

Rogers Waterworks and Sewer Commission

August 19, 2002

The Rogers Waterworks and Sewer Commission held its regularly scheduled monthly meeting at 4:00 PM, Monday, August 19, 2002, in the Rogers Water Utilities Training Center. Commissioners in attendance were Donnie Moore, Fred Wanger, and Dick McLelland, who held Commissioner Jerry Pittman's voting proxy. Jerry Pittman and Lon Pepple were absent. Others in attendance were RWU staff Tom McAlister, Mark Johnson, Joyce Johnson, Earl Rausch, Don Roberts, Steve Ponder, and Mike Lawrence. Others in attendance were Steve Baugher, Jim Clark, Bob Smith, Tim Sorey, Andrew Cox, Gerald Fox, Christine Cox, and Lori Harrison-Stone. Chairman Moore called the meeting to order at 4:00 PM.

Due to a lack of voters at the last meeting, the June minutes had not been formally approved. There was a motion by McLelland, second by Wanger, to approve the June and July minutes. All in favor, motion carried.

Moore recognized Mark Johnson, P. E., Utilities Engineer. Johnson presented the Commission with a spreadsheet detailing the status of the many construction projects in which the Commission had a monetary interest. Johnson said that the 1998 Sewer bond fund project known as Phase VI, the southwest sewer project was almost finished. He said that Phase VIII sewer project, known as the southeast Rogers project was behind schedule.

Continuing, Mark Johnson said that the 1998 water bond project labeled Phase III was almost complete. He said that the Pleasant Grove water project, also known as the Prairie Creek project, was complete except for some minor cleanup work that had been hanging for several months. Johnson said that the contractor was apparently too busy to attend to the matter, but noted that the Commission still held some of the contractor's money.

Johnson said that design work was continuing on the proposed ground storage tank and pump station. He said that the detail work was very time consuming. Someone asked what the final cost would be? Johnson estimated roughly \$3.5 million.

McAlister said that he had received correspondence from the City of Bentonville regarding the proposed split of the Rogers and Bentonville water systems. He said that Bentonville had estimated their equity in the two existing transmission lines at about \$7.5 million. McAlister said that the state revolving loan fund (RLF) had moneys available for such a project next year. He said that the ground storage tank project and the Bentonville

buyout would run the Water Department out of reserves, and said that the RLF would allow the Water Department to keep most of its reserves.

Continuing, Johnson presented the Commission with a bid tabulation for the Pleasant Grove Sewer Project. This project consisted of an 18-inch sewer main from the Northwest Arkansas Business Park to Pleasant Crossing, a proposed commercial development on the east side of I 540. Johnson reminded the Commission that Charles Reaves, the Pleasant Crossing developer, had pledged \$290,000 toward the cost. He said that the boring contractor for the Phase III water project, EJM Pipeline Services, had previously been contracted for about \$125,000, to install the sleeve under the highway. The low bidder was Seven Valleys Construction for \$642,738. There was a motion by Wanger, second by McLelland, to approve the low bid. All in favor, motion carried.

Continuing, Mark Johnson presented the Commission with a short report on the rapidly growing area of the City of Rogers in the area of Garrett Road near Bellview. Cooper Homes had plans to develop about 140 acres in the area, and would require a lift station to handle wastewater flows, he said. The nearest sewer available for discharge was the proposed Pleasant Grove sewer mentioned above. Johnson said that there were already two lift stations in the area, and he said that the staff wanted to combine those two and build one, large lift station. He also said that there was some additional construction work to do to north of this area. This sewer construction project would cost about \$1.56 million, and would serve over 900 undeveloped acres, including Cooper's proposed development. Johnson said the average cost per acre was \$1690. He said that those developers who wished to develop higher density additions could be charged \$845 per dwelling unit. Under this scenario, Cooper's sewer connection fees would be \$228,000, based on the PUD filed with the Planning Commission. Steve Baugher, an engineer with Cooper Homes, said that he had until October 5 to close on the property. Johnson asked for permission to send a memorandum of understanding to Cooper, outlining the above connection fees, so that Cooper could decide if the project was a "go". If Cooper agreed, then Johnson and his staff could start the design of the necessary sewer improvements, he said. There was a motion by McLelland, second by Pittman (proxy), to approve Johnson's request. Moore, McLelland and Pittman voted "aye". Wanger abstained. Motion carried.

Johnson presented the Commission with another bid tabulation, this time for a RLF sewer project for the rehabilitation of certain outfall sewers located in the south central section of the City of Rogers. There was only one bidder, he said, but he was pleased with the unit prices for the Insituform pipelining process. He said that, with this price, and the State's concurrence, RWU could afford to work in some additional sewers that needed rehabilitation. He said that the bid was for \$297,741, and there was about \$450,000 left in our account at the state revolving loan fund (RLF). Johnson asked the Commission for approval of the low bid, contingent upon approval of the Arkansas Soil and Water Conservation Commission, who exercised control over the RLF monies. There was a motion by McLelland, second by Wanger, to approve Johnson's request. All in favor, motion carried.

Chairman Moore recognized Tim Sorey, P. E., engineer of record for the proposed 24-lot Avalon subdivision near Horseshoe Bend Park in Benton County. Sorey had appeared before the Commission last month to request that the subdivision developer be allowed to extend water service into the subdivision, abrogating the RWU staff requirement of extending an 8-inch line to the subdivision. At that meeting, the requirement of the off-site main line was upheld by the Commission. Now, Sorey said that his client was willing to pay for half the cost of the off-site water main, provided that RWU provided the design and the necessary easements, and that his client could proceed with his development. He said that the problem of the water supply had dragged on, and that his client needed to resolve the problem now. Sorey said that he had practiced “due diligence”, and had allowed his client to proceed with the construction of the development based on his discussions with RWU staff.

McAlister asked him to explain his statement. Sorey said that he had talked with Earl Rausch and Mark Johnson, and while he was made aware of the lack of fire protection, he was never told he could not have water for residential purposes. McAlister asked Sorey if he had bid the water project (inside the development) and awarded a contract, before the project was approved by RWU or the Health Department? Sorey answered in the affirmative.

McAlister again expressed the worry that such a development would cause demand problems on the end of a weak hydraulic system. Sorey said that he needed an answer now, so he could tell his client what to do. McLelland asked if the proposal was the 50/50 split, as depicted in his letter of August 15? Sorey said yes. McLelland moved to disapprove the proposal as outlined above. Second by Wanger. All in favor, motion carried.

Moore recognized Bob Smith, 1810 Prestwick Place. Smith said he represented the majority of the property owners in Westwood addition, a seven-house addition north of W. New Hope Road. He said that he and his neighbors were suffering with septic tank-leach field problems. He presented the Commission with a petition signed by the owners in Prestwick Place, asking for sanitary sewer service.

McAlister said that this area was a part of the original 1998 sewer bond fund sewer project Phase VI, before the project was pared down to a manageable size. Mark Johnson presented the Commission with a map showing a possible sewer system design for Prestwick, as well as the five homes on the south side of New Hope Road that would be affected by the widening and relocation of W. New Hope. Johnson estimated the cost at \$277,000.

Chairman Moore expressed a willingness to serve the area with sewer service, but said that the Commission was unwilling to pay for easements. He also cautioned that a lot of trees would be lost and that the area would look like a “war zone” for months. McLelland said that RWU should get the property owners to sign an agreement, holding the Commission harmless for damage to the properties caused by the construction of a sewer system. How long would it take to get sewer service? Someone asked. Mark

Johnson estimated a year, if everything went well. There was motion by McLelland, second by Wanger, to allow RWU to proceed with the design work. All in favor, motion carried.

Moore recognized Joyce Johnson, CPA, RWU Controller. Johnson presented the Commission with financial sheets for June and July. Of particular interest were the June 2002 statements, since they represented the end of FY '02. She noted that interest income was down over the proceeding year, and predicted a similar result next year, since interest rates were continuing to fall. There were no exceptions taken to the reports.

Moore asked McAlister to look again at capital costs and give the Commission a report. He cautioned that RWU had a "lot on its plate", and could get into cash flow problems.

The meeting adjourned at 5:25 PM.

Respectfully submitted,

Tom S. McAlister, Acting Secretary
Rogers Waterworks and Sewer Commission

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