

Rogers Waterworks and Sewer Commission

July 23, 2018

Minutes

The Rogers Waterworks and Sewer Commission held a regular meeting at 4:00 PM Monday, July 23, 2018, in the Rogers Water Utilities Administration Building located at 601 S 2nd St. Present were Commissioners Travis Greene, Roger Surly, Don Kendall and Mike Watkins. Present was Rogers Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Jennifer Lattin, Jene' Huffman-Gilreath, Joyce Johnson, Todd Beaver, Brian Sartain, Aaron Short, Debbie Putman and Vera Hall. Others in attendance were Lori Ericson from the City of Rogers Community Development, Jerry Carmichael of the City of Rogers City Council, and Robert Frazier of the Frazier Law Firm. Chairman Roger Surly called the meeting to order at 4:00 PM.

Chairman Surly recognized Joyce Johnson, Business Manager, to present Jennifer Lattin with a five (5) year service award and a gift of appreciation. The Commission expressed their appreciation.

A motion was made by Commissioner Travis Greene, second by Commissioner Don Kendall to approve the minutes from the June 18, 2018 meeting as submitted. All in favor, motion carried.

The Commission recognized Jennifer Lattin, Controller, to present the June 30, 2018 end-of-year financial reports. Lattin stated water consumption for the month of June 2018 was up 12.54% from June 2017. Billed revenue was up 11.15%. On page 5 of the financial statements, the Water Department reported a profit of \$169,000 for the month ending June 30, 2018 prior to the APERS pension adjustment of \$163,000 discussed below. A profit of \$292,000 was reported for the month ending June 30, 2017, before the APERS adjustment. Collections of access and impact fee revenue for FY 18 are \$745,000, and are down from \$782,000 in FY 17. Actual access and impact fee revenues are \$35,000 over budget in the Water Department for Fiscal Year 2018.

Sewer consumption for June 2018 was up .13% from June 2017 as indicated on the second page of the End of Month Cash Report. Billed revenue was up .38%. On page 13 of the financial statements the Sewer Department reported a profit of \$288,000 for the month ending June 30, 2018 prior to the APERS pension adjustment of \$255,000 discussed below. A profit of \$429,000 was reported for the month ending June 30, 2017, prior to the APERS adjustment. Collections of access and impact fee revenue for FY 18 are \$1,460,000, and are down from \$1,541,000 in FY 17. Actual access and impact fee revenues are \$30,000 over budget in the Sewer Department for Fiscal Year 2018.

The Restricted and Unrestricted Funds Report show total funds are at \$35.9 million. \$7.8 million is restricted. The unrestricted funds are at \$10.9 million in Water and \$17.2 million in Sewer. Total funds on hand at June 30, 2017 were \$32.6 million. Year-to-date profits for both

the Water and Sewer Departments are less than the prior year but ahead of budget. As referred to previously, the most recent APERS pension information is included in the June 2018, fiscal year-end financial statements. The APERS pension adjustments result in a reduction of excess revenues over expenditures of \$163,000 in the Water Department and \$255,000 in the Sewer Department. This reflects an increase in Rogers Water Utilities' proportionate share of the net pension liability, a lower discount rate used by APERS (from 7.50% to 7.15%), as well as an increase in the overall APERS net pension liability. Chairman Surly asked if RWU will be required to fund the additional APERS pension liability or expense. Lattin stated, at this time, RWU does not fund the APERS unfunded liability or expense; RWU records the information only. The only cash outflow for RWU relating to APERS are the required annual contributions at a rate set by APERS. This rate is updated each year by APERS and is a percentage of gross wages.

Lattin also stated that the total annual consumption increased in FY 18 from the prior year by 3.20% in the Water Department and 2.06% in the Sewer Department. Customer count during FY 18 increased 1.81% in the Water Department and 1.69% in the Sewer Department. There were no questions.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the June Engineering Report. Sartain stated that plan reviews for the previous month had been slower than usual and that most submittals had been subsequent reviews of plans. Year to date, the number of reviews have been similar to the recent couple of years. The Monte Ne Road work is near completion; Bellview Road is under construction, and several large jobs including Pleasant Grove Road, Walnut Street, Annexation area waterline extensions and Shadow Valley Lift Station improvements are in the design phase. RWU is awaiting signed agreements from ARDOT before proceeding with utility relocations on I-49/71B Interchange. The RWU Field Operations Improvements Project will include the addition of a canopy to house field equipment, and the project will also remove the fuel tanks and dispenser that is no longer needed from the operations yard. RPCF Train 1 Rehabilitation is moving smoothly. RWU and CHC, the construction manager, received subcontractor bids for the RPCF Solids Handling Facility Improvements. Presentation of 60% plans and a Guaranteed Maximum Price will be presented at the next commission meeting. Sartain displayed photos of the progress on the Blossom Way Sanitary Sewer Repair Project, stating that groundwater has been a constant issue but work is progressing as planned.

Chairman Surly recognized Todd Beaver, RPCF Manager for the presentation of the RPCF Reports. There were no issues with meeting plant permit. IPT issue SEO requested bypass to do repairs and are now back operational. Sent out our solids testing and FOG Program got out to all school traps for inspection and the FOG Program is back active again. Plant significant events, I and I are greatly reduced due to dry weather and plug in the repair. Some days were below 7 MGD. The Plant did have a failure on clarifier 2 that we were able to have repaired. Clarifier 1 also had the same failure previously but we were only able to

put a band-aid fix on it due to flows. We are concerned about clarifier 4 having the same issue since it is the same equipment installed at that same time. We cannot take that train down currently for repair. We are trying to come up with a repair plan. Failing at the pivot point is where the coating is worn away rusting the bolt holes out. RAS pump is out for repair, currently running online with the spare. The 150 HP aerator motor failed, and we were able to replace with the onsite spare motor. This motor has given us problems since I've been at RWU. The motor will be sent out for repair and be available for a spare as soon as possible. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for the presentation of the June Operation Reports. Dobler said as of last Friday, RWU had cctvd the remaining length of 42" beyond the failed pipe area along Blossom Way Creek and found no significant inflow or damage. It appears once again, that the failed pipe was a localized event. Dobler showed a graph representing the meter read times/cycle. There has been a marked decrease in read times since the meter change out began. RWU has installed over 10,000 new meters in the last two years. Dobler pointed out that RWU has four (4) meter reading cycles per month, with cycle four (4) being the largest. The meter readers have one week to read all of the meters in that cycle regardless of the number of meters in that cycle. Three (3) years ago, RWU barely had enough time to read cycle four (4) due to the high number of meters in the cycle, and the fact that most of the meters were the old touch read meters. RWU started replacing meters in cycle four (4) immediately to drop the amount of time required to read this cycle. After cycle four (4) was brought down to a manageable read time, other routes were started as well. RWU now has much more time for meter readers to not only read the meters, but to also install meters themselves in high hazard areas or other areas they deem as appropriate. Dobler then showed three (3) more graphs. He explained that RWU monitors and tracks their "top 60" customers on a monthly basis. Dobler showed the commission a graph referring to another water utility that is partially supplied by RWU, indicating that when the meter was first turned on, and the next three (3) years of use. The water usage shown was steady and showed that this customer currently did not have any significant trends. The second graph shown from a local ice company was highly seasonal. Dobler pointed out a section of the graph where the usage was "0" for one entire month. When RWU saw this, they contacted the customer to find out that maintenance was being done. Once the equipment was back up and running, the usage continued and was highly correlated to the prior year's usage. The third graph showed usage from a large industrial customer and showed the usage had trended downward since last October. Upon seeing this, RWU contacted the customer and was informed that they had instituted a water conservation program. This let RWU know that there was not a meter problem, but to include this information in the next year's budget. The June 2018 average daily water usage was 13.2 MGD with a single daily use high of 14.8 MGD. There were no questions.

Chairman Surly recognized Todd Beaver to present Resolution No. 18-06 for Renewal of a Contract for Purchase and Removal of Biosolids from RPCF. There are no changes other than adding another year. There are no issues with the current contractor Jason Hickman d/b/a Hickman Hay and Cattle and they have met our needs. Commissioner Travis Greene made a motion, second by Commissioner Mike Watkins to approve Resolution No. 18-06 as submitted. All in favor, motion carried.

Beaver continued with presentation of Resolution No. 18-07 approving the purchase and installation of certain WAS pumps for use at the RPCF Clarifiers 1 & 2; authorizing expenditure of funds for the purchase; waiving competitive bidding and for other purposes. The pumps currently in use have been discontinued and the replacements are a new technology and very expensive. A review of available technology found this technology to handle solids with chopper pumps. Vaughn is the best in this area and doesn't have a comparable competitor. Being a single dealer, competitive bidding would only yield one bid. Chairman Surly asked for the total price. Beaver answered three (3) RAS and one (1) RAS pump installed is \$98,000. Chairman Surly asked if it was in the new budget, Beaver replied yes and the amount was under budget. A motion was made by Commissioner Travis Greene and second by Commissioner Don Kendall. All in favor, motion carried.

Chairman Surly recognized Jene' Huffman-Gilreath, Shares Services Manager to present Resolution No. 18-08 renewing a contract for Janitorial Services with Janstaff, Inc. for the Rogers Water Utilities. This renewal is for an additional one (1) year extension of the current contract. The 2018-2019 contract price includes a \$44/month increase for basic services. The monthly total for basic services is \$1,519.25. A motion was made by Commissioner Mike Watkins, second by Commissioner Don Kendall to approve Resolution No. 18-08 as submitted. All in favor, motion carried.

Chairman Surly recognized Brian Sartain for presentation of bid results for the 10th & Rozelle Water & Sewer Replacement/Shores Ave Waterline Extension Project. The engineer's estimate was \$555,487.50. Two bids were received. The low bidder was Goins Enterprises at \$759,180.00. The 2nd low bidder was Robert Kraus Construction at \$857,807.00. Staff believes that the bids were high due to the current workload of utility contractors and the timing of the bid with two other large utility projects bidding the same week in neighboring cities. Staff recommended rejection of the bids. Commissioner Don Kendall made a motion to reject all bids as management requested, all in favor motion carried.

Sartain continued to present a proposed change order for an hourly fee adjustment to the engineering contract amendment with Ollson Associates (formerly McGoodwin, William & Yates) for the Rogers Wastewater Treatment Plan Structural Analysis and Improvements. Sartain stated that due to the nature of the rehabilitation project, multiple unforeseen items have required the engineer's attention during the construction process and expenses have exceeded the contracted amounts. A conservative estimate of the hourly fees for the engineer to continue construction observation services through the project completion is

\$36,216.65. A motion was made by Commissioner Travis Greene, second by Commissioner Don Kendall to approve the change order. All in favor, motion carried.

With no further business, Chairman Roger Surly adjourned the meeting at 4:56 PM.

Respectfully submitted,

Earl Rausch, Acting Secretary

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

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