

# **Rogers Waterworks and Sewer Commission**

**July 20, 2015**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday July 20, 2015 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, Don Kendall and Jene' Huffman-Gilreath. Rogers Water Utilities staff in attendance was Earl Rausch, Brent Dobler, Joyce Johnson, Jennifer Lattin, Johnny Lunsford, Robert Moore, Brian Sartain, Randy Watson, Vera Hall, Pat Sharp and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm. Chairman Surly called the meeting to order at 4:00 PM.

Earl Rausch, Utility Superintendent acknowledged Mark Landis with twenty (20) years of service and David Sabelfeldt with ten (10) years of service to Rogers Water Utilities. They were not present to receive their gifts of appreciation.

There was a motion by Commissioner Jene' Huffman-Gilreath, second by Commissioner Kathy McClure to approve the minutes of the June 15, 2015 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Controller for the presentation of the June 2015 financial reports. Water consumption for the month of June 2015 was down 13.60% from June 2014. Billed revenue was down 9.97%. The Water Department reported a loss of \$18,000 for the month ending June 30, 2015 and a profit of \$21,000 for the month ending June 30, 2014. Collections of access and impact fee revenue for Fiscal Year 2015 are \$512,000, down from \$537,000 in 2014. Actual access and impact fee revenues are \$55,000 over budget in the Water Department for Fiscal Year 2015.

Sewer Consumption for June 2015 was down 5.79% from June 2014. Billed revenue was down 3.54%. The Sewer Department reported a profit of \$260,000 for the month ending June 30, 2015, and \$236,000 profit for the month ending June 30, 2014. Collections of access and impact fee revenue for Fiscal Year 2015 are \$1,098,000, up from \$1,035,000 in 2014. Actual access and impact fee revenues are \$150,000 over budget in the Sewer Department for Fiscal Year 2015. There were no questions.

The Restricted and Unrestricted Funds Report show total funds are at \$31.0 million. \$8.5 million is restricted. The unrestricted funds are at \$9.6 million in Water and \$12.9 million in Sewer. Total funds on hand at June 30, 2014 were \$28.0 million. Commissioner Jene' Huffman-Gilreath asked what kind of rates the Utility is receiving on CD's. Since the approval of the investment policy allowing for longer terms, and due to rates slightly increasing, most rates are now 1% or greater. Johnson gets quotes from several banks for each CDARS invested. Kathy McClure asked if all investments are in the same location. Johnson said currently, the CDARS are with two banks.

In the Water Department, annual sales were down approximately 5% for the year and annual consumption was down approximately 7%. Chairman Surly asked if the drop in consumption was mostly industrial related. Johnson stated it was largely impacted by reduced industrial consumption, but was affected by reduced consumption in residential and commercial as well. In the Sewer Department annual sales were down approximately 2% from the prior year and billed water and sewer consumption has declined for the last three years.

Johnson continued by highlighting the results of year-end financial reports as of the June 30, 2015. This included a review of June 2015 YTD Income Comparisons by month, June 30, 2015 Financial Statements, and a reminder that (GASB 68) requires the inclusion in the financial statements of the APERS net unfunded pension liability split between Water and Sewer. Johnson indicated that APERS informed us that RWU's share of the liability was in excess of \$2 million. Commissioner Don Kendall asked what period the two million dollar liability represents. Johnson indicated this is the unfunded liability from inception to June 30, 2014. Commissioner Jene' Huffman-Gilreath asked what are the costs for sludge disposal. Robert Moore, RPCF said the two largest expenses are utilities and chemicals. Chairman Roger Surly then ask for a timeline for an evaluation of sludge dryer costs. Rausch said approximately two years of operation would be a reasonable amount of time to analyze the sludge disposal costs. Johnson asked if there were any other questions, there was none.

Chairman Surly recognized Rausch for presentation of the Engineering and RPCF reports. Rausch said new construction is steady, along with building remodels. Commissioner Don Kendall asked about the timeline of construction on Bellview Road. Brian Sartain, RWU Design Engineer stated that the contractor Crossland Heavy started today and the cost of utility relocations is approximately \$200,000 which should start in late August 2015.

Rausch noted the increased phosphorous on the RPCF Discharge Monitoring report is largely due to the recent heavy rainfall. The Osage Creek monitoring report is not available but will have the results next month. There were no further questions.

Chairman Surly recognized Brent Dobler, RWU Operations Manager to present the Operation Reports. Dobler stated he will be working on providing some charts to show some trending information for the water and sewer departments. He noted 936 line locations were performed for June. The unaccounted water is at 21% for the month and 14% for the 12 month period. June's average daily water usage was 9.5 MGD with a single daily use high of 12.2 MGD. Average daily water is 10.0 MGD. Chairman Surly asked about the upward trend in unaccounted for water. Dobler stated it is being addressed internally and construction also contributes loss. The sewer department had no overflows which is results of good maintenance prevention. Chairman Huffman-Gilreath asked if there were any problems with the recent heavy rain events. Dobler stated because of a good team all working together, there were no issues reported.

Chairman Surly recognized Johnson to present a summary of the Proposed Budget Amendment. The proposed amendment includes the water rate increase, additional water purchase costs due to three cents per gallon rate increase from Beaver Water, and delaying the bond call on the 2008B water

bonds. The proposed changes result in a net increase of \$1,030,000 to the original Water Department budget. Commissioner Jene' Huffman-Gilreath made a motion, second by Commissioner Don Kendall to approve the Proposed Budget Amendments. All in favor, motion carried.

Chairman Surly recognized Rausch to present a ten (10) year Water Purchase Contract with Benton County Water District #1 Public Water Authority for the purchasing of water from the Rogers Water Utilities. Resolution No. 15-04 authorizes the execution of a water purchase contract with Benton County Water District #1 Public Water Authority, recommending passage of a city ordinance authorizing the purchase contract, and for other purposes. Rausch stated the Benton County Water District #1 Public Water Authority was to present the Water Purchase Contract for approval at their board meeting tomorrow night. Commissioner Don Kendall made a motion, second by Commissioner Travis Greene to approve the Purchase Contract with Benton County Water District #1 Public Water Authority as presented. All in favor, motion carried.

Rausch continued with the Hwy 265 Project & Temporary Cross Boundary Service Agreement with Springdale Water Utilities. Resolution No. 15-05 authorizes the execution of a memorandum of understanding with Springdale Water Utilities pertaining to temporary water service to certain properties in Springdale Water Utilities' service area, recommending city approval of the temporary extension of water service, and for other purposes. Commissioner Jene' Huffman-Gilreath made a motion, second by Commissioner Kathy McClure to approve the Hwy 265 Project & Temporary Cross Boundary Agreement with Springdale Water Utilities as submitted. All in favor, motion carried.

Rausch presented a Fire Hydrant Policy for Temporary Water Service. He gave a comparison on neighboring cities of their rates and fees. Resolution No. 15-03 authorizes increases on fire hydrant meter fees, charges and deposits for connection to water service inside and outside the city limits of Rogers, Arkansas. All changes to the policy and charges will be effective August 1<sup>st</sup>, 2015. A motion was made by Commissioner Jene' Huffman-Gilreath, second by Don Kendall to approve the Fire Hydrant Policy for Temporary Water Service as presented. All in favor, motion carried. Commissioner Travis Greene abstained.

Chairman Surly recognized Robert Moore, RPCF Manager, to present the bids results to purchase a 2015 Heli 6,000 Pound Load Forklift. The low bidder was Lift Truck Service Center in the amount of \$23,675.00. Commissioner Travis Greene made a motion, second by Commissioner Jene' Huffman-Gilreath to approve the purchase of a 2015 Heli 6,000 Pound Load Forklift from Lift Truck Service Center for \$23,675.00. All in favor, motion carried.

Brent Dobler presented a request to purchase a 2015 Dump Truck F750 from Chastang Ford for \$60,996.00 and a ten (10) yard dump bed from Davis Trailer & Truck Equipment, Inc. for \$10,028.00. This will replace our current 1995 model which will be sold. Commissioner Kathy McClure made a motion, second by Jene' Huffman-Gilreath to approve the purchase of a 2015 Dump Truck F750 with a ten (10) yard dump bed for a total of \$71,024.00. All in favor, motion carried.

With no further business, Chairman Surly adjourned the meeting at 5:15 PM.

Respectfully submitted,

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

Earl Rausch, Acting Secretary/djw

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