

Rogers Waterworks and Sewer Commission

July 25, 2016

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, July 25, 2016 in the Rogers Water Administration Building. Present were Commissioners Roger Surly, Travis Greene, and Kathy McClure. Commissioner Don Kendall was absent. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Joyce Johnson, Jennifer Lattin, Brian Sartain, Stephen Ponder, Randy Watson, David Staib, and Vera Hall. Others in attendance were Robert Frazier of the Frazier Law Firm, April Robertson of the Northwest Arkansas Democrat-Gazette, Jene' Huffman-Gilreath, Jerome Grotts, Michael Watkins, and David Coggin. Chairman Surly called the meeting to order at 4:00 PM.

A motion was made by Commissioner Kathy McClure, second by Commissioner Travis Greene to approve the minutes of the June 20, 2016 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Business Manager, for the presentation of the June 2016 financial reports. Johnson stated that water consumption for the year ended June 30, 2016 was up 6.0% from 2015. The Water Department reported a profit of \$1,141,000 for the year ending June 30, 2016 compared to a loss of \$226,000 for the year ending June 30, 2015. Collections of water access and impact fee revenue for Fiscal Year 2016 were greater than budgeted and prior year results. Both the water and sewer departments reported adjustments for their share of the APERS pension liability as required by generally accepted accounting principles. Johnson reviewed the financial highlights for fiscal year 2016, which in the water department included the early call of the 2008-B Water Bonds, the water rate increase going into effect in July 2015, and revenues over budget and expenditures under budget for the year. McClure asked the source of miscellaneous income. Johnson indicated a large source resulted from the expiration of unused vouchers for access and impact fees in both the water and sewer departments.

Sewer Consumption for the year ended June 30, 2016 was up 4.0% from 2015. The Sewer Department reported a profit of \$2,879,000 for the year ending June 30, 2016 compared to a profit of \$2,406,000 for the year ending June 30, 2015. Collections of sewer access and impact fee revenue for Fiscal Year 2016 were greater than budgeted and prior year results. Johnson reviewed the financial highlights of the sewer department for fiscal year 2016. The sewer department is transferring investments to operating accounts in anticipation of partially calling or refunding bonded debt in fiscal year 2017. The sewer department also reported revenues over budget and expenditures under budget.

The Restricted and Unrestricted Funds Report show total funds are at \$33.5 million. \$7.7 million is restricted. The unrestricted funds are at \$8.9 million in Water and \$16.9 million in Sewer. Total funds on hand at June 30, 2015 were \$31.0 million.

Johnson asked if there were any additional questions. Greene asked if she was going to provide more information about possibly refunding water and sewer bonds. She indicated there was an item on the agenda requesting permission to proceed with an RFQ process to select an underwriter to facilitate possibly refunding both water and sewer bonds. Her research indicates considerable savings in both departments, and the need to restructure debt to accomplish the most savings to the utility. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to proceed with the RFQ process. All in favor, motion carried.

Chairman Surly recognized Earl Rausch, Utilities Superintendent for the presentation of the Engineering Report. Rausch indicated on the map the continued activity of new construction along I-49 and W Walnut Street. The Monte Ne North city street project bid has been rescheduled for later in the year. The I-49 to 52nd Street 24 inch water line extension has started and the contractor is placing water pipe under I-49 from the East side of I-49. Chairman Surly asked if this water line is under both North and South lanes. Rausch indicated the water line is under both lanes and is being placed in a casing pipe installed before the interstate was built. The trenchless sewer/pipe busting has not started yet at the Rolling Oaks Subdivision. There were no questions.

Chairman Surly recognized David Staib, Operation Team Leader for presentation of the RPCF Report. The plant's DMR report values are good but the ammonia values are a little higher due to an aerator issue. The Osage Creek Monitoring Report shows normal sample results due to the higher flows. Chairman Surly stated the turbidity appears higher. Staib indicated since the flow is up, this will result in higher turbidity. Staib also informed the Commission that Therma-Flite has gone out of business and several of the former employees have formed technical support companies for Therma-Flite equipment. Chairman Surly asked about spare parts. Staib stated most parts are made by other manufacturers and Therma-Flite had already began having other companies build their equipment. Staib stated that we have requested MCC of Springdale to provide a price for a new discharge cooling screw. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for presentation of the Operation Reports. The operation graphs show that we had our third largest number of locates in over two years at 928 locates. This is indicative of the growth in the City of Rogers. Service calls are up, but inline with 2015. Shut offs are up for the month of July. They are above 2015 levels, but below 2014 levels. TV inspection of sewer lines was down slightly. Sewer digs were slightly above 2015 levels, and Vaccon line flushing was with plan at just under 70,000lf. Just under 700 new meters have been changed out on the meter change out program and we are on plan for the roughly 4800 to be installed this fiscal year.

Chairman Surly recognized Brian Sartain, Design Engineer to present the emergency RPCF lift station wet well repair. Sartain stated that the sanitary sewer wet well where the sewer line enters the RPCF is in need of emergency repair due to the structural failure of pump guide rails and guide rail brackets, and that the pump station is not currently operating at full capacity. Sartain presented the request to waive competitive bidding requirements and hire Crossland Heavy Contractors to complete the work for \$26,886.00. A motion to hire Crossland Heavy Contractors and to waive competitive bidding requirements was made by Commissioner McClure, second by Commissioner Green. All in favor, motion carried.

Rausch presented the request to pursue the selection of a structural engineer for the repair of the out of service treatment train (West) at RPCF. Rausch stated the out of service treatment train needs repaired before it is ready to go back into service next summer. By having three treatment trains will allow us to take the middle treatment train out service next summer for cleaning, inspection, equipment maintenance and perform any repairs if necessary. Then, in two years, the new treatment train (East) will be taken of service for the same reasons as the middle train. Rotating treatment trains should be scheduled for every five years. A motion to pursue the selection of a structural engineer to repair the out of service treatment train (West) was made by Commissioner Greene, second by Commissioner McClure. All in favor, motion carried.

At 4:45 PM there was a motion by Commissioner McClure, second by Commissioner Greene to adjourn to executive session to interview the three applicants to fill a vacancy on the Rogers Waterworks and Sewer Commission. (The applicants are Michael Watkins, Jerome Grotts and David Coggin). All in favor, motion carried.

At 5:10 PM, Chairman Surly asked for a motion to return to regular session. There was a motion by Commissioner McClure, second by Commissioner Greene. All in favor, motion carried.

Chairman Surly announced that the Commission would delay the selection of the new Commissioner until the next Commission meeting. A motion to table the selection of the new Commissioner was made by Commissioner Greene, second by Commissioner McClure. All in favor, motion carried.

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

Respectfully submitted,


Earl Rausch, Acting Secretary

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