

## Rogers Waterworks and Sewer Commission

August 15, 2016

### Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, August 15, 2016 in the Rogers Water Administration Building. Present were Commissioners Roger Surly, Travis Greene, Kathy McClure, and Don Kendall. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Joyce Johnson, Jennifer Lattin, Brian Sartain, Stephen Ponder, Randy Watson, Vera Hall and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm, April Robertson of the Northwest Arkansas Democrat-Gazette, Jill Drewyor of the Mitchell Williams Law Firm, Daniel Allen of Raymond James, Kevin Faught of Stephens, Inc., Bob Wright of Crews & Associates, Stewart Baguley of First Security Bank, Jene' Huffman-Gilreath, Jerome Grotts and Michael Watkins of Rogers. Chairman Surly called the meeting to order at 4:02 PM.

A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve the minutes of the July 25, 2016 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller for the presentation of the July 2016 Financial Reports. Lattin stated that water consumption for the month of July 2016 was up 10.57% from July 2015. Billed revenue was up 27.14% largely due to the water rate increase that did not become effective until August 2015. The Water Department reported a profit of \$186,000 for the month ending July 31, 2016. A profit of \$11,000 was reported for the month ending July 31, 2015. Collection of access and impact fee revenue for F'Y' 17 are \$61,000, and are down from \$70,000 in F'Y' 16. Actual access and impact fee revenues are \$13,000 over budget in the Water Department for Fiscal Year 2017.

Sewer consumption for July 2016 was up 5.98% from July 2015. Billed revenue was up 4.78%. The Sewer Department reported a profit of \$287,000 for the month ending July 31, 2016. A profit of \$254,000 was reported for the month ending July 31, 2015. Collections of access and impact fee revenue for F'Y' 17 are \$114,000, and are down from \$148,000 in F'Y' 16. Actual access and impact fee revenues are \$14,000 over budget in the Sewer Department for Fiscal Year 2017.

The Restricted and Unrestricted Funds Report show total funds are at \$34.0 million. \$8.4 million is restricted. The unrestricted funds are at \$8.7 million in Water and \$17.0 million in Sewer. Total funds on hand July 31, 2015 were \$31.7 million. Lattin noted that the auditors expect to have the annual financial audit reports available to present at the next meeting. There were no questions.

Chairman Surly recognized Earl Rausch, Utilities Superintendent for the presentation of the Engineering and RPCF Reports. Rausch noted the continued activity on W Walnut Street and along I-49. Rausch gave a brief overview of the current city projects. The Osage Creek Monitoring Report results will be available next month. Rausch noted the elevation in the ammonia and phosphorous levels for the RPCF was due to equipment break down. Rausch said there has been an Administrative

Compliance Order issued against Southeast Poultry located at 2200 Townwest Drive. Commissioner Kathy McClure ask how long do they have to make necessary repairs. Rogers Water Utilities Attorney Robert Frazier explained that SEP has fifteen (15) days from date of receipt to acknowledge with a plan to comply and thirty (30) days to pay the fine or make an appeal. Commissioner Kathy McClure asked if RWU must make repairs and charge them accordingly if they fail to comply. Rausch stated SEP must make the equipment repair. Attorney Robert Frazier said other options are available such as criminal penalties and judicial enforcement action.

Chairman Surly recognized Brent Dobler, Operations Manager for presentation of the July Operation Reports. Dobler gave an overview of the different departments referring to the informational graphs. Locates and service calls are maintaining as previously. TV inspection shows good results. The Vac-Con numbers are lower due to vehicles being out of service for a short time. The shutoffs show approximately a ten (10) percent decrease. The Lost Water Report is at 15% for the last twelve months, while being at 21% for calendar 2016 and 12% for the month. There were no questions.

Chairman Surly recognized Joyce Johnson, Business Manager for the presentation of the staff ranking of Bond Underwriting firms that responded to the Utilities request for qualifications (RFQ). The two participating firms were Raymond James and the team of Stephens, Inc. and Crews & Associates. Johnson explained details of how staff followed the guidelines outlined in the RFQ including a ranking process to help staff determine the best underwriting firm for the Utility. Of the two firms, Raymond James received the highest score. Johnson stated that after consulting with other professionals, the staff consisting of five members of the management team, recommends Raymond James as the Bond Underwriter based on the ranking process. Both firms gave a brief presentation showing commitment in providing substantial savings to Rogers Water Utilities. Commissioner Don Kendall made a motion, second by Commissioner Travis Greene to select the team of Stephens, Inc. and Crews & Associates as the Bond Underwriter. All in favor, motion carried. The selection will be submitted to Rogers City Council for their consideration at their next meeting on August 23, 2016.

Johnson continued with the request to pursue the Selection of Bond Counsel as indicated in Resolution No. 16-14 providing for underwriter financial advisory services and other related professionals for the Rogers Water Utilities, the Rogers Waterworks and Sewer Commission, and the City of Rogers with respect to Water and Sewer Bonds issued by the City of Rogers. A motion was made by Commissioner Kathy McClure, second by Commissioner Travis Greene to approve Resolution No. 16-14 as submitted. All in favor, motion carried.

Chairman Surly recognized Brian Sartain, Design Engineer for the request to approve the reimbursement amount of \$925,307.25 to the City of Rogers for the water and sewer portion of the North Monte Ne Road Realignment Project. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve the reimbursement to the City of Rogers in the amount of \$925,307.25 for the North Monte Ne Road Realignment Project. Commissioner Travis Greene abstained. All in favor, motion carried.

Sertain requested approval of an amendment to the City Agreement with McGoodwin, Williams, and Yates for the North Monte Ne Road Realignment Project in the amount of \$31,656.00 as a reimbursement to the City of Rogers. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to approve the reimbursement of \$31,656.00 to the City of Rogers on the North Monte Ne Road Realignment Project as submitted. All in favor, motion carried.

Operations Manager Brent Dobler, requested approval to purchase three (3) new trucks (state bid) as submitted for a total purchase price of \$175,527.00. These are budgeted items. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to approve the purchase of three (3) new trucks (state bid) for a total price of \$175,527.00. All in favor, motion carried.

Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to adjourn the regular meeting at 5:06 PM to executive session to review the selection of the new Rogers Water and Sewer Commissioner. Chairman Surly called the regular meeting back to order at 5:15 PM. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to select Michael Watkins as the new Rogers Water and Sewer Commissioner to fill the vacancy of Jene' Huffman-Gilreath with the term to expire February, 2023. The appointment will be recommended to the Rogers City Council. All in favor, motion carried.

With no further business, the meeting was adjourned at 5:19 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary/djw

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