

# **Rogers Waterworks and Sewer Commission**

**December 17, 2003**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its regularly scheduled monthly meeting Wednesday, December 17, 2003, at 12:00 PM, in the Rogers Water Utilities Training Center. Commissioners in attendance were Donnie Moore, Fred Wanger, and Jerry Pittman. Dick McLelland and Lon Pepple were absent. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, Mike Lawrence, Earl Rausch, and Stephen Ponder. Others in attendance were Deputy City Attorney Jason Kelley, Kyle Weaver, John Moore, and Steve Phillips. Chairman Moore called the meeting to order at 12:07 PM.

There was a motion by Pittman, second by Wanger, to approve the October 29, 2003 minutes as submitted. All in favor, motion carried.

Moore recognized Mark Johnson, Utilities Engineer. Johnson presented the Commission with a spreadsheet showing the status of several on-going projects. Johnson said that there were still some residences that had not connected to the 1998 Sewer Bond issue sewers, despite having been sent letters requiring them to do so. He said that some had valid excuses, while at least one flatly refused.

He reported that the ground storage tank/pump station project was well under way, and that the pump station had already been fabricated. Johnson said that the contractor, Van Horn Construction of Russellville, was building a 40ft by 70 ft building to house the pump station. He said that the tank subcontractor was busy with the tank foundation.

Johnson reported that staff was still busy preparing easement documents for the City of Rogers for the widening of New Hope Road. He said that the plans for utility relocations were almost complete. He anticipated that the Arkansas Department of Highways and Transportation would let bids on the project next month.

Continuing, Johnson presented the Commission with Change Order No.1 for the ground storage tank/pump station project. He said that there had been several design changes since the original plans were bid, necessitating the change order. He said that the tank foundation had been lowered six feet, which resulted in a deduction, but other design changes resulted in additions, such as a better emergency generator, a better control valve on the tank inlet piping, etc. The contractor was asking for an additional \$141,005.12 and an additional 90 days, Johnson said. He said that the requests were reasonable, and asked

the Commission to approve the C. O. There was a motion by Pittman, second by Wanger, to approve C. O. No.1 as submitted. All in favor, motion carried.

Moore recognized Tom McAlister, RWU Manager. McAlister presented the Commission with a contract proposal for the anticipated buy-out of Bentonville's interest in the existing water transmission mains from Beaver Water District. McAlister said that Bentonville had hired an engineer to do the design on a new transmission main, and were busy trying to acquire easements. McAlister said that the water rate increase had been ratified by the City Council, he thought now would be a good time to lock in the buy out price (\$7.414 million). He noted that the contract would have to be approved by both city councils.

Pittman questioned whether Rogers should pay twenty-five percent up front, since Bentonville could sign a contract with a builder and wait for months before making a payment. Jason Kelley, Deputy City Attorney, said it was possible, but not likely, since contractors can only hold their prices for a short period of time. Pittman said that he wanted Bentonville's contractor on site, turning dirt, before a payment was made to Bentonville. Moore said that a new transmission main was going to have to be built by someone, and even if Rogers did, the cost would be on par with the proposed buy-out. There was a motion by Pittman, second by Wanger, to recommend the proposed contract to the Council, with the proposed change to the wording of paragraph 4.a., to indicate a payment after the construction had already started. All in favor, motion carried.

Continuing, McAlister presented the Commission with a proposed contract with Black and Veatch, Inc., an engineering firm from Kansas City. McAlister said that the contract was the result of a lot of time and effort on the part of Black and Veatch and the utilities staff. He said that the scope of work was sharply negotiated, and should give the Commission a good plan for needed improvements or alternatives to improvements to the Rogers Pollution Control Facility. Mike Lawrence, RPCF Manager, said that he was sure that the study needed to be done, and that Black and Veatch was the engineering firm to do the work. McAlister introduced Steve Phillips, P. E., project manager for Black and Veatch. McAlister said that the contract was for \$263,000, and nine months. Moore noted that water reuse was part of the scope of work.

Pittman questioned whether ten days was adequate time to process a pay request? Phillips said that the clause was in the contract so that undisputed pay items might be paid with alacrity. Mark Johnson said that it shouldn't be a problem if the pay estimates were in order. There was a motion by Wanger, second by Pittman, to approve the contract proposal as submitted. All in favor, motion carried.

McAlister told the Commission that water and sewer service from Rogers to the proposed Camden Way Addition on Highway 94 North were being formally "objected to" by Benton County Rural Water District No. 1. He said that the property owner had brought some of the land from Little Flock in to Rogers under Act 779, for the expressed purpose of obtaining water and sewer service from Rogers. Now, the owner had sunk a lot of money into the property for a 162-lot subdivision, and was facing bankruptcy

unless he could get services from Rogers. Ben Lipscomb, Rogers City Attorney, had said that Rogers was going to be sued by the developer or the Rural Water District. Lipscomb said he would choose the District for a plaintiff. McAlister noted that the District could not serve the proposed development adequately with water or sewer service. He also noted that the city had an 8' inch water line on the property since 1967, and that sewer service was very near. Jason Kelley said that the District cited a federal law that protected rural water systems with federal debt from encroachment from municipalities. McAlister said that he thought the area was Rogers' to serve, and that Rogers should protect its service area. In any case, the City was likely to be sued before the issue of service to Camden Way was finished.

Moore recognized Joyce Johnson, Utilities Controller. Johnson noted that the financial sheets now reflected the value of contributed capital assets (water and sewer lines built by developers and dedicated to the City for operations and maintenance) effective December 1, pursuant to the recommendation of the auditors. Also, she said that the Engineering Division had gone back through its time sheets and reallocated costs for time spent on developer projects. The resulting book entries made the income statements for both water and sewer departments look more robust than usual, she said. There were no exceptions taken to the financial statements.

The meeting adjourned at 12:45 PM.

Respectfully submitted,

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

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