

Rogers Waterworks and Sewer Commission

June 20, 2016

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, June 20, 2016 in the Rogers Water Administration Building. Present were Commissioners Roger Surly, Travis Greene, and Kathy McClure. Commissioner Don Kendall was absent. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Joyce Johnson, Jennifer Lattin, Brian Sartain, Stephen Ponder, Jordan Waterhouse, and Vera Hall. Others in attendance were Robert Frazier of the Frazier Law Firm, April Robertson of the Northwest Arkansas Democrat-Gazette, Chris Buntin and Mike Boyd of Garver Engineering, Buzz Boyer of Watkins, Boyer, Gray & Curry PLLC Law Firm, Charles Reaves, James H Bemis, Jr. and Jene' Huffman-Gilreath. Chairman Surly called the meeting to order at 4:00 PM.

A motion was made by Commissioner Kathy McClure, second by Commissioner Travis Greene to approve the minutes of the May 16 and May 20, 2016 meetings as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Business Manager for the presentation of the May 2016 Financial Reports. Johnson stated that water consumption for the month of May 2016 was up 17.04% from May 2015. Billed revenue was up 31.18%. The Water Department reported a profit of \$41,000 for the month ending May 31, 2016, and a loss of \$57,000 for the month ending May 31, 2015. Collection of access and impact fee revenue for F'Y' 16 are \$671,000, and are up from \$464,000 in F'Y' 15. Actual access and impact fee revenues are \$242,000 over budget in the Water Department for Fiscal Year 2016.

Sewer consumption for May 2016 was up 7.25% from May 2015. Billed revenue was up 6.13%. The Sewer Department reported a profit of \$232,000 for the month ending May 31, 2016, and \$175,000 profit for the month ending May 31, 2015. Collections of access and impact fee revenue for F'Y' 16 are \$1,300,000,

and are up from \$1,004,000 in F'Y' 15. Actual access and impact fee revenues are \$431,000 over budget in the Sewer Department for Fiscal Year 2016.

The Restricted and Unrestricted Funds Report show total funds are at \$35.1 million. \$9.8 million is restricted, including \$2.2 million to call the 2008-B Water Bonds. The unrestricted funds are at \$8.7 million in Water and \$16.6 million in Sewer. Total funds on hand at May 31, 2015 were \$30.6 million. Johnson also stated that notification from Beaver Water District had been received for a .02/1000 gallon water rate increase. The new wholesale water rate of 1.31/1000 gallons will be effective October 1, 2016. Chairman Surly ask how much impact the increase would have and Johnson stated the water rate increase was considered in the budget. There were no further questions.

Chairman Surly recognized Earl Rausch, Utilities Superintendent for the presentation of the Engineering and RPCF Reports. Rausch indicated on the map the continued activity of new construction along I-49 and W Walnut Street with a few areas on Highway 102. The city projects and developer remodels are progressing. The Monte Ne North City street project bid is scheduled for July 7, 2016. The Osage Creek Monitoring Report shows normal sample results. With drier weather conditions the flow increases and reflects in higher turbidity. The FOG Coordinator will be inspecting the schools grease interceptors while school is not in session. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for presentation of the Operation Reports. Using graphs, he gave a briefing on the various department activities. Service calls and troubles indicated a decrease as well as the number of shutoffs. Locates appear to be within normal range. TV inspections are higher as both units are operating well. Dobler stated that the Hyland Park area water main break affected (23) twenty-three residents and a boil order was issued due to a loss of pressure. Chairman Surly ask about reimbursement for incurred expenses of the water main break and Dobler said it is being addressed at this time.

The Lost Water Report is at 16% for the last (12) twelve months, while being at 23% for calendar 2016 and 20% for the month. The May average daily water

usage was 6.52 MGD with a single daily use high of 10.7 MGD. Dobler noted that 373 new meters have been installed thus far on the new meter change out program. There were no further questions.

Chairman Surly recognized Rausch as he introduced James H Bemis, Jr. He is requesting assistance with a higher than normal water bill from his residence 2720 Penny Lane. After much discussion, it was not determined if an actual water leak had occurred. Chairman Surly explained the RWU policy and procedures regarding adjustments for water leaks, and no action was taken. Mr. Bemis thanked the Commission and expressed appreciation to the courteous RWU staff.

Chairman Surly recognized Buzz Boyer, representative for Charles Reaves, Developer of the Shadow Valley Subdivision. Referring to Phase VII Lot 162 on a map, Boyer is requesting Commission approval to allow the water and sewer service to the above mentioned property. The location of the house to be built on Lot 162 is in the Cave Springs city limits, however, the water and sewer services are located in the RWU service area. After lengthy discussion and legal advisement, Commissioner Travis Greene made a motion and Commissioner Kathy McClure made a second, to deny the request to allow water and sewer service to Lot 162, Phase VII in Shadow Valley Subdivision that is within Cave Springs city limits. All in favor, motion carried.

Rausch presented Resolution No. 16-12 committing the Rogers Waterworks and Sewer Commission to take substantial steps toward providing residential water and sewer service to the property of Ramey and Doris Herren located at 1550 Shores Avenue, Rogers, Arkansas. Chairman Surly ask what the estimated cost would be to provide water and sewer to this area. Rausch answered approximately \$120,000. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 16-12 taking substantial steps toward providing residential water and sewer service to the Ramey and Doris Herren property located at 1550 Shores Avenue, Rogers, Arkansas. All in favor, motion carried.

Chairman Surly recognized Brian Sartain, Design Engineer to present Change Order 1 for Hwy 265 Corridor Waterline Improvement Project with Crossland Heavy Contractors. Sartain noted that the change order is to extend the waterline an additional 761' to provide service connections to additional properties whose existing service lines are in conflict with the highway project. The change order amount of \$73,436 is 100% reimbursable from the AHTD and staff recommends approval. Commissioner Kathy McClure made a motion, second by Commissioner Travis Greene to approve the change order amount of \$73,436 with Crossland Heavy Contractors as submitted. All in favor, motion carried. Sartain continued with a Professional Services Agreement with Garver Engineering for Cross Creek Lift Station Generator Design. Sartain stated this electrical engineering design is for a backup generator to supply emergency power to the utility's largest lift station during power outages. Staff recommends approval. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve \$34,699 for the Professional Services Agreement with Garver Engineering as submitted. All in favor, motion carried. Sartain also presented the bid results from June 15, 2016 for the 24" Water Main I-49 to S 52nd Street Project. Staff recommends to accept the low bid from Goodwin & Goodwin, Inc. for the 24" waterline connection in the amount of \$376,415. Commissioner Kathy McClure made a motion, second by Commissioner Travis Greene to accept the bid from Goodwin & Goodwin, Inc. for \$376,415 as submitted. All in favor, motion carried.

Rausch presented Resolution No. 16-10 extending an existing purchase agreement with Brenntag Mid-South, Inc. for purchase of liquid chlorine and liquid sulfur dioxide; waiving the requirements of competitive bidding. This extension will continue to purchase liquid chlorine for the price of \$.325 (\$0.33) per pound and liquid sulfur dioxide for \$.4425 (\$0.44) per pound through June 30, 2017. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve Resolution No. 16-10 to extend the existing purchase agreement with Brenntag Mid-South, Inc. for purchase of liquid chlorine and liquid sulfur dioxide as submitted. All in favor, motion carried.

Also presented was Resolution No. 16-11 extending an existing purchase agreement with SNF Polydyne, Inc. for purchase of liquid polymer; accepting a voluntary price reduction and waiving the requirements of competitive bidding. This extension will continue to purchase C-6266 polymer for the price of \$0.90 per pound through June 30, 2017. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 16-11 to extend the existing purchase agreement with SNF Polydyne, Inc. for the purchase of liquid polymer as submitted. All in favor, motion carried.

Due to the closing of the 2015-2016 financial books, the next regular meeting is scheduled for July 25, 2016.

With no further business, the meeting was adjourned at 5:07 PM.

Respectfully submitted,

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

Earl Rausch, Acting Secretary/djw

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