \$2.10 per thousand gallons would be acceptable. Dossett said that he would be glad to recommend the figure

to the Board of Directors. There was a motion by Kendall, second by Pepple, to approve the new contract, provided the cost of water was set at \$2.10 per thousand gallons, the BCRDA No. 4 Board of Directors approved, and the Rogers City Council approved. All in favor, motion carried.

Moore presented the Commission with a draft proposal of a resolution noted as Resolution No. 06-03, which expressed the Commission's desire to support the Beaver Water District Board of Directors in its effort to protect the water quality in Beaver Lake. Moore said that population projections put the population of Northwest Arkansas at one million plus in a few years. With population growth comes increased pressure on the Lake, and the people must act now to protect this precious resource, he said. Moore amended the resolution by adding wording to the effect that "over one million persons would be served potable water from Beaver Lake in the near future". There was a motion by Kendall, second by Pepple, to approve the resolution as amended. All in favor, motion carried.

Moore recognized Joyce Johnson, Utilities Controller. Johnson presented the Commission with a draft budget proposal for fiscal year 2007. Johnson briefly discussed the key points of the budget. Both water and sewer departments would need to issue additional debt in order to "cash flow" the budget, as well as spend down a significant amount of RWU reserves. There followed some discussion about the details of the draft budget. Moore asked about some of the details of the capital budget. Warren asked about the expense line item for employee bonuses. Finally, there was a motion by Pepple, second by Warren, to approve the budget as submitted. All in favor, motion carried.

McAlister said that the water department was in need of capital very soon, in order to pay Bentonville for its share in the commonly owned transmission mains (\$3.9 million in FY '07), as well as pay for the main to the planned Holiday Inn, and for other capital projects. McAlister suggested using the legal firm of Friday, Eldredge, and Clark for bond counsel. The Commission expressed its desire to select a bond underwriter firm by hearing short proposals from the top three firms at the next Commission meeting. Moore said that the City Council should plan on bonding water and sewer improvements in future street improvement projects, in order to control future water/sewer rate increases.

The meeting adjourned at 4:55 PM.

Respectfully submitted,

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