

Rogers Waterworks and Sewer Commission

June 27, 2012

Minutes

The Rogers Waterworks and Sewer Commission held a special meeting at 2:00 PM Wednesday, June 27, 2012, in the Rogers Water Utilities Administration Building. Present were Commissioners Travis Greene, Guy Cable, Roger Surly, Jene' Huffman-Gilreath and Don Kendall. Rogers Water Utilities staff in attendance was Joyce Johnson, Johnny Lunsford and Earl Rausch. Jim Clark, Deputy City Attorney was also in attendance. Chairman Greene called the meeting to order at 2:00 PM.

At 2:02 PM there was a motion by Don Kendall, second by Roger Surly to adjourn to executive session to individually interview Utility superintendent applicants, Kevin Crosson and Mark Johnson. All in favor, motion carried.

The meeting was called back to order at 4:00 PM. Chairman Greene announced that the Commissioners are back in regular session. Present were Commissioners Travis Greene, Guy Cable, Roger Surly, Jene' Huffman-Gilreath and Don Kendall. Rogers Water Utilities staff in attendance was Joyce Johnson, Mark Johnson, Johnny Lunsford, Robert Moore and Earl Rausch. Jim Clark, Deputy City Attorney was also in attendance. Others at the meeting were Gary Jackson and Tim Schmidt of Hight-Jackson Associates, Doug Bryant and Jim Watson of Pick-It Construction and Mahendra Jerw and Narry Krushiker of the Northwest Group.

There was a motion by Huffman-Gilreath, second by Kendall, to approve the minutes of the May 21, 2012 Regular Meeting minutes as submitted. All in favor, motion carried.

There was a motion by Chairman Greene, second by Kendall, to approve the minutes of the May 30, 2012 Special Meeting minutes as submitted. All in favor, motion carried.

There was a motion by Huffman-Gilreath, second by Kendall, to approve the minutes of the June 8, 2012 Special Meeting minutes as submitted. All in favor, motion carried.

There was a motion by Huffman-Gilreath, second by Surly, to approve the minutes of the June 11, 2012 Special Meeting minutes as submitted. All in favor, motion carried.

Chairman Greene recognized Joyce Johnson, Utilities Controller/Interim Superintendent. Johnson presented financial reports to the Commission for May. Johnson said that included in the packet was a letter summarizing her comments regarding the May financial reports. The Utility is doing as expected in both the water and sewer departments. She asked if the Commissioners had any questions on the financial reports. There were no questions. Johnson indicated that RWU will be on the City Council committee meeting agenda on July 10, 2012. Chairman Greene and Johnson plan to attend and all Commissioners are welcome. Johnson will update the Commissioners on the time when the agenda is published. Cable suggested that attending the City Council meeting once a month is sufficient. Johnson mentioned that the July Regular Commission meeting will be July 23, 2012 instead of July 16, 2012. The change was made to accommodate the completion of the year-end financial statements for the meeting.

Johnson continued with discussing the letter from Beaver Water District regarding the upcoming rate increase. The District is increasing the rate to \$1.26/1000 gallons, effective on October 1, 2012 which is approximately a two percent increase. The rate is \$1.24/1000 gallon now. Beaver Water District has had 5 rate increases since 2007 which is approximately an overall nine percent increase since 2007. Johnson stated that Beaver Water District is planning one more two cent rate increase October 1, 2013.

Chairman Greene recognized Mark Johnson for the engineering report. Johnson asked the Commission if they had any questions concerning the report. Chairman Greene asked about the status of the sludge dryer. Johnson stated that Therma-Flite personnel arrived at the wastewater treatment yesterday and are welding heating oil lines, installing the instrumentation, and performing the startup and performance testing. The sludge dryer is likely to be placed in service by August 1, 2012.

Chairman Greene recognized Gary Jackson from Hight-Jackson and Associates to discuss the training center remodel re-bids. Jackson stated that this new bid allows for the kitchen to be completely remodeled with the appliances in the same location and the men's restroom to be remodeled. The canopy over the front door was reduced by a foot which eliminated additional structural steel in the outside wall. Jackson also states that Pick-It Construction is a Fayetteville company and they have bid on several Hight-Jackson projects in the past. Doug Bryant and Jim Watson of Pick-It Construction are present today. Tim Schmidt of Hight-Jackson prepared the bid tabulation and Pick-It Construction submitted the low bid of \$207,200. Jackson recommended that the Commission approve the low bid. There was a motion by Chairman Greene, second by Huffman-Gilreath, to approve the low bid from Pick-it Construction of \$207,200. All in favor, motion carried.

Chairman Greene recognized Narry Krushiker of Northwest Group. Krushiker asked the Commission to extend the current payment schedule on the Forbearance Agreement between RWU and Northwest Group dated January 21, 2010. He asked that the interest rate be reduced from 5% to 3.5%. Chairman Greene asked Jim Clark, Deputy City Attorney, his opinion. Clark indicated the request seemed reasonable. Kendall asked about the background of the cost sharing agreement. Mark Johnson stated that there were three parties (Crossland, Northwest Group and MetroPark South). Joyce Johnson stated that Northwest Group's current debt balance is approximately \$198,000 and at 3.5%, with monthly payments of \$5,000 their final payment will be in December 2015. There was a motion by Cable, second by Kendall, to approve the request to amend the Forbearance Agreement. All in favor, motion carried. Chairman Greene asked Jim Clark, Deputy City Attorney, to revise the Forbearance Agreement.

Chairman Greene recognized Mark Johnson to discuss the bids on the 24th street improvements. Johnson said that this project involves a street project to accommodate the aquatic park (24th street improvements 8" water main extension project from New Hope Road to Seminole Road). This water project was designed in-house. Five bids were received with NEC, Inc. submitting the low bid of \$160,258. NEC, Inc. is a local contractor, and RWU has done business with them in the past. Johnson asked the Commission to approve the low bid from NEC, Inc. There was a motion by Huffman-Gilreath, second by Kendall, to approve the low bid from NEC, Inc. of \$160,258. All in favor, motion carried.

The meeting adjourned at 4:25 PM.

Respectfully submitted,



Joyce J. Johnson, Acting Secretary
Rogers Waterworks and Sewer Commission
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