

Rogers Waterworks and Sewer Commission

December 18, 2017

Minutes

The Rogers Waterworks and Sewer Commission held its regular scheduled meeting at 4:00 PM Monday, December 18, 2017, in the Rogers Administrative Building located at 601 S 2nd St. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, Don Kendall, and Mike Watkins. Present was Rogers Water Utilities staff Earl Rausch, Brent Dobler, Johnny Lunsford, Jene' Huffman-Gilreath, Joyce Johnson, Jennifer Lattin, Brian Sartain, Aaron Short, Stephen Ponder, Todd Beaver, Debbie Putman, Randy Watson, Vera Hall, and Donna Wilson. Also in attendance was Robert Frazier of the Frazier Law Firm. Chairman Roger Surly called the meeting to order at 4:00 PM.

A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve the minutes from the November 20, 2017 meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Jennifer Lattin, Utilities Controller for the presentation of the November 2017 Financial Reports. Lattin stated that water consumption for the month of November 2017 was up 2.10% from November 2016. Billed revenue was up 3.17%. The Water Department reported a profit of \$151,000 for the month ending November 30, 2017, and a profit of \$197,000 for the month ending November 30, 2016. Collection of access and impact fee revenue for F'Y' 18 are \$392,000, and are up from \$342,000 in F'Y' 17. Actual access and impact fee revenues are \$96,000 over budget in the Water Department for Fiscal Year 2018.

Sewer consumption for November 2017 was up 7.66% from November 2016. Billed revenue was up 5.65%. The Sewer Department reported a profit of \$285,000 for the month ending November 30, 2017, and \$350,000 profit for the month ending November 30, 2016. Collection of access and impact fee revenue for F'Y' 18 are \$736,000, and are up from \$662,000 in F'Y' 17. Actual access and impact fee revenues are \$140,000 over budget in the Sewer Department for Fiscal Year 2018.

The Restricted and Unrestricted Funds Report show total funds are at \$33.8 million. \$8.5 million is restricted. The unrestricted funds are at \$10.3 million in Water and \$15.0 million in Sewer. Total funds on hand at November 30, 2016 were \$35.4 million. Year to date profit in the Water Department was more than the prior year and ahead of budget. Year to date profit in the Sewer Department is also more than the prior year and ahead of budget. Year to date collections of access and impact fees are over budget in both the Water and Sewer Departments. Chairman Surly questioned the decrease in restricted funds on hand from last month. Joyce Johnson replied the 2008 Water Bonds had been paid. Lattin also noted the Beaver Water District rate increase of \$.03/1000 gallons was effective October 1st, 2017. The current rate is now \$1.34/1000 gallons. Lattin explained a rate increase from Beaver Water was considered in the F'Y'18 budget. There were no further questions.

Chairman Surly recognized Brian Sartain, Utility Engineer for the presentation of the November Engineering Report. Sartain briefly reviewed some of the construction projects currently in progress.

He stated the Monte Ne Road project and the recoating of the Tower Park Ground Storage Tank are initially completed. He said the Bellview Road, Stream Stabilization Waterline project, RPCF Train I Rehab and the recoating of the Prairie Creek elevated storage tank are a few projects likely to start in January. The Sanitary Sewer Pipe Trenchless Rehab project has been delayed until April, which will have the billing occur in the next fiscal year. Chairman Surly asked about the final acceptance process for the projects once they have been completed. Sartain stated that the engineering inspectors observe and maintain records, photos throughout the project and also make ongoing inspections at the sites. Memorial Park subdivision will be a new residential subdivision located near Mt Hebron and Wallis Road. The Palisades at Pleasant Crossing Phase II will be an addition to the apartment complex. There were no further questions.

Chairman Surly recognized Todd Beaver, RPCF Manager to present the November RPCF Reports. Beaver described a malfunction with the sludge dryer when a hose ruptured during operation and leaked heating oil into the building. In-house repair has been completed and the dryer is fully operational at this time. The processing of solids was delayed about a week due to this event. The hoses have been replaced and installation of splashguards is being evaluated in order to address employee safety concerns. There were no injuries. The FOG Report is able to provide more updated data with the recent format changes. FSE inspections are progressing with 92% completed for the year. SEP has completed all the proposed upgrades of the Administrative Compliance Order and is still working with treatment optimization and increased monitoring of the effluent. There were no questions.

Chairman Surly recognized Brent Dobler, Operations Manager for the presentation of the November Operation Reports. Dobler gave a brief review of the graphs for the various departments. The shut offs remain consistent. Locates have increased somewhat. The CCTV inspection had some new equipment installed along with additional training. Leak detection is still ongoing with one less employee. A report of the Meter Change Out Program indicates thus far, a total of 4,324 meters have been replaced with 42% being drive by meters and 58% are still touch read. Apartments 16, 17, and 18 located at 1300 Beech Dr reported a sanitary sewer overflow November 27th. We are currently working with the owner and residents to provide clean-up and make the necessary repairs with an approximate cost of \$16,000. The Lost Water Report is at 15% for the last twelve months, while being at 15% for calendar 2017 and 4% for the month. The November average daily water usage was 8.01 MGD with a single daily use high of 9.70 MGD. There were no questions.

Chairman Surly recognized Earl Rausch, Utility Superintendent to request approval of the 2018 Pay Raises. Rausch said RWU will provide a (3) three percent pay increase to each employee using the format of the Compensation Administration Policy (adopted August 21, 2017) which is following the same guidelines used by the City of Rogers. Exceptions are employees that have a higher pay scale (exceed the high-end bracket) will receive a 1.5 percent (lump sum) base salary increase with a check in January and the employees that are within the high-end salary bracket and the (3) percent pay raise pushes them over, then the remainder of the raise will be in the form of a lump sum check in January. Chairman Surly asked if the proposed amount was budgeted. Rausch noted the amount of difference was calculated for (6) six months not the entire year. Commissioner Don Kendall made a motion,

second by Commissioner Mike Watkins to approve the 2018 Pay Raises as submitted. All in favor, motion carried.

Rausch presented Resolution No. 17-29 authorizing execution of a Memorandum of Understanding (MOU) with Springdale Water Utilities for provision of water service to a Carroll Electric Line Services Center which is within the Springdale Water Utilities water service boundary located near Lowell, Arkansas; recommending approval by the City of Rogers of the temporary provision of water service. After some discussion, Commissioner Travis Greene made a motion, second by Commissioner Don Kendall to approve Resolution No. 17-29 for MOU with Springdale Water Utilities for water service to Carroll Electric as submitted. All in favor, motion carried.

Chairman Surly recognized Todd Beaver, RPCF Manager to present Resolution No. 17-30 authorizing Rogers Water Utilities to contract with Carbon Activated Corporation for filter media change out in the odor control unit at the RPCF; authorizing expenditure of \$24,147.82 (funds for the supplies and service); waiving competitive bidding. A motion was made by Commissioner Travis Greene and second by Commissioner Kathy McClure to approve Resolution No. 17-30 for RWU to contract with Carbon Activated Corporation in the amount of \$24,147.82 as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Business Manager to request approval of the ranking of the top (3) three firms submitting RFQ's for Utility Rate Consulting Services. Johnson said of the (5) five submitted proposals, RWU management staff ranked (ranking based on AR Code § 19-11-803) the top (3) three firms as: 1) HDR, 2) Raftelis, 3) Black & Veatch. Johnson discussed how the selection process considered experience and technical competence, capability to perform work within the time limitations, past record of performance and proximity and familiarity with our area. Commissioner Don Kendall made a motion, second by Commissioner Kathy McClure to approve HDR as the firm selected to provide Consulting Services for the Utility Rate Study. All in favor, motion carried.

With no further business, Chairman Surly adjourned the meeting at 4:55 PM.

Respectfully submitted,



Earl Rausch, Acting Secretary/djw

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