

Rogers Waterworks and Sewer Commission

July 21, 2003

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, Monday, July 21, 2003, in the Rogers Water Utilities Training Center. Commissioners in attendance were Donnie Moore, Dick McLelland, Jerry Pittman, Lon Pepple, and Fred Wanger. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Don Roberts, Cindy Nordgren, Mike Lawrence, Joyce Johnson, Everett Balk, Stephen Ponder, Joe Duty, and Earl Rausch. Others in attendance were Jason Kelley, E. J. Miller, Michael James, Kurt Voight, and Mike Rowe. Chairman Moore called the meeting to order at 4:02 PM.

There was a motion by McLelland, second by Pittman, to approve the June minutes as submitted. All in favor, motion carried.

Moore recognized Don Roberts, Superintendent of Field Operations. Roberts presented Joe Duty, Field Operations Technical Advisor, with a certificate of appreciation for 25 years of service to Rogers Water Utilities and the citizens of Rogers.

Moore recognized Joyce Johnson, Utilities Controller. Johnson presented Cindy Nordgren, Customer Service Representative, with a certificate of approval for 10 years of service.

Moore recognized Mark Johnson, PE, Utilities Engineer. Johnson apprized the Commission on the status of the several projects in which the Commission had a monetary interest. Johnson said that the New Hope Road facilities relocations were still being designed, but noted that the Highway Department had secured only 15 of 117 easements necessary. He said that the highway department planned to bid the widening project this fall, but- usually gave the contractor extra time, to allow for relocation of facilities. Johnson said that none of the utility companies had started relocated facilities.

Johnson introduced the newest employee of the Engineering Division, Everett Balk, PE. Johnson noted that Balk was a local consulting engineer for many years, with a lot of varied engineering experience.

Continuing, Johnson presented the Commission with a map showing the street projects planned for the next five years, to be paid for out of 2003 bond proceeds. He also

presented a spreadsheet showing the approximate cost of relocating water and sewer facilities for these widening projects. Johnson estimated a total cost of over \$4 million. Johnson said that there were no funds available from the City's bond issue to pay for water and sewer relocations.

How much to relocate water and sewer in New Hope Road? Someone asked. Johnson estimated a cost of \$2.3 million. Johnson said that the engineering for facilities relocations would be done in house to save engineering fees and control costs.

The Commission considered a proposal from Economic and Engineering Services (EES), Bellvue, Washington, to provide water rate making services for the Rogers Water Department. Tom McAlister, RWU Superintendent, said that Tom Gould of EES would perform the rate study, including a cost of service analysis and connection fees analysis. He said that the water department had never had a cost of service analysis. McAlister reminded the Commission that Gould had performed work for the Commission in the past, looking at the adequacy of water and sewer rates in 2000.

Moore asked about the time frame for the study. McAlister said that he asked for a completed study by November, when the Beaver Water District rate increase took effect. What about the fees? Someone asked. McAlister opined that the fees were reasonable, compared to previous sewer rate studies underwritten by the Commission.

There was a motion by Pittman, second by McLelland, to approve the proposal from EES, not to exceed \$41,000. All in favor, motion carried.

Moore recognized Don Roberts again. Roberts presented the Commission with a list of eight vehicles that RWU planned to replace in FY '04. He noted that the smaller pickup trucks were not holding up as long as regular pickups, and that maintenance expense was higher for the small trucks. To that end, he said that the small trucks would be replaced by larger pickups. There was a motion by McLelland, second by Pepple, to allow the staff to advertise for bids for the replacement of eight vehicles. All in favor, motion carried.

Moore recognized Joyce Johnson again. Johnson presented the Commission with financial sheets for June 2003. Since these were fiscal year ending statements, she compared FY '03 budget projections against actual experience. Johnson pointed to the lackluster performance by the Water Department. Declining interest income and less than expected rebate from Beaver Water District caused the net profit to plunge significantly compared to the previous year. What was the budget projection for FY '04? McLelland asked. Johnson said that, without a water rate increase, the Water Department was projected to suffer a deficit of almost \$300,000. Johnson said that she had been warned by Beaver Water District not to expect a rebate next year.

Johnson said that the Sewer Department was performing well, although the net profit was somewhat less than the proceeding year. The financial statements were accepted without further comment.

The meeting adjourned at 4:45 PM.

Respectfully submitted,

Tom McAlister, Acting Secretary
Rogers Waterworks and Sewer Commission

File: RWWSC minutes, 7-21-03