

## **Rogers Waterworks and Sewer Commission**

**October 15, 2018**

### **Minutes**

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, October 15, 2018, in the Rogers Water Utilities Administration Building located at 601 S 2<sup>nd</sup> St. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, Don Kendall and Mike Watkins. Present were Rogers Water Utilities Staff Brent Dobler, Johnny Lunsford, Todd Beaver, Stephen Ponder, Aaron Short, Jennifer Lattin, Joyce Johnson, Jene' Huffman-Gilreath, Debbie Putman, Vera Hall, and Donna Wilson. Others in attendance were Alex Golden of the NWA Democrat-Gazette, Eric Hoyt and John Evans of Landmark CPA's, and Robert Frazier of the Frazier Law Firm. Chairman Surly called the meeting to order at 4:00 PM.

Adan Perez, Meter Reader Supervisor was not present but was recognized by Johnny Lunsford for ten (10) years of service with 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 September 17, 2018 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Controller to present the September 30, 2018 financial reports. Lattin stated that Water consumption for the month of September 2018 was up 4.99% from September 2017. Billed revenue was up 4.86%. The Water Department reported a profit of \$246,000 for the month ending September 30, 2018. A profit of \$322,000 was reported for the month ending September 30, 2017. Collections of access and impact fee revenue for F'Y' 19 are \$129,000, and are down from \$277,000 in F'Y' 18. Actual access and impact fee revenues are \$84,000 under budget in the Water Department for Fiscal Year 2019.

Sewer consumption for September 2018 was up 4.15% from September 2017. Billed revenue was up 3.93%. The Sewer Department reported a profit of \$369,000 for the month ending September 30, 2018. A profit of \$439,000 was reported for the month ending September 30, 2017. Collections of access and impact fee revenue for F'Y' 19 are \$296,000, and are down from \$449,000 in F'Y' 18. Actual access and impact fee revenues are \$166,000 under budget in the Sewer Department for Fiscal Year 2019.

The Restricted and Unrestricted Funds Report show total funds are at \$36.9 million. \$8.7 million is restricted. The unrestricted funds are at \$11.4 million in Water and \$16.8 million in Sewer. Total funds on hand at September 30, 2017 were \$35.2 million. The year to date profit in the Water Department was more than the prior year and budget. The year to date profit in the Sewer Department is less than the prior year but ahead of budget. Year to date collections of access and impact fees are less than budget in both the Water Department and Sewer Department.

Lattin reviewed a spreadsheet showing the total customer payments by calendar years 2008-2016. The spreadsheet listed the number of customer payments annually and how those payments were

processed, either by manual or automated means. The trend shows an increase of 115% in total customer payments since 2008. Additionally, while the number of payments has increased since 2008, more customers are opting to make automated payments (online and auto-draft) instead of manual payments which require the use of a CSR to complete the payment. There were no questions.

Chairman Surly recognized Stephen Ponder, Project Review Engineer for the presentation of the September Engineering Report. Ponder said the plan reviews have decreased somewhat but development continues to be very busy. We expect to get more information anytime from the City as they are still collecting information and working on the Bond Projects. Bellview Rd construction is almost complete with the exception of the Garrett Rd portion located by the new school. We are waiting for the final plans from Crafton Tull on the Pleasant Grove Rd Project. Chairman Surly asked in what area is the most development at this time. Ponder said apartment complexes and storage facilities are steadily moving as well as some new subdivisions. There were no further questions.

Chairman Surly recognized Todd Beaver, RPCF Manager to present the September Reports. The Discharge Monitoring Report is within permit limits with no issues. The Pretreatment activities are moving forward with no permit violations for the September monitoring period. The FOG program provided a summary of the FSE's (Food Service Establishments) that had been pumped in the month of September. Beaver shared some photos from the RPCF pump room showing results of the completed repair of the new pumps and motors, with the total cost of repair of \$54,312.75 in the approved project budget. The hydrostatic pressure testing has been completed and the pumps will soon be back in service. A total of 204.84 MG was treated in September with -12.66 MG is under our previous average flow benchmark. Beaver recognized the RPCF Operations team for a good job in reducing treatment of approximately ½ MG per day which amounts to \$1.25/thousand gallons. There were no questions.

Chairman Surly recognized Johnny Lunsford, Construction and Maintenance Manager for presentation of the September Operation Reports. He reviewed status of the different areas of activities for the past month. Chairman Surly questioned the amount of sewer backups. Lunsford explained that this was private sewer line backups that had been reported by customers for RWU to evaluate. There were no overflows reported for the month. There were no further questions.

Chairman Surly recognized Jene' Huffman-Gilreath to give an updated report on the Educational Assistance Plan. After the first year of implementation, the plan currently has six (6) RWU employees who are actively enrolled at this time attending various locations. The areas of training are motor controls, electrical systems, business degrees, and a master in engineering management. Huffman-Gilreath expressed appreciation to the RWWSC. She said that RWU currently has started a one (1) year program RWU Leadership Academy for managers and supervisors. There are eleven (11) employees that will meet every other month at NWACC to receive training and improve leadership skills. There were no questions.

Chairman Surly recognized Aaron Short, Utility Design Engineer to present the bid results for the 2018 Miscellaneous Water & Sewer Replacement. This represents the previous rejected 10<sup>th</sup> and Rozelle

bids and added the Force Main from 2<sup>nd</sup> Street. Staff recommends Cisneros Family Construction for the low bid of \$478,869.00. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to award the 2018 Miscellaneous Water & Sewer Replacement contract in the amount of \$478,869.00 to Cisneros Family Construction. All in favor, motion carried.

Eric Hoyt with Landmark CPA'S presented the 2018 Water and Sewer Audit Reports. Hoyt reported there were no material weaknesses or deficiencies noted. Chairman Surly asked if there was an opportunity for improvement. Hoyt said to continue practicing quality accounting principles and monitor ways to improve internal controls. There were no further questions. A motion was made by Commissioner Travis Greene, second by Commissioner Don Kendall to approve the 2018 Water and Sewer Audit Reports as submitted. All in favor, motion carried.

Chairman Surly recognized Stephen Ponder, Project Review Engineer to present the bid results of the Hwy 71 B Interchange Waterline Relocations from October 4, 2018. Ponder stated that staff recommends Diamond C Construction for the low bid of \$111,172.25. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to award the Hwy 71 B Interchange Waterline Relocations bid of \$111,172.25 to Diamond C Construction as submitted. All in favor, motion carried.

Chairman Surly recognized Todd Beaver, RPCF Manager to present the bid results for Liquid Polymer. Beaver said that approximately 145,000 -150,000 lbs per year is used to remove the solids out of the waste stream. The current supplier is Polydyne, Inc. at a cost of \$ .90/lb. Beaver requested approval of the bid from Polydyne, Inc. for a increased cost of \$1.22/lb. Chairman Surly asked about the process of billing/delivery of the product. Beaver said it was delivered in 250 lb totes ordering 2-3 each time. There were no further questions. A motion was made by Commissioner Travis Greene, second by Commissioner Don Kendall for approval of the contract with Polydyne, Inc. to purchase Liquid Polymer for \$1.22/lb. All in favor, motion carried.

Johnny Lunsford requested approval of Resolution No. 18-12 approving the purchase of CCTV equipment from Cues, Inc. for \$52,525.00 and waiving competitive bidding. The equipment that is currently being used was purchased from Cues Inc., therefore the equipment needed by RWU is only available from Cues, Inc. This will save time and money if we can avoid changing the entire equipment process. This equipment upgrade will include Inclinometer Module Software which will assist in locating problems in the smaller sewer pipes. Chairman Surly asked if this new equipment is compatible with both of the camera vans. Lunsford replied yes and it is a budgeted item. A list of specifications is attached as Exhibit A. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve Resolution No. 18-12 in the amount of \$52,525.00 as submitted. All in favor, motion carried.

Brent Dobler presented Resolution No. 18-13 authorizing and approving a lease agreement for use of reclaimed water facilities between RWU and New Champions Golf & Country Club of Arkansas also known as Pinnacle Country Club. Dobler stated that management of RWU recommends that the Commission and RWU enter into a certain lease agreement believing that the lease agreement is in the best interest of RWU, the Commission, and the City of Rogers. Pinnacle Country Club will be

responsible for certain facilities for the pumping and transmission of reclaimed water, including without limitation a certain effluent pump station, meter vault, chain link fencing, gravel pump station drive, and reclaimed water force main. The lease agreement area is shown on the attached Exhibit A. Chairman Surly asked if this new agreement was any different than the previous one. Attorney Robert Frazier replied that the original agreement dated June 29, 1990 had expired in 2000. This agreement will be in effect for fifteen (15) years which is the maximum length permitted under law. Pinnacle shall pay RWU six hundred dollars (\$600) per month, for a total annual rent of seven thousand two hundred dollars (\$7,200) for each year this lease agreement is in effect. Commissioner Travis Greene made a motion, second by Commissioner Mike Watkins to approve Resolution No. 18-13 as the lease agreement for use of reclaimed water facilities between RWU and Pinnacle Country Club as submitted. All in favor, motion carried.

Dobler continued with a request for permission to advertise for Statement of Qualifications (SOQ) for Bond Counsel for FY 2019. A motion was made by Commissioner Don Kendall, second by Commissioner Kathy McClure to approve permission to solicit Annual Statement of Qualifications for RWU Bond Counsel for FY 2019. All in favor, motion carried.

With no further business, Chairman Surly adjourned the meeting at 4:58 PM.

Respectfully submitted,



Brent Dobler, Acting Secretary/djw

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