

# **Rogers Waterworks and Sewer Commission**

**September 5, 2003**

## **Minutes**

The Rogers Waterworks and Sewer Commission held a special called meeting at 12:00 Noon, Friday, September 5, 2003, in the Rogers Water Utilities Training Center. Commissioners Don Moore, Dick McLelland, Jerry Pittman, and Fred Wanger were present. Lon Pepple was absent. Others in attendance were Rogers Water Utilities staff Tom McAlister, Mark Johnson, Joyce Johnson, and Don Roberts, Deputy City Attorney Jason Kelley, Bob Wright of Crews & Associates, and John Moore, NWA Morning News. Chairman Moore called the meeting to order at 12:17 PM.

Moore began the meeting by recognizing Bob Wright, Crews and Associates, bond underwriter for the proposed 2003 water revenue bond issue (to build the eight million gallon ground storage tank and pump station at N. 23<sup>rd</sup> St. at Lilac St.) Wright explained that, since Crews was engaged as underwriter last May, long term interest rates had climbed significantly (about 80 basis points). He blamed the delay of getting the bond issue out to potential buyers on the glut of municipal bonds being issued, due in part to historical low rates. He said that Shep Russell, the City's bond attorney, was swamped with work, including the City of Rogers' fifty million dollar sales tax revenue bond. Wright said that long-term yields had risen due to certain statements by the Fed Chairman, Alan Greenspan, and the weaker than anticipated economic recovery.

Wright estimated a total bond issue of \$4,105,000 that would yield \$4 million for the construction project. He explained that MBIA had agreed to insure the bonds for thirty basis points. He said that MBIA had also agreed to sell a surety bond to RWU in lieu of setting up a debt service reserve fund, for 3.5% of the required debt service.

Wright said that he planned to offer the bonds for sale on Monday, September 8, 2003, and bring the bond ordinance and the sales contract to the Rogers City Council, at the September 9 meeting. Assuming everything was approved, the bond issue would close around the middle of October. He said he was shopping for bond trustee services, in order to get the best deal for the City.

Tom McAlister, Manager, Rogers Water Utilities, said that he called the meeting to keep the Commissioners apprised of the situation, and so the Commission could formally act on the bond ordinance and the preliminary offering statement. There was a motion by Pittman, second by McLelland, to approve the ordinance and POS, contingent on approval by the City Council. All in favor, motion carried.

McAlister said that the next scheduled meeting was for September 15, 2003, and encouraged all Commissioners to attend, as there would be several weighty issues to consider at that time.

Moore asked McAlister about the status of the water rate study. McAlister said that the consultant, Tom Gould of EES, Inc., Bellvue, Washington, had asked for, and received, a lot of data regarding budgets, capital improvements, and user data. McAlister said that the 15% increase from Beaver Water District would become effective November 1, and would be reflected on the December bill from BWD. McAlister cautioned the Commission that, although the rate analysis and recommendation from the consultant might be ready by November 1, there would still be difficult political decisions to make regarding rate structure and connection fees.

The meeting adjourned at 12: 40 PM.

Respectfully submitted,

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

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