

Rogers Waterworks and Sewer Commission

November 19, 2007

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, Monday, November 19, 2007, in the Council Chambers of the Rogers City Hall. Commissioners present were Donna Warren and Travis Greene (Donnie Moore came into the meeting at 4:25 PM). Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Everett Balk, Joyce Johnson, Mike Lawrence, William Evans, Stephen Ponder, Earl Rausch, and Chris Nogy. Others in attendance were Robert White, Asa Hutchinson, III, Alan Wooten, Patricia Bell, Greg Higson, Paul Hively, Scott Wahl, Richard Cartwright, Derrel Smith, Johnny Long, Tim Turk, Margaret Higson, Mike Watts, Belinda Watts, Joe Ann Reeves, William Dark, Larry Tarver, Jason Callaway, David Hamilton, Kelly Hamilton, Joan Power, Bryan Cabell, George Warden, Charles Reaves, and Randy Ritchie.

Commissioner Warren called the meeting to order at 4:10 PM, saying that, since a quorum was not present, she and Greene would hear reports until Donnie Moore arrived, who had called and said he would be late. Warren recognized Everett Balk, Project Facilitation Engineer for RWU. Balk presented the Commission with a brief report detailing the activities of his section. He noted that the number of plans submitted for review had been fairly stable over the last few months.

Warren recognized Joyce Johnson, RWU Controller. Johnson presented Chris Nogy, IT Director, with a certificate of appreciation for five years of service to RWU.

Continuing, Johnson presented the Commission with financial statements for September and October (there was no October 2007 meeting). Johnson noted growth in demand over the past year. She said that both water and sewer departments were running ahead of schedule for income, partially due to increased interest rates on reserves, and higher than expected impact fees. Johnson noted that the unaccounted for water was down to nine percent for the past twelve months. She noted the decrease in reserves due to the payments to the wastewater treatment plant contractor.

Warren recognized Mark Johnson, Utilities Engineer. Johnson presented the Commission with a brief report on the status of the several projects in which the Commission had a pecuniary interest. He said that the Turtle Creek/Dogwood St. water line project was complete save for a few cleanup items. He said that the Highway 12 waterline relocation project was complete except for some cleanup issues. He said that the City of Rogers had decided to complete the extension of Price Lane through from S. 8th St. to S. First St., with its own forces. Johnson said that he was negotiating with the City's consultant, Jacobs Carter Burgess Engineering, for a price to design the necessary water and sewer relocations. Warren asked about the Pleasant Grove Road overpass. Johnson said that the

work required was fairly minor, and that the contractor for the Pleasant Grove Road project would be asked to make any minor adjustments (manholes, valve boxes, etc.) At this point, there was a brief hiatus while the Commission waited for Donnie Moore to constitute a quorum. Moore arrived at 4:25 PM, and a quorum was declared.

Moore recognized Mark Johnson. Johnson presented the Commission with a bid tabulation for the proposed two million gallon elevated tank at S. 24th St. and Lilac. Johnson said that there were three bids, and the low bid was from Chicago Bridge and Iron (CB & I). He noted that the alternate bid from CB& I was also low. Johnson said that the alternate bid was \$100,000 more, but it was for an all steel tank, with the exact dimensions as the existing tank. For aesthetic reasons as well as for structural reasons, Johnson said he recommended the alternate bid from CB&I, for \$3,957,000. There was a motion by Warren, second by Greene, to award the bid to CB&I for \$3,957,000. All in favor, motion carried.

Continuing, Johnson said that the City of Rogers had awarded a bid to DECCO Contractors to widen and realign S. 26th St. He said that the water and sewer relocations and improvements necessary for the street widening were advertised and bid, with fourteen contractors responding. The low bid was from DECCO, for \$570,000. Johnson recommended the bid from DECCO. Greene abstained from the vote because DECCO was his customer at Arvest Bank. After some discussion, the Commission decided not to vote until three Commissioners could vote FOR the bid award. Moore asked McAlister to set up a special-called meeting for the purpose.

Moore recognized Robert White, McClelland Engineers, the City's consultant for the widening of W. Pleasant Grove Road. White presented the Commission with a bid tabulation for the relocation of water and sewer facilities. White said that the low bid was from GN Contracting, for \$424,754. Someone asked about GN Contracting. White said that he had worked with the company before, and that they were a reputable firm. There was a motion by Warren, second by Greene, to award the bid to GN Contracting. All in favor, motion carried.

There was a motion by Warren to approve the September minutes as submitted. All in favor, motion carried.

Moore recognized Scott Wahl of PB2 Architecture. Wahl showed a brief power point presentation to the Commission regarding the status of the RWU Administration Building project. Wahl's slides depicted an 8234 square feet addition to the existing building on the south. The new building addition would include a new lobby, business office, and a large conference room. Wahl showed that the drive through on the west side of the building would be moved to allow more cars to be stacked off the street. He said that the exterior would match the existing exterior. He noted a water feature that included a fountain and a sign. He said the cost estimate for the project was \$1.5 million.

How much is the water feature? Warren asked. Someone from PB2 answered between \$25,000 and \$30,000. Warren asked if the staff liked the design. Wahl said yes.

McAlister said that the entire staff had worked on the design for over a year, and they were all satisfied. Moore asked about storage. Wahl pointed out some storage space on the plan. No action was taken by the Commission regarding the plans for the new building.

No one from Benton County Rural Water Authority No. 4 was available to address the proposed contract for bulk water sales. Moore asked about the water rate hike from Beaver Water District (\$0.02/per thousand gallons, effective January 1, 2008). McAlister said that the contract called for an automatic increase any time BWD raised its rates. Moore suggested that the rate indicated on the contract be changed to reflect the rate, since the contract would have to be ratified by the Rogers City Council.

Moore recognized Stephen Ponder, Staff Engineer with RWU. Ponder explained that he modeled the water system on Highway 94 E for the proposed Angler's Bend development. He said that the staff at RWU had proposed a maximum allowable flow rate to Angler's Bend of 300 gallons per minute (gpm). He said that that demand modeled on his computer caused a drop in the available fire flow capacity in the area to below 300 gpm, well below the recommended 500 gpm by the Insurance Service Organization (ISO). Ponder said that the minimum required capital improvement to serve Angler's Bend (300 gpm) and keep the available fire flows above the minimum, was a 12-inch water main, approximately 9000 ft, at a cost of \$600,000. At some point in the future, if growth continued in the area, an elevated tank would be required, he said.

Moore asked about the flow inside the development? McAlister said that the 300 gpm max flow rate was proposed to protect the existing water system, and that the development would be required to build whatever improvements necessary to meet maximum flow rates (a tank and a fire pump). Moore asked if the City would be liable if a home caught fire inside the development. McAlister said that the City would not be liable. He said the fire protection inside Angler's Bend would be between the developer and his insurance company. Since the system was outside the City, and since the water system was not designed for dense development (like Angler's Bend), then design standards for inside City would not be workable, he said.

Moore brought up the question of the on-site wastewater treatment plant. How much would it cost (to upgrade it)? McAlister said he did not know what existed. Moore expressed concern over the increased discharge of pollutants to the lake. Warren asked if the staff had been in discussion with the developer. McAlister answered in the negative.

Moore recognized Gregory Higson, a resident of The Preserve, a nearby development. He said there had not been any communication since August with the developer or his agent. He said his main problem was with the density of the development. He cited the recent problems with Sunset Bay (a bankrupt development with a centralized, privately-owned sewer system). He recommended that the Commission require that all infrastructure, including a storage tank, be in place prior to the development, and that the developer be responsible for all costs. Higson expressed concern over the existing wastewater treatment plant. How could one make a decision regarding the adequacy of the plant with

out knowing its true capacity? He asked. Higson requested that a study be done and shared with the nearby residents. He also expressed concern about the stormwater runoff from the development.

Moore recognized Randy Ritchie, engineer for Angler's Bend. He said that the 12-inch water main was about what he would have expected. He said that the Arkansas Department of Health and the Arkansas Department of Environmental Quality had reviewed his plans and were "perfectly satisfied". He said that the treatment plant had a capacity of 36,000 gallons per day. He said that he planned to replace some of the treatment units.

Continuing, Ritchie said that he knew that RWU could provide no more than 300 gpm. He said that the County fire marshal would require fire protection. He said that the required hookup fees (\$300,000) would pay for half the cost of the water line.

What about Beaver Water District? Moore asked. Ritchie said he talked to Scott Bormann (Manager of Two Ton Water District), who said he would prefer a treatment plant to septic systems. Moore asked about a bond to ensure that the plant was operated and maintained? Ritchie said that a performance bond would not be a problem. Moore said he was concerned about the future residents. Warren asked about restrictive covenants. Ritchie said there were covenants.

McAlister asked if the developer would consider a less dense development on septic systems, like surrounding area. Ritchie said he did not think so. He said the developer had already made concessions to the neighbors.

Moore said he was not convinced of the viability of such a development, and that he would take "a lot more convincing". He said he wanted to see an overall plan regarding the entire project, including how the system would be paid for, and how the water system would work, before he would vote for the project.

Moore said he wanted to know Beaver Water District's stance on the project. Ritchie wanted to know how much bond would be required. Moore said to work the number out with the staff. Ritchie said he would come back to the next meeting with additional information.

Moore recognized Asa Hutchinson, III, of Warner, Harris, and Smith. Hutchinson deferred to Alan Wooten, Managing Partner. Wooten said that his firm had acted as the Commission's legal representative for a year. He said that the monthly retainer (\$1500) had actually been insufficient; however, he said that there was a learning curve, and thought the time spent would be less in future. Wooten said that he wanted to continue the relationship at the existing rate. He remarked that there were four lawsuits ongoing, and that the hourly rates would not change. There was a motion by Warren, second by Greene, to continue the relationship with the Warner firm.

Warren asked about the status of the lawsuits. Wooten said that the impact fee lawsuit was actually two suits: one was filed in state court, where the judge dismissed most of the case, and the federal court, where the NWA Homebuilders Association had filed suit. Wooten said that issues typically move faster through the federal court system; however, he did not know when the matters would be resolved.

McAlister noted that the next meeting was scheduled for December 17. Moore directed McAlister to set up a meeting to take care of the matter of the S. 26th St. relocations bids.

The meeting adjourned at 5:47 PM.

Respectfully submitted,

Tom S. McAlister, Acting Secretary
Rogers Waterworks and Sewer Commission

File: RWWSC minutes, 11-19-07