

# **Rogers Waterworks and Sewer Commission**

**September 21, 2015**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, September 21, 2015 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, and Jene' Huffman-Gilreath. Don Kendall was absent. Rogers Water Utilities staff in attendance was Earl Rausch, Brent Dobler, William Evans, Joyce Johnson, Jennifer Lattin, Johnny Lunsford, Brian Sartain, Stephen Ponder, Wade Woodward, Pat Sharp, Randy Watson, Media Singh, and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm and Derrel Smith, City of Rogers Senior Planner. Chairman Surly called the meeting to order at 4:00 PM.

There was a motion by Commissioner Kathy McClure, second by Commissioner Jene' Huffman-Gilreath to approve the minutes of the July 20, 2015 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Controller for the presentation of the August 2015 financial reports. Water consumption for the month of August 2015 was up .35% from August 2014. Billed revenue was up 17.56%. The approved water rate increase went into effect July 1, 2015. The rate increase accounts for the 17.56% increase in billed revenue in the Water Department for the month of August 2015. The Water Department reported a profit of \$286,000 for the month ending August 31, 2015 and a profit of \$90,000 for the month ending August 31, 2014. Collections of access and impact fee revenue for Fiscal Year 2016 are \$155,000, and are up from \$113,000 in Fiscal Year 2015. Actual access and impact fee revenues are \$77,000 over budget in the Water Department for Fiscal Year 2016.

Sewer Consumption for August 2015 was up 2.13% from August 2014. Billed revenue was up 2.61%. The Sewer Department reported a profit of \$318,000 for the month ending August 31, 2015, and \$372,000 profit for the month ending August 31, 2014. Collections of access and impact fee revenue for Fiscal Year 2016 are \$283,000, and are up from \$266,000 in Fiscal Year 2015. Actual access and impact fee revenues are \$125,000 over budget in the Sewer Department for Fiscal Year 2016.

The Restricted and Unrestricted Funds Report show total funds are at \$32.2 million. \$9.6 million is restricted. The unrestricted funds are at \$9.3 million in Water and \$13.4 million in Sewer. Total funds on hand at August 31, 2014 were \$29.0 million.

Johnson noted on the Water Department Balance Sheets new items for Deferred Outflows/Pension Assets and Deferred Inflows/Pension Liabilities. These result from implementing GASB #68 for pension plan reporting effective June 30, 2015. This is required information that Rogers Water Utilities must report for its proportionate share resulting from participating in the Arkansas Public Employees Retirement System (APERS). Similar information is also provided for the Sewer Department. Chairman Surly asked about the difference between Deferred Inflows/Pension and Net

**Pension Liability.** Johnson said the Net Pension Liability represents the actual unfunded liability of APERS as of June 30, 2014. Deferred Inflows/Outflows will be amortized to pension expense over future years. Chairman Surly then asked if APERS is required to provide documentation as to why we are reporting this. Johnson responded, no it is a GASB #68 requirement. However, APERS is required to provide this information to all of its members. Members using full accrual accounting report it within their own financial statements. Johnson asked if there were any other questions, there was none.

Johnson introduced Rogers Water employee Media Singh. Johnson recommended that the Commission designate her to review monthly bank reconciliations (replacing William Evans) being in compliance with Section Nine (9) of the HB 1588. HB 1588 requires the reconciliations be approved by an employee designated by the Commission. A motion was made by Commissioner Jene' Huffman-Gilreath, second by Commissioner Travis Greene, to appoint Media Singh to review monthly bank reconciliations. All in favor, motion carried.

Chairman Surly recognized Earl Rausch, Utility Superintendent for presentation of the Engineering and RPCF Reports. Rausch said new construction is steady and remodels are continuing. He pointed out there are two (2) new retirement communities coming to Rogers. Mt Carmel and Primrose Retirement Community will be significant additions to our area. Rausch gave a brief overview of the ongoing construction projects. Rausch indicated on the RPCF Discharge Monitoring Report that the phosphorous values are well under report limits. The Osage Creek Monitoring Report is showing little change in sample results in the last few monitoring periods. Rausch said sludge storage at the plant has increased because of the centrifuge maintenance and issues with mechanical failures with the sludge dryer. The sludge dryer will have to operate longer hours in order to get back on schedule. There were no further questions.

Chairman Surly recognized Brent Dobler, RWU Operations Manager to present the Operation Reports. He noted that staff has begun using a new tablet system for daily processing of the service and trouble orders. It is proving to be successful and more efficient. The Lost Water Report is at 14% for the last twelve months, while being 19% for the calendar 2015 and 14% for the month. The August average daily water usage was 11.7 MGD with a single daily use high of 13.7 MGD. The American Water Works Association (AWWA) is now using M36 as reference for "lost" or "unaccounted for" water in the Water Audit Method. We will be working with other city departments which will help provide more accurate reporting. Using graphs, Dobler explained some downward trends in various areas of the sewer department. He pointed out the increased amount of locates received from the ARKUPS program, which have to be done in a timely manner. Chairman Surly asked what kind of response time. Dobler answered in 48 business hours. Another factor is new employee training and also current staff attending classes to prepare for state license testing. There were no further questions.

Chairman Surly recognized Brian Sartain, Design Engineer, to present the agreement to accept reimbursement of \$400,360.00 from the Arkansas Highway and Transportation Department (AHTD) for an 8 inch waterline extension and transmission main encasement on the Hwy 265 Project (Hwy 264 to Pleasant Grove Rd). Commissioner Jene' Huffman-Gilreath made a motion, second by

Commissioner Kathy McClure to accept reimbursement from the AHTD for the estimated total of \$400,360.00. All in favor, motion carried.

Chairman Surly recognized Stephen Ponder, Project Review Engineer. He requested \$22,356.00 reimbursement to Cooper Homes, Inc. for sewer improvements to the Cross Creek Subdivision and a 134 foot sewer main extension. Ponder stated this could potentially serve an additional 160 acres of future development. A motion was made by Commissioner Jene' Huffman-Gilreath, second by Commissioner Kathy McClure to approve reimbursement to Cooper Homes, Inc. in the amount of \$22,356.00. All in favor, motion carried.

Chairman Surly addressed Brent Dobler, RWU Operations Manager. He presented a quote from Jack Tyler Engineering, Inc. to purchase two (2) Flygt Pumps and waive competitive bids. Flygt Model NP 3171.185 is for Shadow Valley Lift Station in the amount of \$24,050.00. Flygt Model NP 3202.185 is for Garret Road Lift Station in the amount of \$42,175.00. Commissioner Jene' Huffman-Gilreath made a motion, second by Commissioner Travis Greene to purchase two (2) Flygt Pumps from Jack Tyler Engineering, Inc. (waiving competitive bids) a total amount of \$66,225.00. All in favor, motion carried.

Chairman Surly recognized Earl Rausch to present revisions to existing Rogers City Code Ordinance Section 54-53. Rausch noted correction needed to reflect Rogers City Code Ordinance Section 54-53 not 54-35 as presented on the Agenda. Rausch said the ordinance revision is to prohibit extension of sewer service into unincorporated areas outside the corporate limits of Rogers. The revision will also be presented to City Council. Commissioner Travis Greene made a motion, second by Commissioner Jene' Huffman-Gilreath to approve recommending the amendment to the Rogers City Code Section 54-53 to prohibit extension of sewer service into unincorporated areas outside the corporate limits of Rogers-Resolution 15-06. All in favor, motion carried.

Rausch continued to request approval of Resolution 15-07 to recommend the inclusion of the requirements of Chapter 10, Section 7.0 of the Drainage Manual of the City of Rogers into Rogers City Code Ordinance Section 54 Chapter 54 Utilities, Article IV. The purpose of the change is to ensure the additional sewer construction requirements are followed and to provide annual sewer monitoring in the designated Karst drainage areas. Chairman Surly asked for explanation of a recharge area. Rausch answered that these are drainage areas where the water goes directly into the springs of Cave Springs. Commissioner Jene' Huffman-Gilreath made a motion, second by Commissioner Kathy McClure to approve the recommending inclusion of the requirements of Chapter 10, Section 7.0 of the Drainage Manual of the City of Rogers into Rogers City Code Ordinance Section 54, Article IV-Resolution 15-07. All in favor, motion carried.

Chairman Surly expressed great appreciation to William Evans on behalf of the Waterworks and Sewer Commission for his 32 years of service.

With no further business, Chairman Surly adjourned the meeting at 4:48 PM.

**Respectfully submitted,**

**Earl Rausch, Acting Secretary/djw**

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