

Rogers Waterworks and Sewer Commission

October 21, 2019

Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, October 21, 2019, in the Rogers Water Utilities Administration Building located at 601 S 2nd St. Present were Commissioners Roger Surly, Travis Greene, Kathy McClure and Don Kendall. Mike Watkins was absent. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Brian Sartain, Aaron Short, Todd Beaver, Stephen Ponder, Jennifer Lattin, Jene' Huffman-Gilreath, Debbie Putman, Matt Savell, Dana Daniel, Vera Hall, and Donna Wilson. Others in attendance were Lori Ericson from City of Rogers Development, Jennifer Moore from City of Rogers, Dana Crawley and John Evans from Landmark CPA's, and Robert Frazier of the Frazier Law Firm. Chairman McClure called the meeting to order at 4:00 PM.

Todd Beaver, RPCF Manager recognized David Staib for all his hard work in recognition of his 25 year anniversary with RWU. Johnny Lunsford, Construction and Maintenance Manager recognized the following for completing the Sewer Collection Certification for Class I: Ken Mitchell and Cody Isgrigg, Class II: Jason Sandlin and Vera Hall, Class III: Aaron Short and Jaime Garcia. The RWWSC expressed appreciation to everyone. A motion was made by Commissioner Roger Surly, second by Commissioner Don Kendall to approve the minutes from the August 19, 2019 meeting as submitted. All in favor, motion carried.

Chairman McClure recognized Jennifer Lattin, Controller to present the September 30, 2019 financial reports. Lattin stated that water consumption for the month of September 2019 was up 2.64% from September 2018. Billed revenue is up 1.96% from September 2018. The Water Department reported a profit of \$215,000 for the month ending September 30, 2019. A profit of \$246,000 was reported for September 30, 2018. The revenues for billed consumption for the first quarter of F'Y' 20 are \$2,921,000, which is \$370,000 less than the first quarter of F'Y' 19. Year to date Collections of access and impact fee revenue for F'Y' 20 are \$202,000 and ahead of budget by \$65,000. Year to date profit for F'Y' 20 is less than the prior year but ahead of budget.

Sewer consumption for September 2019 is up 7.02% from September 2018. Billed revenue is up 5.03% from September 2018. The Sewer Department reported a profit of \$303,000 for the month ending September 30, 2019. A profit of \$369,000 was reported for September 30, 2018. Revenues for billed consumption for the first quarter of F'Y' 20 are \$2,849,000, which is \$11,000 less than the first quarter of F'Y' 19. Year to date Collections of access and impact fee revenue for F'Y' 20 are \$446,000 and ahead of budget by \$134,000. Year to date profit for F'Y' 20 is ahead of the prior year and budget.

Investments decreased \$976,000 from September 2018. This is a result of from funding Phase I of the Solids Handling Project at RPCF. To date, RWU has paid roughly \$4,000,000 of the \$7.7 million project, which is expected to be completed in November 2019. Remaining project costs will be funded from current investments and cash balances.

Lost water is at 18% for the last twelve months, while being at 24% for calendar 2019 and 4% for the month.

Total Restricted and Unrestricted Funds are \$37.8 million, which is an increase of \$900,000 from September 2018. \$8.5 million of the total funds are restricted. Water Funds increased from \$16.6 million to \$18.2 million from September 2019 while Sewer Funds decreased from \$20.3 million to \$19.5 million. There were no questions.

Chairman McClure recognized Brian Sartain, Utility Engineer for the presentation of the September engineering report. Sartain said plan reviews continue to be steady including additional plumbing reviews consistent with a greater number of developments entering the construction phase. RWU inspectors are really busy currently, working with more than 80 active large scale and subdivision projects in the City of Rogers. These projects are widespread throughout the city being downtown, along I-49 corridor, west of Hwy 112 with Scissortail Phase III, Shadow Valley Phase 10 Lift Station, and a new Pre-School. The Solids Handling Facility Project is progressing and expect on site completion in December. The access road (which will direct the trucks that are removing the solids from the RPCF to Pleasant Grove Rd) part of the project has been delayed until the spring to coincide with that project. The Crescent View Waterline is nearing completion. The Poplar Street Waterline at St Vincent De Paul Church is currently being tested. The street project on Bell View Rd is substantially completed. The I-49/71 B Interchange work has resumed and expect to finish in about a month. The utility relocates for Pleasant Grove Rd Phase III expect to complete in the spring. Coming up next will be the new waterline downtown that runs along 1st St (from Walnut to Cherry) and will go out for bid in November. There were no questions.

Chairman McClure recognized Todd Beaver, RPCF Manager to present the September Reports. The Discharge Monitoring Report has no violations noted. The Solids Handling Project is continuing to progress. The larger pumps is now feeding the existing centrifuge which gives more flexibility when operating the centrifuge. We are able to fill the dryer feed bin quickly, make repairs, and catch up more quickly after a shutdown. We are working on some remaining issues on the PLC Update Project. There is an upcoming change order for \$12,472.50 for some electrical monitoring equipment that has an electronic communication protocol that is no longer supported by any other device and will be part of the capital budget. Attending the WEFTEC Convention provided some valuable knowledge to help improve the overall operation. 259.3 MG was treated in September with 55.3 MG additional flow with an average flow of 8.4 MGD. These flows included 3.84" of rain over 8 rain events. Beaver said that there was an overflow reported due to the excessive rainfall. Commissioner Surly asked how many pounds of solids are produced. Beaver stated that it fluctuates with change of seasons, but approximately 250 dry tons per month. There were no further questions.

Chairman McClure recognized Johnny Lunsford, Construction and Maintenance Manager for a report on field operations. Lunsford stated that management has introduced some changes to the field team. He said they have been implementing increased management roles for the team leaders, as well as providing opportunities for new personnel to learn leadership skills, increase awareness, and team building for our future RWU. Our goal with this process will provide an opportunity for our team leaders to excel and help management identify ones that initiate responsibility and show good team leadership.

Jennifer Lattin recognized John Evans from Landmark CPA's to present the 2019 Water and Sewer Audit Reports. Evans reported that there were no problems noted and Landmark expresses a fair and clean unqualified opinion on the 2019 Financial Statements, with no proposed adjusting entries noted. Evans

also stated that as required, the report on internal control and compliance had no findings. The Commission expressed appreciation to our management for a great job. There were no questions. A motion was made by Commissioner Don Kendall, second by Commissioner Roger Surly to approve the 2019 Water and Sewer Audit Reports as submitted. All in favor, motion carried.

Brian Sartain presented the selection committee's recommendation of the engineer to complete the RWU Wastewater Master Plan, which will encompass the entire wastewater operation including the collection system, lift stations, RPCF, and includes a sewer model, monitoring, and evaluation of the wastewater plant process. Five (5) SOQ's were received and scoring was completed by a selection committee of RWU staff. Staff recommends the contract be awarded to Freese & Nichols from Tulsa, Oklahoma. Commissioner Travis Greene ask if they had previously submitted an SOQ to RWU. Sartain stated no, but was a nationally recognized firm with good references. Commissioner Travis Greene ask what significance awarded the highest score to Freese & Nichols. Sartain stated the depth of knowledge and similar project experience were the largest constituents in the selection. There were no further questions. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to allow management to enter contract negotiations with Freese & Nichols, with the understanding that the negotiated contract will be presented to the RWWSC for approval. All in favor, motion carried.

Sartain continued with the Design-Build SOQ results for the Train 2 Rehab at RPCF. Sartain stated that the consideration of Statements of Qualifications was the first step in a two-step procurement process, with the second step being the selection of the firm based on proposal. Staff recommends approval of the issuance of a Request for Proposal to the top three (3) qualified applicants, as selected by the staff selection committee who reviewed the SOQs; that was Crossland Heavy Contractors, Flintco, and CDI. A motion was made by Commissioner Travis Greene, second by Commissioner Roger Surly to approve the request as submitted. All in favor, motion carried.

Sartain presented the proposed RWU Water Service Boundary. The map shown indicates the previous service boundaries on file with the Arkansas Natural Resources Commission (ANRC). RWU staff has coordinated with all the surrounding water providers to obtain more information on which provider is best positioned to provide service to parcels in question (i.e. near the current boundary lines) and where current and future water service could be provided. Sartain noted that Exception #1 and Exception #2 are areas outside of city limits that currently don't have any water lines. The next step is to file this proposed water service boundary map with the ANRC, who will consider acceptance of the boundary after going through a public hearing process. Staff requests approval to move forward with the filing process with ANRC, and for authorization to make any necessary minor revisions required in connection with obtaining approval through ANRC or other areas having jurisdiction. Commissioner Don Kendall made a motion, second by Commissioner Travis Greene to approve the request as submitted. All in favor, motion carried.

Todd Beaver presented Resolution No. 19-15 requesting approval to renew the contract with Brenntag Mid-South, Inc. for wastewater treatment chemicals with an effective date of September 27, 2018. A motion was made by Commissioner Roger Surly, second by Commissioner Don Kendall to approve Resolution No. 19-15 for a contract renewal with Brenntag Mid-South, Inc. as submitted. All in favor, motion carried.

Beaver continued with information regarding the bid results for RPCF Filter Media Placement Labor. The bids were received with a significant difference due largely to unexpected higher costs of disposing

the existing media having to meet ADEQ requirements. He noted that a different media could be recommended in order to expand capacity within the Wastewater Master Plan. With this, Beaver requested that the bids are rejected and Resolution No. 19-16 for RPCF Filter Media Sand Replacement be tabled at this time. Commissioner Travis Greene made a motion, second by Commissioner Don Kendall to table Resolution No. 19-16. All in favor, motion carried.

Dana Daniel, Human Resource Manager presented Resolution No. 19-17 Adopting Employee Policy Manual effective October 22, 2019. Daniel recognized the most significant changes that were made since the approval of the Rogers Water Utilities Personnel Policy from January 2000. Commissioner Travis Greene asked what major differences between RWU and the City of Rogers Policy. Daniel replied the safety/security and also the accrual of sick/vacation because of the work hours associated with Police and Fire. A motion was made by Commissioner Roger Surly, second by Commissioner Don Kendall to approve Resolution No. 19-17 as submitted. All in favor, motion carried.

Todd Beaver, RPCF Manager to request approval of Resolution No. 19-18 authorizing of vertical shaft turbine pumps for the RPCF; waiving the requirements of competitive sealed bidding. These pumps are used for cooling the water (after treatment) for the dryer and various areas of the plant. This is not a budgeted item. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve Resolution No. 19-18 as submitted. All in favor, motion carried.

Beaver continued with requesting approval of Resolution No. 19-19 authorizing renewal of a contract for Liquid Polymer for the RPCF effective October 18, 2018 with Polydyne, Inc. A motion was made by Commissioner Travis Greene, second by Commissioner Don Kendall to approve Resolution No. 19-19 as submitted. All in favor, motion carried.

Chairman McClure recognized Jennifer Lattin, Controller to present Resolution No. 19-20 authorizing the destruction of certain accounting records of Rogers Water Utilities along with the affidavit attached as Exhibit A. A motion was made by Commissioner Roger Surly, second by Commissioner Don Kendall approving Resolution No. 19-20 as submitted. All in favor, motion carried.

Chairman McClure recognized Brent Dobler, Utility Superintendent to present Resolution No. 19-21 recommending adoption of a new Water rate schedule. The rate study indicated that certain water rates charged by RWU need to be adjusted to keep up with rising costs for wholesale water, operation and maintenance of the water system, and other expenses. The RWWSC hereby recommends to the Rogers City Council that it, by duly passed ordinance, adopt a new water rate schedule by amending Section 54-108 and Section 54-109 of the Code of Ordinances of the City of Rogers, Arkansas as shown on the attached Exhibit "1". Commissioner Roger Surly asked if the inside/outside rates currently apply. Dobler replied yes. Also Surly asked the approximate amount of increase for the customer. Dobler stated as it's based on volume. For instance, a customer inside Rogers using up to 1,500 gallons of water a month would see an increase in their total water and sewer bill of \$2.88 per month in 2020. A customer inside Rogers using up to 4,000 gallons a month would see an increase in their total water and sewer bill of \$4.97 per month in 2020. Dobler added that the proposed water increase includes an annual 3% increase slated to begin July 1, 2026. Commissioner Roger Surly made a motion, second by Commissioner Don Kendall to approve Resolution No. 19-21 with Exhibit 1 attached as submitted. There were no further questions. All in favor, motion carried.

Continuing Dobler presented Resolution No. 19-22 recommending adoption of a new Sewer rate schedule. The rate study indicates that certain sewer rates and sewer surcharges charged by RWU need to be adjusted to keep up with rising costs of operating and maintaining the sewer system. Dobler added this Resolution also includes a 3% increase per year beginning July 1, 2026. Commissioner Roger Surly then asked Dobler how the proposed rates will compare with our neighboring cities. Dobler noted that with the proposed water and sewer increases RWU's rates would still be lower than those in Bentonville and Fayetteville. A motion was made by Commissioner Travis Greene, second by Commissioner Don Kendall to approve Resolution No. 19-22 with Exhibit 1 attached as submitted. All in favor, motion carried.

With no further business, Chairman McClure adjourned the meeting at 5:08 PM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Brent Dobler', written in a cursive style.

Brent Dobler, Acting Secretary/djw

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