

Rogers Waterworks and Sewer Commission

June 26, 2000

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, June 26, 2000, in the Rogers Water Utilities Training Center. Commissioners Donnie Moore, Dick McLelland, Beck Scott, Lon Pepple, and Jerry Pittman were in attendance. Rogers Water Utilities staff members present were Tom McAlister, Mark Johnson, Joyce Johnson, Mike Lawrence, Don Roberts, Earl Rausch, Cindy Bitgood, and Buddy Shook. In the audience were Jim Clark, Marl Corbett, Tom Sissom, Kevin Thomas, and John Wood. Chairman Moore called the meeting to order at 4:00 PM.

There was a motion by Pittman, second by Scott, to approve the May 24, 2000, Commission meeting minutes. All in favor, motion carried.

Rogers Water Utilities staff Cindy Bitgood and Buddy Shook were each recognized for five years of service to Rogers Water Utilities.

Moore recognized Mark Johnson, Utilities Engineer. Johnson presented the Commission with a project update. He said that the sewer bond projects were proceeding slowly. He said that the Phase II sewer bond project southwest of Lake Atalanta was close to completion, and that 49 of 53 households had been connected to the sewer system, taking advantage of the Commission's offer to pay for the pumping and destruction of septic tanks, and relocation of the household sewer lines. He said that the Southwest sewer project had been designed, and consisted of about 40,000 feet of sewer. He said that he thought the project should be bid "in phases" since the total project would probably be much more than the \$2.4 million estimated by Crafton, Tull, and Associates. Johnson said that he doubted that there would be enough bond funds remaining to build the entire project.

Johnson said that the sewer line project to serve the old Ichiban Sports Complex had been designed in-house and bid. He said that the low bid was from Necessary-McClinton -Anchor, for \$317,670.50. There was a motion by Scott, second by McLelland, to award a contract in that amount to Necessary. All in favor, motion carried.

Pittman gave the staff and the Commission copies of a letter to him from Vernon Schmiegelow, dated June 26, 2000 (a copy of which is attached hereto, and a part of these minutes). In the letter Schmiegelow, a land owner at Post Road and South First Street in Rogers, complained that his property had been annexed into the City some

twenty years prior, and he still had no city utilities, while others in the city were receiving such services. Mark Johnson said that the sewer line to serve southeast Rogers had been surveyed, and was now under design. However, the project was considered a lower priority, since there were very few homes in the area, as opposed to the Southwest sewer project, which had many homes, some of which were having critical septic tank-leach field problems. McLelland said that, if Mr. Scmiegelow wanted to develop his property, or sell it to a developer, that he should come to the Commission with an offer of assistance, so that this project could receive higher priority. Pittman asked Johnson to prepare a letter to Mr. Scmiegelow stating as much. Johnson said that he would.

Mark Johnson continued by asking the Commission for permission to design and bid a twelve inch water main from 11th St. to the east side of Eighth St. The main extension was necessary to help the water system hydraulics in the area of Tyson's Chick-N-Quick on Olrich St., he said. The city had plans to improve Olrich Street from Eight St. to 13th St. and that this would be an opportune time to do the work. Johnson estimated the cost at about \$150,000. Motion by McLelland, second by Pittman, to allow staff to proceed with the project, subject to bid approval from the Commission. All in favor, motion carried.

Moore recognized Mike Lawrence, Manager of the Rogers Pollution Control Facility. Lawrence asked for permission to seek bids to replace a 1987 John Deer farm tractor for the RPCF. He said that the old tractor was in need of a transmission, and thought the money would be better spent buying a new tractor. Motion by Scott, second by McLelland, to allow Lawrence to advertise for a replacement tractor. All in favor, motion carried.

Moore recognized Joyce Johnson, Utilities Controller. Johnson presented the Commission with a spreadsheet showing proposals for employee health insurance for FY '01. She said that she encountered a lot of difficulty obtaining cost numbers from insurance companies. Some, such as Blue Cross/Blue Shield, declined to bid on the Utilities' insurance business. Johnson said that the current carrier, Anthem Life and Health, had attempted to raise premiums about 250 percent. Two years of bad claims experience was the reason, she said. The best proposal was from a third party administrator, SMC, Inc. Still, the premiums would increase about \$135,000 over the previous year, Johnson said.

There ensued a lively discussion of insurance rates, insurance companies, and employee benefits. One commissioner asked how much the employees had to pay? Someone else asked details about the coverage. Two commissioners said that they thought that the employees' copayment should be increased to an unspecified amount. Tom McAlister, Utilities Manager, emphasized that the current policy was going to lapse in a few days, and that details about coverage and employee copayment could be dealt with later. There was a motion by Scott, second by McLelland, to approve the proposal from SMC, Inc., to provide employee health insurance. All in favor, motion carried.

Joyce Johnson provided the Commission with updated copies of the Water and Sewer Department budgets for Fiscal Year 2001. She said that it was the same budget as presented in April, except that the line item for health insurance expense had been increased accordingly. There were a few questions from the commission regarding certain line items, such as the increase in bad debts expense. Johnson said that bad debts were very small part of the overall budget, and that these were turned over to collection agencies and kept on the books indefinitely, so that the office clerks would have a better chance at recovery. Motion by Pittman, second by Pepple, to approve the FY '01 budget proposal, as submitted. All in favor, motion carried.

Joyce Johnson continued with the May 2000 financial sheets. She said that Rogers Water Utilities had a good month. She also said that the next month's meeting was scheduled for July 17, and that the year-end statements would not be ready in time for the meeting. She asked if the Commission would care to move the meeting back a week, or would the Commission prefer to just look at the June financials in August? McLelland noted that the last several meetings had been put back a week, and wondered if the meeting needed to be moved to the fourth Monday of the month? McAlister said that the additional week seemed to be needed more often than not. The Commission meeting in July will be held on the 24th.

McAlister said that he had been in negotiations with Lloyd Scudder to purchase a tract of land Scudder held at S. 24th St. at Lilac. McAlister said that the property was uniquely suited for the location of a large water tank farm and pumping facilities. McAlister said that, after Mr. Scudder and his daughter had kept back about five acres, that the balance was about 8.54 acres. He said that Scudder wanted \$25,000 per acre, which would make the selling price \$213,500. McAlister said that a two-year-old appraisal had set the value at \$16,000 per acre. Scott said that he thought the price Scudder wanted was fair, and that there probably wasn't another tract like it that was available. Motion by Pittman, second by Scott, to approve the purchase of the 8.54 acres. Scott, Pittman, and Pepple voted "aye", McLelland abstained. Motion carried.

The Commission meeting adjourned at 5:07 PM.

Respectfully submitted for approval,

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

