

Rogers Waterworks and Sewer Commission

July 22, 2013

Minutes

The Rogers Waterworks and Sewer Commission held its regular meeting at 4:00 PM on Monday, July 22, 2013, in the Rogers Water Utilities Administration Building. Present were Commissioners Don Kendall, Kathy McClure, Roger Surly, Travis Greene, and Jene' Huffman-Gilreath. Rogers Water Utilities staff in attendance were Earl Rausch, Joyce Johnson, Johnny Lunsford, Robert Moore, Jordan Waterhouse, Stephen Ponder, Wade Woodward, Jennifer Lattin, Bill Rizley, and Vera Hall. Others in attendance were Deputy City Attorney Jim Clark, John Gore of the Morning News, Mike Kirk of Crossland Heavy, and Mike Scanlon of Therma-Flite. Chairman Don Kendall called the meeting to order at 4:04 PM.

Chairman Kendall stated that Earl Rausch had been asked to serve as Interim Utility Superintendent and Rausch had agreed. Chairman Kendall asked for a motion for this appointment. There was a motion by Surly, second by McClure for Rausch to serve as Interim Utility Superintendent. All in favor, motion carried.

Chairman Kendall recognized Johnny Lunsford, Sewer Field Operation Supervisor. Lunsford presented a Certificate of Recognition and a gift to Bill Rizley, Field Technician II, to commemorate five years of service to RWU and the citizens of Rogers.

Chairman Kendall recognized Johnny Lunsford, Sewer Field Operation Supervisor. Lunsford presented a Certificate of Recognition and a gift to Wade Woodward, Utility Technical Advisor, to commemorate twenty-five years of service to RWU and the citizens of Rogers.

Lunsford stated that two additional employees also had an anniversary but were unable to attend the meeting. They were William Evans, Water Field Operation Supervisor, commemorating thirty years of service to RWU and the citizens of Rogers and Ken Allen, Warehouse Supervisor/Data Entry, commemorating fifteen years of service to RWU and the citizens of Rogers.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent. Rausch presented a Certificate of Recognition and a gift to Robert Moore, Plant Manager, to commemorate twenty years of service to RWU and the citizens of Rogers.

There was a motion by Huffman-Gilreath, second by Greene to approve the minutes of the June 17, 2013 regular meeting and the June 21, 2013 special meeting as submitted. All in favor, motion carried.

Chairman Kendall recognized Joyce Johnson, Utilities Controller. Johnson reviewed the significant items that impacted the RWU financial statements for the year ended June 30, 2013. RWU's billed revenue was down significantly in both the water and sewer departments in June 2013. The decrease was 22.61% in the water department and 6.17% in the sewer department due to the drought conditions of the past several years subsiding. The impact on billed water revenue in June 2013 compared to June 2012 was a decrease of \$190,000, and the impact on the sewer department billed revenue was a decrease of \$53,000. In June, 2012, the water department had a profit of \$189,000. In June 2013 the water department incurred a loss of \$132,000. RWU ended the current year in the water department with a profit of \$440,000, about \$20,000 less than the previous year. In the sewer department there was a profit of \$2,715,000 compared to the previous year profit of \$2,445,000. The sewer department 2013 profit is a lot larger than budgeted. The most significant reasons RWU exceeded the budget in sewer include, not depreciating the sludge dryer since it was not placed in service by June 30, 2013, sales running ahead of budget by \$280,000 and access and impact fees running ahead of budget by \$389,000. In addition, RWU paid off the 1995 ADFA bonds early which resulted in a savings in interest expense.

In the sewer department, total investments decreased from the previous year due to the pay off of the 1995 ADFA bonds. Staff is still considering whether to recommend paying off the 1996 ADFA bonds. Staff will investigate the capital outlay needs for the sewer department for the next three years and then come back with a recommendation to the Commission. Chairman Kendall asked that we consider whether the early payoff of the 1996 ADFA bonds could lead to the need for a new bond issue. RWU ended the year with \$29,740,000 funds on hand in the water and sewer departments combined. This is compared to \$31,399,000 at June 30, 2012. Johnson asked if there were any questions. There were none.

Johnson introduced Jennifer Lattin, CPA, a new RWU employee to the Commission. Also, Johnson reminded the Commission that RWU is on the City Council agenda for July 23, 2013. Staff will present a year end overview to the Public Works Committee at that meeting, and all Commissioners are invited to attend.

Chairman Kendall recognized Earl Rausch, Interim Utility Superintendent for the Staff report. Rausch stated the format to the Commission has changed to include the fog and pretreatment report. Chairman Kendall asked about the area included in the historic central service rehabilitation project. Rausch stated that area is downtown Rogers east of the railroad tracks from Arkansas Street to 5th Street on the west side. Chairman Kendall asked the status of the project. Rausch stated that RWU has finished the rehabilitation on all the old railroad crossings and is basically at 5th Street. Huffman-Gilreath stated that she was very proud of the RWU Sewer Rehabilitation Program. Rausch asked if there were any questions. There were none.

Chairman Kendall recognized Robert Moore, Plant Manager, for the sludge dryer update. Moore stated the performance testing has been completed satisfactorily and RPCF operators have started the training phase. RWU is now running the sludge dryer. Moore also stated that the contractor has the punch list items and it should take two to three weeks to finish up the project. Huffman-

Gilreath asked about the sludge classification. Moore stated RWU is in the process of testing the sludge to get back to a Class A sludge rating which should take about 90 days. Moore asked if there were any questions. There were none.

Chairman Kendall recognized Johnny Lunsford, Sewer Field Operation Supervisor. Lunsford stated the Sewer Department would like to try a 60-day try or buy pilot study of the Flygt Pump. RWU is having problems in some of the lift stations due to large amounts of swiffers, diapers and baby wipes. Lunsford stated that a three foot by three foot cage has been installed at the Shadow Valley lift station and other problem lift stations. The cage was full in less than one day. Lunsford asked the Commission for permission to proceed with the Flygt pump pilot. There was a motion by McClure, second by Surly, to proceed with the Flygt pump pilot. All in favor, motion carried.

Chairman Kendall recognized Johnny Lunsford, Sewer Field Operation Supervisor. Lunsford stated the Badger meters pilot is complete and successful. Lunsford requested approval from the Commission to purchase the Badger water meter reading system for \$60,307.13. Chairman Kendall asked if this was in the budget. Lunsford replied yes; the new readers will read all the water meters that we have in the water system except the Master radio meters. Huffman-Gilreath asked if this meter could be upgraded to radio read. Lunsford stated yes. There was a motion by Huffman-Gilreath, second by Surly, to purchase the Badger reading system for \$60,307.13. All in favor, motion carried.

Chairman Kendall recognized Johnny Lunsford, Sewer Field Operation Supervisor. Lunsford requested approval to purchase a mini excavator from the Arkansas state bid. Surly asked what is currently being used. Lunsford stated that the crews currently use backhoes; RWU needs the mini excavator to dig and turn next to buildings and fences. The excavator is smaller which will cause a smaller impact on yards. Surly asked what attachments would be included. Lunsford stated the backhoe attachment and the grader blade. Surly asked if RWU had a trailer to haul the excavator. Lunsford stated yes. There was a motion by Surly, second by McClure, to approve the purchase of the Caterpillar mini excavator for \$40,000. All in favor, motion carried.

Chairman Kendall adjourned the meeting at 4:41 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary
Rogers Waterworks and Sewer Commission
File: RWWSC minutes, 7-22-2013