

Rogers Waterworks and Sewer Commission

August 20, 2012

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled monthly meeting at 4:00 PM Monday, August 20, 2012, in the Rogers Water Utilities Administration Building. Present were Commissioners Travis Greene, Guy Cable, Roger Surly, Jene' Huffman-Gilreath and Don Kendall. Rogers Water Utilities staff in attendance was Joyce Johnson, Johnny Lunsford, William Evans, Mark Johnson, Ayesa Nolasco, Michelle Williams, Pat Sharp, Sean Dagestad, Terry McCauley, Randy Watson and Earl Rausch. Others in attendance were Deputy City Attorney Jim Clark, John Gore of the Morning News, and John Evans of Beall Barclay & Company. Chairman Greene called the meeting to order at 4:00 PM.

Chairman Greene recognized Michelle Williams, Office Manager. Williams presented a plaque and a gift to Ayesa Nolasco, Customer Service Representative, to commemorate 5 years of service to RWU and the citizens of Rogers.

Chairman Greene recognized Joyce Johnson, Controller/Interim Superintendent. Johnson presented a plaque and a gift to Michelle Williams, Office Manager, to commemorate 25 years of service to RWU and the citizens of Rogers.

There was a motion by Cable, second by Huffman-Gilreath, to approve the minutes of the June 27, 2012 Regular Meeting as submitted. All in favor, motion carried.

There was a motion by Huffman-Gilreath, second by Kendall, to approve the minutes of the June 28, 2012 Special Meeting as submitted. All in favor, motion carried.

There was a motion by Cable, second by Surly, to approve the minutes of the July 5, 2012 Special Meeting as submitted. All in favor, motion carried.

There was a motion by Kendall, second by Chairman Greene, to approve the minutes of the August 6, 2012 Special Meeting as submitted. All in favor, motion carried.

Chairman Greene recognized Joyce Johnson, Utilities Controller/Interim Superintendent. Johnson presented financial reports to the Commission for June 2012. Johnson said that since there was no Regular Commission meeting in July, the June 30, 2012 year-end financial information has not been reviewed with the Commissioners yet. Due to the drought, the Utility

finished the year ahead of budget and the previous year in both the Water and Sewer Departments. The financial statements have subsequently been audited, and John Evans from Beall Barclay & Company is here to review the audits with the commissioners.

Johnson then discussed the July 2012 financial reports. The Utility is doing very well in July too, due to the drought. RWU is running ahead of budget and prior year actual results in both the Water and Sewer Departments. She also mentioned that RWU is running ahead of the previous year on collection of access and impact fees. She asked if the Commissioners had any questions on the July financial reports. There were no questions. Johnson indicated that RWU will be on the Rogers City Council Public Works Committee Meeting agenda on August 28, 2012. Cable and Kendall plan to attend. All Commissioners are welcome.

Chairman Greene recognized Mark Johnson for the engineering report. Johnson asked the Commission if they had any questions concerning the report. Johnson stated that work is progressing nicely on the Training Center remodel and the building has changed significantly the last 25 days. Johnson moved on to discussing the sludge dryer. Therma-Flite personnel have been slowly bringing the sludge dryer on line for the last two weeks. Therma-Flite personnel have placed oil in the oil heating unit and they have been slowly heating the oil then allowing the oil to cool down along with filtering in order make sure there is no debris from manufacturing in the piping and the pressure vessel. Chairman Greene asked how long was the warranty period was on the sludge dryer. Johnson stated that the warranty period was 1 year. Therma-Flite wants the Rogers facility to be a model for their future clients to look at. Therma-Flite also has an electrical engineer on site to check the programmable controllers and will be here till the startup is complete. Surly asked about spare parts. Johnson stated that Therma-Flite has a list of spare parts that they will supply for on-site storage and said the other parts are standard parts that are used in other industrial processes around the world. He said it should not be hard to locate those parts if needed. Surly asked about staff training. Johnson stated that our staff will be trained as the startup progresses. Surly asked how hard the sludge dryer was to shut down. Johnson indicated it was quite easy to shut down. Chairman Greene asked about insurance coverage. Johnson indicated insurance coverage was in place.

Surly asked about the status of Bellview Road North to Highway 540. Johnson stated that we are working with the City and their consulting engineer. RWU takes their design plans and incorporates them into our design plans. RWU's construction period will probably be less than 90 days.

Kendall asked Johnson about the status of utilities on the street in front of his office. Johnson indicated they were substantially complete.

Chairman Greene recognized John Evans of Beall Barclay & Company. Evans said they provided a summary audit letter for the water and sewer audits. Evans stated the first page of the summary letter indicates their responsibility under Generally Accepted Auditing Standards and Governmental Auditing Standards for performing an audit of the financial statements. He said

they issued a clean unqualified opinion on the financial statements. The second page of the summary letter notes that new fixed asset policies will take effect July 1, 2012. Evans also stated the letter identifies what they consider to be the significant accounting estimates for the Utility. They include the allowance for doubtful accounts, useful lives of fixed assets, fair value of financial instruments, liability related to settled litigation and pension plan estimates. Mr. Evans said he was pleased to report there were no disagreements with management and no disagreements related to accounting methods. Evans stated that Joyce Johnson and her staff are doing an outstanding job. Surly asked how long it takes to perform an audit. Evans stated the water audit and the sewer audit took about 100 hours each.

Chairman Greene asked the Commission to consider setting a term limit policy for the Commission Chairman position. Greene stated that he felt a two year term would be appropriate. Jim Clark, Deputy City Attorney stated that the Commission has the authority to establish the term for the chairman position. Greene asked the commission to consider his proposal and discuss it further at the next regular meeting.

At 4:23 PM there was a motion by Chairman Greene, second by Cable to adjourn to executive session to review findings of reference and background checks for applicants for the Utility Superintendent Position. All in favor, motion carried.

The meeting was called back to order at 5:19 PM. Chairman Greene announced that the Commissioners are back in regular session. Chairman Greene announced that the Commission is ready to make an offer to Thomas "Craig" Noble for the Utility Superintendent Position. Chairman Greene asked Jim Clark, City Attorney to help him draft an offer letter in the morning. Chairman Greene asked the Commission what they thought was a reasonable time limit for Mr. Noble to respond. Huffman-Gilreath suggested 48 hours after the receipt of the offer. Chairman Greene stated that he would call Mr. Noble tonight to inform him of the Commission's decision.

Chairman Greene said the Commission wants to point out that they think very highly of Mark Johnson.

The meeting adjourned at 5:21 PM.

Respectfully submitted,



Joyce J. Johnson, Acting Secretary
Rogers Waterworks and Sewer Commission
File: RWWSC minutes, 8-20-12