

## Rogers Waterworks and Sewer Commission

July 24, 2017

### Minutes

The Rogers Waterworks and Sewer Commission held its rescheduled meeting at 4:00 PM Monday, July 24, 2017 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, and Don Kendall. Roger Surly and Mike Watkins were absent. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Brian Sartain, Aaron Short, Stephen Ponder, Joyce Johnson, Jennifer Lattin, Jene' Huffman-Gilreath, Michelle Williams, Randy Watson, and Vera Hall. Others in attendance were Robert Frazier of the Frazier Law Firm, Alec Gaines of Williams & Anderson PLC, Jim Fowler of the Rose Law Firm, Gordon Wilbourn and Nick Arnold of Kutak Rock, LLP. Acting Chairman Travis Greene called the meeting to order at 4:02 PM.

Jennifer Lattin, Utilities Controller presented Michelle Williams Office Manager a gift of appreciation and a certificate for (30) thirty years of service. The Commission expressed their appreciation.

A motion was made by Commissioner Don Kendall, second by Commissioner Kathy McClure to approve the minutes of the June 19, 2017 meeting as submitted. All in favor, motion carried.

Acting Chairman Greene recognized Jennifer Lattin, Utilities Controller for the presentation of the June 2017 Financial Reports. Lattin stated that water consumption for the month of June 2017 was up 8.33% from June 2016. Billed revenue was up 6.54%. The Water Department reported a profit of \$292,000 for the month ending June 30, 2017 prior to the APERS pension adjustment of \$52,000. A profit of \$141,000 was reported for the month ending June 30, 2016, before the APERS adjustment. Collection of access and impact fee revenue for F'Y' 17 are \$782,000, and are up from \$725,000 in F'Y' 16. Actual access and impact fee revenues are \$202,000 over budget in the Water Department for Fiscal Year 2017.

Sewer consumption for June 2017 was up 9.71% from June 2016. Billed revenue was up 7.59%. The Sewer Department reported a profit of \$429,000 for the month ending June 30, 2017 prior to the APERS pension adjustment of \$75,000. A profit of \$242,000 was reported or the month ending June 30, 2016, prior to the APERS adjustment. Collection of access and impact fee revenue for F'Y' 17 are \$1,541,000, and are up from \$1,414,000 in F'Y' 16. Actual access and impact fee revenues are \$341,000 over budget in the Sewer Department for Fiscal Year 2017.

The Restricted and Unrestricted Funds Report show total funds are at \$32.6 million. \$8.3 million is restricted. The unrestricted funds are at \$10.0 million in Water and \$14.3 million in Sewer. Total funds on hand June 30, 2016 were \$33.5 million. F'Y' 17 profit in the Water Department was more than the prior year and budget. F'Y' 17 profit in the Sewer Department is ahead of budget but behind the prior year. The APERS pension adjustments, which reports RWU's proportionate share of APERS Deferred Outflows/Deferred Inflows, and Net Pension Liability as of APERS Report June 30, 2016, are included in the June 30, 2017 financial statements. The pension adjustment is required by the

Government Accounting Standards Board under GASB #68. The adjustments result in a reduction of excess revenues over expenditures of \$52,000 in the Water Department and \$75,000 in the Sewer Department. This reflects an increase in Rogers Water Utilities' proportionate share of the net pension liability, as well as an increase in the overall APERS net pension liability.

Total annual consumption increased 3.3% in the Water Department and 4.0% in the Sewer Department. Customer count during F'Y' 17 increased 2% in both the Water and Sewer Departments. Acting Chairman Greene asked if the APERS adjustment occurred once per year, Lattin answered yes. There were no further questions.

Acting Chairman Greene recognized Brian Sartain, Utility Engineer for the presentation of the June Engineering Report. Sartain introduced Aaron Short, a new design engineer to the Commission. Plan reviews still remain strong showing growth in the Pinnacle Promenade and Pauline Whitaker Parkway area. The bids for Bellview Road-Pleasant Grove south to city limits should be presented at the next meeting. Sartain said Kimery Painting is scheduled to begin recoating the Tower Park Ground Storage Tank in September as cooler temperatures are desirable for the paint curing process. McGoodwin, Williams and Yates (MGY) is working on the Bardenpho Basin Repair Rehab plans and bids are expected to go out in early September. Garver provided a design project schedule including workshops as outlined for the Sludge Handling Facility with a draft report expected in mid September. There were no questions.

Acting Chairman Greene recognized Earl Rausch, Utility Superintendent to present the June RPCF Reports. Rausch indicated the increase phosphorus is significant of the sludge having to be stored as the dryer was inoperable. The dried solids are being removed from the RPCF as per the contract with Hickman Farms. The Osage Creek Monitoring Report should be available next month. Southeast Poultry has submitted an engineering report as directed and RWU staff has some questions under review and will provide comments for approval/disapproval as clarification is received. Southeast Poultry's permit expires December 31, 2017 and a renewal application must be filled out and submitted by September 30, 2017. The FOG Summary is showing 270 active FSE's. There was one (1) new restaurant visited and no violations reported. The new polymer mixing system has been installed and currently operating, with more details next month as data becomes available.

Acting Chairman Greene recognized Brent Dobler, Operations Manager to present the June Operation Reports. Dobler gave an overview of the various departments noting that locates are steadily increasing in correlation with the growth presented. Service calls remain consistent. The robo texting/calling is proving to be successful as shutoffs have decreased. The valve exercising and leak logging are still active and fluctuates due to personnel being moved to perform other tasks as needed. The Lost Water Report is at 15% for the last twelve (12) months, and 22% for the month. The June average daily water usage was 11.08 MGD with a single daily use high of 13.2 MGD. There were no questions.

Acting Chairman Greene recognized Earl Rausch for the presentation of the Bond Counsel firms that responded to the Utilities request based upon the request for qualifications (RFQ) dated June 21,

2017. The three (3) participating firms were Kutak Rock, LLP and the team of the Rose Law Firm and Williams & Anderson PLC. Both firms gave a brief presentation seeking bond counsel services to provide advice and assistance with regard to optional redemption of certain water and sewer bonds issued by the City of Rogers, Arkansas and RWU also seeks bond counsel to provide additional legal counsel and assistance as requested during calendar year 2017. After Commissioners completed the ranking process, the team of the Rose Law Firm and Williams & Anderson PLC received the highest score to represent Rogers Water Utilities as Bond Counsel. Acting Chairman Greene expressed appreciation to all the firms that participated. A motion was made by Commissioner Kathy McClure and second by Commissioner Don Kendall to approve Resolution No. 17-16 selecting the team of the Rose Law Firm and Williams and Anderson, PLC for representation as Bond Counsel as submitted. All in favor, motion carried.

Acting Chairman Greene recognized Jene' Huffman-Gilreath, Shared Services Manager to present the bid results from July 12, 2017 for Janitorial Services. This will include the RWU offices located at 601 S 2<sup>nd</sup> St, Training Center at 521 S 2<sup>nd</sup> St, and also the Rogers Pollution Control offices located at 4300 S Rainbow Road. JanStaff, Inc. was the low bidder in the amount of \$21,283.00. This contract will start on September 1<sup>st</sup>, 2017 and may be renewed for two additional one (1) year periods upon mutual agreement by the Parties. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve the contract with JanStaff, Inc. in the amount of \$21,283.00 for Janitorial Services as submitted. All in favor, motion carried.

Acting Chairman Greene recognized Brian Sartain, Design Engineer to present Resolution No. 17-17 concerning provision of water service and sewer service to Metal Roofing Sales, said business located on property with an address of 3501 W Hudson Road, Rogers, Arkansas. The Rogers Waterworks and Sewer Commission has no objection to sewer service being provided by the City of Bentonville; stating that the Rogers Water Utilities will provide water service to the property. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve Resolution No. 17-17 as submitted. All in favor, motion carried.

Sartain continued with a request for approval to advertise the Request for Qualifications (RFQ) for Professional Services for Engineers and Architects for Fiscal Year 2018. Staff recommends approval to proceed with advertising RFQ for Engineers and Architects as this would be beneficial with some of the smaller projects that require outside Professional Services. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve the RFQ request as submitted. All in favor, motion carried.

Acting Chairman Greene recognized Brent Dobler, Operations Manager to present Resolution No. 17-18 extending existing agreements for the purchase of components of Rogers Water Utilities' Automated Meter Reading System (AMRS). The Badger Water Meters are presently purchased through Henard Utility Products, Inc. The Badger M25 LL Disc Meter is \$105.44 each and the Badger M55 LL Disc Meter is \$163.58 each. The Itron 100W Encoder Receiver Transmitters (ERT) are presently purchased from Itron for \$70 each and Itron 100 W Pit Adapters are \$3 each. This will provide the same prices currently paid by RWU through June 30, 2018. A motion was made by Commissioner Don

Kendall, second by Commissioner Kathy McClure to approve Resolution No. 17-18 for the purchase of AMRS components as submitted. All in favor, motion carried.

Acting Chairman Greene recognized Earl Rausch to present Resolution No. 17-19, extending an existing agreement with Brenntag Mid-South, Inc. for purchase of Liquid Chlorine and Liquid Sulfur Dioxide; waiving the requirements of competitive bidding. Presently Liquid Chlorine is \$.325 (\$0.33) per pound and Liquid Sulfur Dioxide is \$.4425 (\$0.44) per pound. Brenntag is willing to continue supplying Liquid Chlorine and Liquid Sulfur Dioxide at the same prices currently being paid by RWU through June 30, 2018. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to approve Resolution No. 17-19 as submitted. All in favor, motion carried.

Rausch requested approval to extend an existing agreement with Polydyne, Inc., Resolution No. 17-20 is for the purchase of Liquid Polymer; waiving the requirements of competitive bidding. SNF Polydyne is willing to continue supplying C-6266 Polymer through June 30, 2018 at the price of \$0.90 per pound. A motion was made by Commissioner Don Kendall, second by Commissioner Kathy McClure to approve Resolution No. 17-20 as submitted. All in favor, motion carried.

With no further business, Acting Chairman Greene adjourned the meeting at 5:12 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary/djw

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