

Rogers Waterworks and Sewer Commission

June 19, 2017

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, June 19, 2017 in the Rogers Administration Building. Present were Commissioners Kathy McClure, Travis Greene, and Mike Watkins. Roger Surly and Don Kendall were absent. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Brian Sartain, Todd Beaver, Joyce Johnson, Jene' Huffman-Gilreath, Randy Watson, Debbie Putman, Vera Hall, and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm, Jerry Carmichael of the Rogers City Council, and Kathy Buckalew. Acting Chairman Greene called the meeting to order at 4:00 PM.

A motion was made by Commissioner Kathy McClure, second by Commissioner Mike Watkins to approve the minutes from the special meeting of May 9, 2017 and the regular meeting of May 15, 2017 as submitted. All in favor, motion carried.

Acting Chairman Greene recognized Joyce Johnson, Business Manager for the presentation of the May 2017 Financial Reports. Johnson stated that water consumption for the month of May 2017 was down 3.58% from May 2016. Billed revenue was down 2.35%. The Water Department reported a profit of \$41,000 for the month ending May 31, 2017, and a profit of \$41,000 for the month ending May 31, 2016. Collection of access and impact fee revenue for F'Y' 17 are \$643,000, and are down from \$671,000 in F'Y' 16. Actual access and impact fee revenues are \$112,000 over budget in the Water Department for Fiscal Year 2017.

Sewer consumption for May 2017 was up 2.99% from May 2016. Billed revenue was up 2.50%. The Sewer Department reported a profit of \$127,000 for the month ending May 31, 2017, and \$232,000 profit for the month ending May 31, 2016. Collection of access and impact fee revenue for F'Y' 17 are \$1,303,000, and are up from \$1,300,000 in F'Y' 16. Actual access and impact fee revenues are \$203,000 over budget in the Sewer Department for Fiscal Year 2017.

The Restricted and Unrestricted Funds Report show total funds are at \$32.1 million. \$8.0 million is restricted. The unrestricted funds are at \$9.5 million in Water and \$14.6 million in Sewer. Total funds on hand at May 31, 2016 were \$35.1 million. Year to date profit in the Water Department is less than the prior year, but ahead of budget. Year to date profit in the Sewer Department is also less than prior year, but ahead of budget. Year to date collections of access and impact fees are over budget in both the water and sewer departments. Johnson asked the Commission to move the July Commission meeting to July 24, 2017 for preparation of the year-end financial reports. There were no questions.

Acting Chairman Greene recognized Brian Sartain, Utility Engineer for the presentation of the May Engineering Report. Sartain said May still proved to be a busy month for project reviews. The restaurant and retail areas remain strong. He said the Monte Ne Road construction project from Gum to Cherry St is still underway. The design work on the Bardenpho Basin Repair/Rehab at the Pollution

Control Facility is continuing. Sartain noted on the map highlighted Rogers' areas that are currently without Public Water and without Sewer. There were no questions.

Acting Chairman Greene recognized Todd Beaver, RPCF Manager to present the May Reports. He said the Discharge Monitoring Report Summary showed inaccurate turbidity readings due to the significant recent rainfall and flooding. The self monitoring data submitted by permitted industries is still being reviewed. The control monitoring data will be combined with the self monitoring data from the industries monthly discharge monitoring reports to determine surcharges and permit limit violations. Beaver indicated there have been no permit violations since October 2016. Beaver said many Food Service Establishments (FSE) use scheduled Grease Interceptor (GI) maintenance in order to meet minimum pumping requirements. As many restaurant managers are unfamiliar with grease interceptors, continuing education is actively working and helps them better understand those requirements. There are 242 active FSE's at this time reporting 62% with completed progress. Beaver provided a detailed report of significant events. Beaver said Denali Water has removed 755.8 tons of material from the RPCF and the dryer seems to be working well. There were no questions.

Acting Chairman Greene recognized Brent Dobler, Operations Manager for the presentation of the May Operation Reports. Dobler gave a brief overview of the graphs from various departments. Locates still reflect a higher trend with continued growth. The robo texting is almost complete in hopes of starting very soon. Dobler hopes to see an increase in valve exercising and leak logging as we had loss of personnel (retirement). He shared photos of our field crew on Highway 12 East showing extensive stream bank erosion resulting from the recent flooding. The Lost Water Report is at 15% for the last twelve (12) months, and 25% for the month. RWU is on target to change out over 5,000 meters in the Meter Change Out Program in Fiscal Year 2017. The May average daily water usage was 9.01 MGD with a single daily use high of 10.49 MGD. There were no questions.

Acting Chairman Greene recognized Joyce Johnson, Business Manager. She requested approval to proceed with the RFQ process for the selection of bond counsel for the early Call of the 2008 Water and Sewer Bonds. Johnson indicated there would be minimal savings from calling the bonds one year prior to maturity. She said that substantially all of the funds needed would already be deposited with the trustee by the November 1, 2017 call date, due to debts service reserves associated with the two bond issues. Commissioner Kathy McClure made a motion, second by Commissioner Mike Watkins to approve proceeding with the RFQ process for selection of bond counsel. All in favor, motion carried.

Acting Chairman Greene acknowledged Jene' Huffman-Gilreath, Shared Services Manager requesting approval of the contract from Hickman Hay and Cattle for purchase and removal of biosolids from the Pollution Control Facility at the rate of \$5/ton for one (1) year with the possibility of renewal of two (2) additional one year periods after mutual agreement by RWU and Hickman Hay and Cattle. Commissioner Mike Watkins made a motion, second by Commissioner Kathy McClure to approve the contract with Hickman Hay and Cattle for the purchase and removal of biosolids from RPCF as submitted. All in favor, motion carried.

Huffman-Gilreath continued and asked approval to advertise bids for Janitorial Services. This will include the RWU offices located at 601 S 2nd St, Training Center, and also the Rogers Pollution Control offices located at 4300 S Rainbow Road. Commissioner Kathy McClure made a motion, second by Commissioner Mike Watkins to approve advertising for bids for Janitorial Services as submitted. All in favor, motion carried.

Earl Rausch, Utilities Superintendent informed the Commission of a driveway retaining wall encroaching into RWU's utility easement by XNA Real Estate, LLC. XNA Real Estate, LLC is building a house on Lot 17 of Crow's Nest Subdivision (16217 Highway 12 E) near Beaver Lake. A Temporary Restraining Order (TRO) against XNA Real Estate, LLC pertaining to Lot 17 of Crow's Nest Subdivision development has been filed by Kathy Buckalew. Rausch recognized Kathy Buckalew (property owner at 16211 Highway 12 E). Attorney Robert Frazier provided a copy of the sent easement encroachment letter to the Commission.

With no further business, Acting Chairman Greene adjourned the meeting at 4:40 PM.

Respectfully submitted,

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

Earl Rausch, Acting Secretary/djw

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