

Rogers Waterworks and Sewer Commission

September 18, 2006

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, Monday, September 18, 2006. Commissioners present were Donnie Moore, Don Kendall, Donna Warren, Lon Pepple and Jerry Pittman. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Bob Anderson, Earl Rausch, Joyce Johnson, Everett Balk, William Evans, Mike Lawrence, Dan Grelle, and Shawn McCarty. Others in the audience were Marie Hausserman, Mark Lundy, and Drew VanWinkle. Chairman Moore called the meeting to order at 4:00 PM.

There was a motion by Pittman, second by Warren, to approve the August minutes as submitted. All in favor, motion carried.

Moore recognized William Evans, Superintendent of Field Operations. Evans presented Shawn McCarty, Water Team Leader, with a certificate of appreciation for ten years of dedicated service to RWU and the citizens of Rogers.

Moore recognized Mark Johnson, Utilities Engineer. Johnson presented Dan Grelle, Engineering Technician, with a certificate of appreciation for fifteen years of dedicated service to RWU and the people of Rogers.

Continuing, Johnson presented the Commission with a short report detailing the status of the few water and sewer projects in which the Commission had a pecuniary interest. New on the list of projects was the Stoney Brook Road (Holiday Inn) water and sewer line project. Johnson said that all the partners (NWG, Collins Haynes, and Tim Graham) in the project had not returned contracts. He also said that the City Council had taken issue with the closure of Stoney Brook Road to allow for construction of the off-site water and sewer lines for the Holiday Inn/Staybridge Inn, Graham office building, and Metro Park South development. He said that the Mayor of Rogers had asked for a price to do the work at night and open the road during the day. Johnson said that the Council might entertain paying for the additional cost.

Someone asked about rebidding the project with the requirement of working at night. Johnson said that the delay would not be well received by the partners on the project. Someone asked why one of the partners was holding out on the contract. Johnson said that the partner in question (NWG) was very cautious. Moore asked if the contractor

(Crossland Heavy) could work around the clock so that the road might be opened earlier. Johnson said that most contractors could not hire enough people to work around the clock.

Moore recognized Everett Balk, Project Facilitation Engineer. Balk presented the Commission with a brief report detailing the activities of his section. He noted that plan submittals were off slightly, but he had lost an engineer since last month, so his section continued to be busy. How about this month? Moore asked. Balk said that submittals continued to be steady for October.

Moore recognized Bob Anderson, Engineering Technician. Anderson reported that the request for proposals for advertising firms for the Help to Others (H2O) program went unheeded. Anderson said that the plan had been to use the advertising revenue to fund a program to help those truly in need to pay their Rogers Water Utilities bill. Anderson said that the Office of Human Concern in Rogers was interested in administering the program for about five dollars per individual helped. Now, in order to go forth with the program, a revenue source must be established, he said.

Anderson said that the power company and gas company had programs whereby ratepayers could donate money to a fund to help those in need pay their energy bills. He said that Joyce Johnson, Utilities Controller, had come up with an idea that would facilitate the process in the office. Johnson said that, if a customer were to sign up with the voluntary giving program, then the computer would bill the customer for the pledge amount, until the customer decided to change or stop giving. In this manner, it would be unnecessary to check each bill for any additional giving.

Anderson said that donations would go to the Office of Human Concern to fund the program. He said that it would probably take six months to a year to get the program going. He noted that the up front costs would be to advertise the program, with fliers in the bill or a notice in the paper.

There were a few questions about turning over the revenue to the OHC. Anderson said that the proposed memorandum of agreement between RWU and OHC would detail all the requirements for the audit trail. Mark Lundy of Lundy and Allard, the city's auditors, said that the system could be set up to account for any money that might be turned over to the OHC. The Commission decided to wait on the proposed memorandum of agreement (MOA) before they approved the program change.

Moore recognized Tom McAlister, Utilities Manager. McAlister presented the Commission with a proposed Resolution No. 03-07, which amended Resolution No. 05-05, passed by the Commission in December of 2004. The proposed resolution was recommended by Byron Freeland, an attorney in Little Rock. McAlister said that he solicited Freeland's opinion as a response to a threatened lawsuit. McAlister said that the proposed resolution incorporated language that made it clear that all hookup and access fees were to be deposited into accounts designated water and sewer expansion accounts, to be used exclusively for the expansion of the water and sewer systems. There was a

motion by Pittman, second by Pepple, to approve Resolution No. 03-07. All in favor, motion carried.

The Commission took up the issue of selecting a firm to provide legal counsel. Several résumés from interested firms were received. The Commission rated the firms for legal expertise and ability to respond in a timely fashion. The three top firms were very closely rated: 1. Mitchell – Williams, 2. Warner – Smith – Harris, and 3. Kelley and Kelley. Kendall asked that all three firms send a short, concise synopsis of how the firms might perform their duties as legal counsel to the Commission. The three selected firms will be interviewed at the next Commission meeting.

Moore recognized Drew VanWinkle, auditor for the City of Rogers. VanWinkle presented the Commission with FY '06 audit reports for the water and sewer departments. VanWinkle said that there were very few adjustments that needed to be made. He said that the office had made an effort to provide better separation between bookkeeping responsibility and cash-handling responsibility. He said that he also disclosed the Commission's intent to borrow \$15 million in FY '07. The audit reports were accepted without comment.

Moore recognized Mike Lawrence, Rogers Pollution Control Facility (RPCF) Manager. Lawrence asked for permission to bid a centrifuge for the dewatering of sludge. There were several questions about the status of the sludge dewatering/drying project. Why has the project taken so long? Someone asked. Lawrence recounted how a rental unit was installed three months ago, and the experience the staff had operating the unit had been valuable in the determination of the specifications for the proposed purchase. He said that it would take at least a year after the bid was awarded for delivery and installation. How was the odor situation? Moore asked. Lawrence said that there had been no odor issues since the staff stopped the practice of land application of sludge several months ago. How much will the centrifuge cost? Someone asked. Lawrence said that the centrifuge and the conveyor belt would cost about \$575,000. There was a motion by Warren, second by Pepple, to allow staff to seek bids for a new centrifuge. All in favor, motion carried.

Moore recognized Joyce Johnson. Johnson presented the Commission with August financial statements. Johnson noted that the unaccounted for water rate had crept up to 12% for the last twelve months. She said that water revenue continued to be robust, but that sewer revenue remained rather flat. There were no exceptions taken to the statements. Pittman expressed some displeasure with the unaccounted-for-water rate. He reasoned that, with a rate of 12%, one gallon out of eight was essentially lost. He said that that amounted to over \$50,000 for last month. Mark Johnson noted that the "industry standard" was ten percent. William Evans said that he had a full time leak detector with the latest in detection technology. Did he find leaks? Someone asked. Yes, was the response. No action was taken on the unaccounted-for-water rate issue.

McAlister announced that Tom Gould, the Commission's sewer rate consultant, would be at the next meeting to talk about sewer rates. He also noted that the water

revenue bonds would be sold next week, depending upon the passage of the bond ordinance by Council.

The meeting adjourned at 4:51 PM.

Respectfully submitted,

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

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