

Rogers Waterworks and Sewer Commission

August 20, 2018

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, August 20, 2018, in the Rogers Water Utilities Administration Building located at 601 S 2nd St. Present were Commissioners Kathy McClure, Travis Green, Roger Surly, Don Kendall, and Mike Watkins. Present was Rogers Utilities Staff Earl Rausch, Brent Dobler, Johnny Lunsford, Jennifer Lattin, Jene' Huffman-Gilreath, Joyce Johnson, Todd Beaver, Brian Sartain, Aaron Short, Terry McCauley, Mark Landis, Brandon Carnahan, Randy Myers, Jamie French, William Webster, William Hood, Sean Dagestad, Randy Watson, Debbie Putman, Vera Hall, and Donna Wilson. Others in attendance were Chris Buntin of Garver, Bill HagenBurger of Beaver Water District and Robert Frazier of the Frazier Law Firm. Chairman Roger Surly called the meeting to order at 4:00 PM.

Todd Beaver, RPCF Manager recognized Randy Myers for ten (10) years of service. He was presented a service award and a gift of appreciation. The Commission expressed their appreciation.

A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve the minutes from the July 23, 2018 meeting as submitted. All in favor, motion carried.

The Commission recognized Jennifer Lattin, Controller, to present the July 31, 2018 financial reports. Lattin stated that water consumption for the month of July 2018 was up 26.31% from July 2017. Billed revenue was up 22.30%. The Water Department reported a profit of \$291,000 for the month ending July 31, 2018. A profit of \$113,000 was reported for the month ending July 31, 2017. Collections of access and impact fee revenue for F'Y'19 are \$47,000, and are down from \$51,000 in F'Y'18. Actual access and impact fee revenues are \$24,000 under budget in the Water Department for Fiscal Year 2019.

Sewer consumption for July 2018 was up 10.46% from July 2017. Billed revenue was up 8.37%. The Sewer Department reported a profit of \$311,000 for the month ending July 31, 2018. A profit of \$253,000 was reported for the month ending July 31, 2017. Collections of access and impact fee revenue for F'Y' 19 are \$110,000, and are up from \$101,000 in F'Y' 18. Actual access and impact fee revenues are \$44,000 under budget in the Sewer Department for Fiscal Year 2019.

The average number of days in a customer's bill in July 2018 is 33 days compared to 31 days in July 2017. The number of days billed depends on the schedule of meter readings. It is common for the number of days to fluctuate moderately. However, the additional two (2) days of billed consumption in July 2018 compared to July 2017, along with the dryer weather conditions probably accounts for the significantly increased billed revenues and consumption in July 2018. Year to date profit in the Water and Sewer Departments is more than the prior year and ahead of budget. Year to date collections of access and impact fees are less than budget in both the Water and Sewer Departments.

The Restricted and Unrestricted Funds Report show total funds are at \$36.2 million. \$8.4 million is restricted. The unrestricted funds are at \$11.0 million in Water and \$16.7 million in Sewer. Total funds on hand at July 31, 2017 were \$33.3 million. There were no questions. Lattin reported that RWU is approaching the target date of September 1st to implement our new online payment process which is administered by Paymentus. She reviewed the letter that will be mailed (written in both English and Spanish) notifying all RWU customers of the upcoming changes and related Paymentus fees. There were no questions.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the July Engineering Report. Sartain said plan reviews are continuing to show steady activity. New project submittals include a retail development for Duluth Trading Company as well as an expansion for St Vincent De Paul Catholic Church, Pleasant Crossing Ph III commercial development, which also includes a retail development for Northern Tool. The Elks Lodge has submitted plans for a new site proposed at New Hope Rd/Arapaho. The 40 acre Crescent View subdivision is proposed on the south side of Shores Ave. Sartain said that the special election to extend an existing one cent sales tax passed on Tuesday, August 14, 2018. This means the sales tax will be used for continuation of improvements in the city through a bond issue. Presently, planning is hoping to improve the connectivity of the transportation system and also to help alleviate local use of the I-49 corridor. Sartain shared some photos of the ongoing RPCF Train 1 Rehab Project. He said the very wet August weather has delayed the progress of the Blossom Way Project. There were no questions.

Chairman Surly recognized Todd Beaver, RPCF Manager to present the July Reports. The Discharge Monitoring Report is within permit limits for the month partially due to July being very dry. We are continuing the inspections in the FOG program and running well that we are fully staffed. The remaining schools were visited while school was out for the summer. There is a tight timeline for installation of the new mixers before the CHC flooding Train 1 testing on this project. The RAS pump in Clarifier 4 still remains in the shop for repair. A 150 HP aerator gearbox failed in BNR Train 4. The shop worked overnight to be able to finish the install on Saturday morning. In June, a total of 227.1 MG was treated with approximately 2.35 MG extra throughout (8) eight rain events. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for the presentation of the July Operation Reports. Dobler said they met on site with Cox management to discuss Cox's directional drilling subcontractors. Some are not following the proper protocol and the result is damage to RWU water mains. Cox management assured RWU that these subcontractors would follow the correct protocol. The number of locates were down for July. The unaccounted water is at 15% for the last twelve months, while being at 20% for calendar 2018 and 8% for the month. With this decrease it now allows a four (4) hour window for repairs. The leak locating and GIS is down due to vacancy of a retired employee; that should pick up as additional staff is placed. Chairman Surly gave recognition to the working crew that was making repairs at the intersection of 8th St and Olive this past Saturday morning. He stated it appeared that all safety measures were in place. There were no questions.

Brian Sartain introduced Chris Buntin of Garver Engineers for a presentation on 60% construction plans for the RPCF Sludge Handling Facility. Buntin gave an overview of the current design for the proposed improvements, as well as the proposed schedule and cost comparison of the current design compared with estimates outlined in the Preliminary Engineering Report. Buntin said Crossland Heavy has been contracted to provide pre-construction services including value engineering and input during the design as well as cost estimating. Current construction cost estimates fall below initial estimates outlined in the Preliminary Engineering Report.

Brian Sartain requested approval of a Construction Contract Amendment with Crossland Heavy Contractors for the RPCF Sludge Handling Facility project. The Guaranteed Maximum Price is \$7,740,074.46, including contingencies. Commissioner Don Kendall asked how this cost affects the budget. Lattin said we currently have approximately 5.5 million budgeted in FY19 which leaves about 2 million to fund with reserves in FY 20. Chairman Surly asked about the expenditure timeline. Sartain added approximately 14-16 months out which would be fall of next year (2019). Rausch added that it is critical to proceed now so we can start placing orders to begin manufacturing of equipment. Commissioner Travis Greene made a motion, second by Commissioner Don Kendall to approve the amount of \$7,740,074.46 as the guaranteed maximum price for construction services; and authorization for RWU management to seek if needed, passage of a City Ordinance from Rogers City Council (approval of the construction of the appurtenance), and allowing RWU management to approve the final form and content of the contract. All in favor, motion carried. There were no further questions.

Chairman Surly recognized Brent Dobler to present Resolution No. 18-09 amending the Compensation Administration Policy; amending Certain Pay Ranges, and Adopting a Merit Pay Policy. Dobler stated that RWU needs to remain competitive with other water and sewer utilities in the area. After a study of the hourly rates from other water and sewer utilities in the area, an update to our current compensation policy is recommended. The update would increase the starting pay for five (5) utility positions and provide advancement opportunities for employees. The amendment for the Pay Ranges would begin with the pay period starting July 9th, 2018 and affects twelve (12) employees. Also, to remain competitive with other utilities in the area, a Merit Pay Policy would be adopted and take place starting FY 20. An employee is required to have two (2) performance evaluations within the twelve (12) month period to be able to participate in the Merit Program. Chairman Surly asked about the immediate cost. Lattin replied that with twelve (12) positions currently filled including FICA and APERS, cost would be approximately \$24,000. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 18-09 as submitted. All in favor, motion carried. There were no further questions.

Chairman Surly recognized Earl Rausch to present Resolution No. 18-10 designating authorized signatories for depositories for the RWWSC and RWU. This updates signature cards for efficiency of operations apply to Arvest Bank, First Western Bank, First National Bank of Fort Smith (First National Bank of Northwest Arkansas) Simmons First Trust Company, Regions Bank, and any other bank that is or becomes an authorized depository of the RWWSC and/or RWU. Commissioner Mike Watkins made

a motion, second by Commissioner Don Kendall to approve Resolution No. 18-10 as submitted. All in favor, motion carried.

With no further business, Chairman Surly adjourned the meeting at 5:11 PM

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Brent Dobler', with a stylized flourish extending to the right.

Brent Dobler, Acting Secretary/djw

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