

Rogers Waterworks and Sewer Commission

October 19, 2015

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, October 19, 2015 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, Don Kendall, and Jene' Huffman-Gilreath. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Joyce Johnson, Jennifer Lattin, Brian Sartain, Stephen Ponder, Robert Moore, Randy Watson, and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm, Derrel Smith, City of Rogers Senior Planner and John Evans of Beall Barclay. Chairman Surly called the meeting to order at 4:00 PM.

Chairman Surly recognized Jennifer Lattin, Senior Accountant. Lattin presented Donna Wilson a certificate and gift of appreciation to commemorate her twenty (20) year anniversary with Rogers Water Utilities. The Commission expressed appreciation to Wilson for her service.

There was a motion by Commissioner Travis Greene, second by Jene' Huffman-Gilreath to approve the minutes of the September 21, 2015 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Controller for the presentation of the September 2015 financial reports. Water consumption for the month of September 2015 was up 5.35% from September 2014. Billed revenue was up 20.55%. The Water Department reported a profit of \$320,000 for the month ending September 30, 2015, and a profit of \$131,000 for the month ending September 30, 2014. Collections of access and impact fee revenue for F'Y' 16 are \$219,000, and are up from \$143,000 in F'Y' 15. Actual access and impact fee revenues are \$101,000 over budget in the Water Department for fiscal year 2016. Due to the rate increase and strong collections of access and impact fees, the Water Department profit is running \$430,000 ahead of the same three (3) month period in the fiscal year.

Sewer Consumption for September 2015 was up 9.80% from September 2014. Billed revenue was up 7.34%. The Sewer Department reported a profit of \$355,000 for the month ending September 30, 2015, and \$183,000 profit for the month ending September 30, 2014. Collections of access and impact fee revenue for F'Y' 2016 are \$422,000, and are up from \$315,000 in F'Y' 15. Actual access and impact fee revenues are \$185,000 over budget in the Sewer Department for fiscal year 2016.

The Restricted and Unrestricted Funds Report show total funds are at \$32.6 million. \$9.8 million is restricted. The unrestricted funds are at \$9.4 million in Water and \$13.4 million in sewer. Total funds on hand at September 30, 2014 were \$29.4 million. There were no questions.

Chairman Surly recognized Earl Rausch, Utility Superintendent for the presentation of the Engineering and RPCF Reports. Rausch said street construction projects are still moving forward. Rausch gave a brief overview of the ongoing construction projects. He noted the downtown area and the Highway I-49 is proving to be the favorite location for new commercial activity. Garver Engineering is continuing

onward with the 2015 Water Master Plan. Rausch noted the increase in phosphorous on the RPCF Discharge Monitoring Report is mostly due to the centrifuge equipment being down approximately three (3) weeks for maintenance by the equipment manufacturer. Robert Moore, RPCF Manager said the sludge dryer has operated continuous for two (2) plus weeks in order to reduce the stored sludge after the centrifuge equipment was placed back into service. There were no questions.

Chairman Surly recognized Brent Dobler, RWU Operations Manager to present the Operation Reports. Referring to the graph, Dobler pointed out that we will be adding additional help with locates as they continue to show a significant increase. He noted the new tablet system was working well for service and trouble orders, and proving to be time saving and efficient with shutoffs for the first time use. He also explained a new courtesy call procedure prior to customer's water being disconnected. The new results are showing a tremendous reduction in the number of actual shutoffs. This will help keep the field crews together working and provide good customer relations for Rogers Water. He continued with highlights of the other department activities. The Lost Water Report is at 15% for the last twelve (12) months, while being at %17 for the calendar 2015 and 3% for the month. The September average daily water usage was 11.04 MGD with a single daily use high of 12.38 MGD. There were two (2) sanitary sewer overflows reported. Commissioner Huffman-Gilreath asked how often the courtesy calls are being done. Dobler answered four (4) times per month which represents four (4) cycles. Chairman Surly suggested a courtesy automated recorded phone message to help reduce the man hours in making calls. Commissioner Huffman-Gilreath inquired about acknowledgement of habitual disconnections. Dobler responded yes, that information can be reviewed on the customer's accounts. There were no further questions.

Chairman Surly recognized John Evans of Beall Barclay to present the 2015 water and sewer audit reports. The reports indicate there were no exceptions or non-compliance issues. Evans pointed out the inclusion of Net Pension Liability in the reports to implement the financial reporting requirements of GASB #68 for pension plan reporting effective June 30, 2015. There were no questions.

Chairman Surly recognized Earl Rausch to present the bid to purchase the AOS/Cisco Phone System which will be connected to the City of Rogers. Commissioner Huffman-Gilreath asked if this system would meet our needs. Rausch answered yes and additional options can be later added if needed. Chairman Surly asked if the retiring phone system was fully depreciated. Johnson indicated she thought it was fully depreciated for financial statement purchases, but would verify that and report back to him. Chairman Surly asked if this would have a maintenance contract or warranty. Rausch replied that the City of Rogers and Rogers Water Utilities will have a warranty. Commissioner Don Kendall made a motion, second by Commissioner Jene' Huffman-Gilreath to approve the purchase of the AOS/Cisco Phone System for the total amount of \$54,232.47. All in favor, motion carried.

With no further business, Chairman Surly adjourned the meeting at 4:45 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Earl Rausch".

Earl Rausch, Acting Secretary/djw

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