

Rogers Waterworks and Sewer Commission

November 18, 2019

Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, November 18, 2019, in the Rogers Water Utilities Administration Building located at 601 S 2nd St. Present were Commissioners Roger Surly, Travis Greene, Kathy McClure, and Mike Watkins. Don Kendall was absent. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Brian Sartain, Aaron Short, Todd Beaver, Jennifer Lattin, Jene' Huffman-Gilreath, Debbie Putman, Dana Daniel, Vera Hall, Sean Dagestad, Matt Savell, and Donna Wilson. Others in attendance were Lori Ericson from the City of Rogers Development, Jerry Carmichael from the Rogers City Council, and Robert Frazier of the Frazier Law Firm. Chairman McClure called the meeting to order at 4:00 PM.

Todd Beaver, RPCF Manager recognized Sean Dagestad for 10 years of service. Brian Sartain, Utility Engineer recognized Tony Kinion for 5 years of service, both employees had a combined term of service from the City of Rogers. The Commission expressed their appreciation.

Chairman McClure recognized Jennifer Lattin, Controller to present the October 31, 2019 financial reports. Lattin stated that water consumption for the month of October 2019 was down 2.26% from October 2018. Billed revenue is down 1.51% from October 2018 (FY 19). Irrigation usage decreased by 28% and industrial usage increased by 19% compared to October 2018. The Water Department reported a profit of \$265,000 for the month ending October 31, 2019 (FY 20). A profit of \$199,000 was reported for October 31, 2018 (FY 19). The difference in profit for October 2019 compared to October 2018 is due to an increase in total revenues of \$93,000, primarily from access/impact fees and interest income, and a moderate increase in total expenses of \$27,000. FY 20 year to date profit is less than the prior year, by \$25,000, but ahead of budget. Year to date collections of access and impact fee revenue are \$339,000 and are ahead of budget by \$155,000. This compares the year to date access and impact fee revenue of \$178,000 in FY 19 and \$337,000 in FY 18.

Sewer consumption for October 2019 (FY 20) is up 5.99% from October 2018. Billed revenue is up 4.78% from October 2018 (FY19). Industrial usage increased by 21% compared to October 2018. The Sewer Department reported a profit of \$381,000 for the month ending October 31, 2019 (FY 20). A profit of \$305,000 was reported for October 31, 2018 (FY 19). The difference in profit for October 2019 compared to October 2018 is due to an increase in total revenues of \$97,000, primarily from access/impact fees and interest income, and a moderate increase in total expenses of \$21,000. FY 20 year to date profit is ahead of the prior year, and budget by \$156,000. Year to date collections of access and impact fee revenue for FY 20 are \$626,000 and are ahead of budget by \$209,000. This compares the year to date access and impact fee revenue of \$399,000 in FY 19 and \$597,000 in FY 18.

Lost water is at 18% for both the last twelve months and for calendar year (2019) and is 7% for the month of October 2019.

Total Restricted and Unrestricted Funds Report are \$38.4 million, which is an increase of \$700,000 from October 2018. Water Funds increased from \$17.2 million to \$18.9 million from October 2019 while Sewer Funds decreased from \$20.5 million to \$19.5 million. \$9.1 million of the \$38.4 million October 2019 funds are restricted for specific use such as debt service, meter deposits, access/impact fees, and

depreciation. Commissioner Travis Greene asked about the interest income. Lattin stated that FY 20 interest to date is more than the prior year, as a result of higher interest rates. However, in the past couple of months, interest rates have begun to decrease, specifically for CD investments. There were no further questions.

Chairman McClure recognized Brian Sartain, Utility Engineer for the presentation of the October engineering report. Sartain said that the number of development plans submitted for review remain steady. Some of the first time submittals for civil reviews are Bryan Properties (apartments), Pinnacle Springs Retirement Community, Arkansas Swim Academy, and Shadowbrook at the Peaks Ph III (apartments), and the Hunt Plaza. The Solids Handling Facility Project at the RPCF now appears to be completed in late December due to critical conveyance system parts having delayed delivery and will now begin installation. The Crescent View Waterline Project on Shores Ave is complete and finishing up with testing. The 11th St elevated tank repaint is scheduled for this budget year contingent upon availability of funds. The Bellview Rd, I-49 & Hwy 71 Interchange Projects are basically complete. Currently, tests are being performed on the Hwy 71 Interchange waterline relocation. Pleasant Grove Rd, Ph III is underway with approximately half of the waterline installed. The S 1st St (Walnut to Cherry) is currently out for bid and expects to open the end of November. Plans are nearing finalization on the utility relocations for S Arkansas St and Walnut St (Dixieland to 8th). Cost estimates for these projects came in higher than anticipated, and RWU will be working with the consulting engineers to identify any opportunities for cost savings. There were no questions.

Chairman McClure recognized Todd Beaver, RPCF Manager to present the October Reports. Beaver said the Discharge Monitoring Report had no violations noted, however, there was one (1) overflow reported and two (2) chlorine concentration exceedances. The PLC Contract is substantially complete with a few details uncovered as the plant operates at extremes. The FOG Program had completed eleven (11) FSE inspections with over thirty locations pumped throughout October. Two (2) new Grease Interceptors were inspected. Beaver said that meetings have been underway with the City Planners and the Development Compliance Manager to find better ways to manage the proper disposal of food truck graywater as well as requirements of the permitted vendors. The Industrial Pre-treatment Program completed four (4) industry inspections; Kennametal, Bekaert, Tyson's Chick N Quick, and Tyson's of Rogers. 402.8 MG was treated in October with 192 MG additional flow with an average flow of 13 MGD. These flows included 3.84" of rain over 8 rain events. There were no questions.

Chairman McClure recognized Johnny Lunsford, Construction and Maintenance Manager for a brief report on field operations. He presented photos showing areas of damage to lift stations and water towers from the recent tornado. There was extensive damage to the lift station on Capps Rd with loss of electrical equipment that resulted from downed trees and had caused power outages. Generators was used in many areas that lost power to have adequate operation. Lunsford stated we are actively collecting information to prepare a report to FEMA to determine costs of labor and equipment. Commissioner Roger Surly asked if any expenses could possibly be reimbursed. Lunsford said he wasn't certain but it is being handled through the City. There were no further questions.

Chairman McClure recognized Jene' Huffman-Gilreath for an update on the Northwest Arkansas Nutrient Trading Research and Advisory Group (NANTRAG) which consists of four (4) cities including Fayetteville, Springdale, Rogers, and Bentonville. The Group originally formed in 2016 to address litigation between Arkansas and Oklahoma on the phosphorus issue in the Illinois River. NANTRAG had

passed a Rule through Third Party Rule Making to create a way for nutrients to be traded as in the case of the four cities and their pollution control facilities. A couple of months ago, the City of Fayetteville took the Draft Rule to their City Council for approval. It was voted down and eleven (11) amendments were proposed to NANTRAG by the City of Fayetteville. All eleven (11) of those amendments died in the meeting for lack of a second. At the next called meeting of NANTRAG on November 8, 2019, all four cities decided to remain a part of NANTRAG and not schedule another meeting, but will meet at the call of the chair or another member. With lack of an approved Rule, nothing is set to move forward to the Pollution Control and Ecology Committee at this time, however, should an entity be interested in trading of nutrients, they would be able to take the written draft and use it to present to the Commission. There is no further action required by Rogers Water Utilities at this time in regards to NANTRAG.

Chairman McClure recognized Brent Dobler, Utility Superintendent to present Resolution No. 19-23 amending RWWSC Resolution No. 19-22, a new sewer rate schedule to revise certain portions of the sewer rate schedule for customers inside the City of Lowell in the City of Rogers service area, in order to conform with that certain "Sewer Agreement" entered into between the City of Rogers and the City of Lowell. Exhibit I to Resolution No. 19-22 is hereby removed and replaced in its entirety by Exhibit 1 to this Resolution No. 19-23. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve Resolution No. 19-23 with Exhibit 1 as submitted. All in favor, motion carried.

Dobler continued requesting approval of Resolution No. 19-24 recommending certain amendments to the Northwest Arkansas Conservative Authority Agreement. The RWWSC hereby recommends to the City of Rogers that it by appropriate ordinance remove the requirement, that one of the City of Rogers two directors on the NACA Board of Directors always be the Chairman of the RWWSC and instead specify that one of the City of Rogers two Directors on the NACA Board of Directors "shall always be a Commissioner of the RWWSC or a member of the management of the Rogers Water Utilities." It would be advantageous for the Commission and for RWU to amend this requirement to provide more flexibility in filling this position while also maintaining representation for the Commission and RWU on the NACA Board. A motion was made by Commissioner Mike Watkins, second by Commissioner Roger Surly to approve Resolution No. 19-24 as submitted. All in favor, motion carried.

Chairman McClure recognized Dana Daniel, Human Resource Manager to request approval of Resolution No. 19-25 amending the Rogers Water Utilities Employee Policy Manual Section 10, Paragraph (C) concerning compensatory time. Exhibit 1 to Resolution No. 19-25 states (C) Employees must seek approval from their supervisor to schedule time off using accrued comp-time. Comp-time may be used in quarter (1/4) hour increments. Commissioner Travis Greene made a motion, second by Commissioner Roger Surly to approve Resolution No. 19-25 with exhibit 1 as submitted. All in favor, motion carried.

Johnny Lunsford, Construction and Maintenance Manager is requesting approval of Resolution No. 19-26, approving the purchase of SebaKMT leak detection equipment available directly from SebaKMT, and is compatible with RWU's existing leak detection equipment. Cost for the SebaMKT Leak Correlator System is \$20,000, with an additional \$4,995 for the SebaMKT Leak Listening System. Commissioner Roger Surly made a motion, second by Commissioner Mike Watkins to approve Resolution No. 19-26 as submitted. All in favor, motion carried.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Brent Dobler', with a stylized flourish at the end.

Brent Dobler, Acting Secretary/djw

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