

Rogers Waterworks and Sewer Commission

December 21, 2009

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled monthly meeting at 4:00 PM, Monday, December 21, 2009, in the new Commission room in the Rogers Water Utilities administration building expansion. Commissioners in attendance were Travis Greene, Jene` Huffman-Gilreath, Don Kendall, and Guy Cable. Lon Pepple was absent. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, Joyce Johnson, William Evans, Johnny Lunsford, Earl Rausch, Robert Moore, and Randy Watson, Others in attendance were Robert Frazier, Derrel Smith, and Caleb Fort. Chairman Greene called the meeting to order at 4:04 PM.

There was a motion by Kendall, second by Huffman-Gilreath, to approve the October minutes (there was no November meeting). All in favor, motion carried.

Greene recognized Joyce Johnson, Utilities Controller. Johnson presented the Commission with financial statements for October and November. Kendall noted that the water department showed a net loss of about \$25,000 for the month of November. When did the six percent rate increase go into effect? Green asked. "October", was the reply. Greene asked why the City of Rogers usage fell off so abruptly (from October '08 to October '09)? Johnson said later that the City used much less water irrigating its parks this year, particularly Veteran's Park.

Greene recognized Mark Johnson, Utilities Engineer. Johnson presented the Commission with a spreadsheet detailing the status of the several jobs in which the Commission had a pecuniary interest. Huffman-Gilreath asked about the status of the Stoney Brook/Horsebarn Road water and sewer project. "Had we received any payment from the NW Partners or Metro Park South?" she asked. Johnson said that both had been sent "forbearance" contracts, calling for the total contracted-for price to be paid RWU in 24 monthly installments, at a five percent annual percentage rate. He said he had heard from Metro Park South (Collins Haynes), who was very negative about the proposal. He had not heard for the NW Partners (Holiday Inn and Staybridge Inn).

There followed a long discussion about what might be the Commission's next step. Kendall opined that it might be time to file suit due to the lack of communication between the RWU and the other parties. Robert Frazier, attorney for the Commission, said that there was no problem with the statute of limitations expiring. McAlister said that

he and Joyce Johnson had seen unaudited financial statements from both entities, and both statements depicted losing business concerns. Mark Johnson said that Collins Haynes had threatened to file bankruptcy if sued.

Finally, Kendall said that the entities should be sent a letter demanding audited financial statements. What happens next?(assuming they do not comply), Cable asked? Kendall said that any communication or reports should be sent to the Commission right away so a decision might be made sooner rather than later. Frazier opined that lawsuits would be costly, but said that he had heard no defense from the entities that could trump the existing contracts for payment with the entities. Frazier said that, obtaining a favorable judgment and getting the money owed to RWU were two separate issues. Kendall said he did not want to spend money to no gain, but did not think that the Commission could suffer nonpayment indefinitely.

Returning to his report, Mark Johnson said that the treatment plant had changed sludge disposal companies, and were now effectually hauling the sludge to permitted sites in Kansas for land application, at a savings to RWU.

Greene recognized Tom McAlister, Utilities Manager. McAlister said that he attended a meeting recently in Rogers regarding the proposal by USEPA Region VI to conduct a Total Maximum Daily Load (TMDL) study on the entire Illinois River watershed. He said it was attended by the four mayors of the large NWA cities, three chambers of commerce CEO's, ADEQ, NACA, the University of Arkansas, a rep from the Poultry Federation, a consulting engineer, representatives from Senators Lincoln and Prior offices, and the City Manager of Siloam Springs. McAlister said that the community leaders recognized the threat to the cities of NW Arkansas, but were not in agreement on what, if any, course to chose. He said that reps from the U of A presented the findings of the stream assessment study funded by Rogers and Springdale, which characterized the stream segments below the two cities' wastewater treatment plants as unimpaired, and therefore did not belong on the EPA's 303(d) list. There was talk about the feasibility of pumping the effluent to Arkansas River, or of damming the Illinois River and controlling the discharge into Oklahoma. McAlister said that officials from ADEQ suggested the region hire its own contractor and perform a TMDL study. Others counseled that it was too early to enter into such a position at odds with Region VI. McAlister said, that although the meeting was too large with diverse opinions and interests, he was impressed that the mayors knew what economic hazards might arise from an unfavorable TMDL study.

Someone asked, "What is NACA doing?" about its proposed permit requirement of 0.1 mg/L total phosphorus (TP) limit. McAlister said he thought that NACA's engineers had designed a treatment unit to meet the stringent limit, and NACA had authorized a change order of about \$5 million. What would it cost Rogers? Someone asked. McAlister said that, at the current design, it would be something like \$20 million.

Continuing, McAlister presented the Commission with an executive summary of the Stream Assessment performed by the University of Arkansas on the stream segments

below the discharges of the wastewater treatment plants of Rogers and Springdale. Both stream segments were placed on the EPA's 303(d) list for impaired water bodies in 2004. In 2007, the Cities of Springdale and Rogers contracted with McGoodwin, Williams, and Yates to perform a stream assessment to see if the stream segments were, in fact, impaired according to ADPC&E Commission Regulation No. 2. McAlister said that, after two and half years (there was no critical flow period in 2008, according to ADEQ), water quality data and biological data showed no violations of Reg. No. 2. Further, the streams recovered from any impact from wastewater discharge to a degree that the Osage creek resembled the "reference" streams of the study. In other words, new, hard, up-to-date water quality data showed that the streams should be "delisted", and removed from TMDL requirements. McAlister admitted that the earliest the delisting might occur was 2011, and even then the decision would be a political one.

Green recognized Mark Johnson again. Johnson told the Commission that a sixty-year-old concrete sewer in S. 7th St. had failed the week before Thanksgiving. He said that a contractor, Seven Valleys Construction, had been hired on an emergency basis to replace the sewer while Tillery Elementary School was on fall break. He said that the sewer line immediately downstream, running west under Poplar St. to the Wal-Mart Risk Management complex, was in danger of failure as well, and he had been asked by the Manager to design a replacement sewer main. He and his staff had complied, and received two proposals from contractors with open contracts with RWU, Seven Valleys and Rosetta Construction. The low cost alternative was Seven Valleys, at \$166,668. Johnson said that the contractor planned to start the week after Christmas, and be substantially finished before school started up again on January 5, 2010. There was a motion by Kendall, second by Greene, to approve the change order to the contract with Seven Valleys, for the mentioned price. All in favor, motion carried.

Greene recognized Randy Watson, Meter Reader Supervisor for RWU. Watson demonstrated how the meter reading system works. He said that meter "routes" were loaded onto handheld devices that automatically stored readings collected by the meter reader every day, to be downloaded onto the master billing computer. He said that an internal program compared present consumption to prior months consumption, and caused those records that were too high or too low to be listed on a "trouble" list, which was audited by office staff, and if a dead meter or a leak was suspected, a work order would be developed for service personnel to check. If a leak was detected, he said that the policy was to notify the current occupant, or, if that was not possible, to shut off the meter and leave a door hanger.

What happened in the Mayor (of Rogers) case? Someone asked. William Evans, Water System Supervisor, said that a leak was detected at his residence, and the Mayor's son was notified, and the meter was shut off due to the nature of the leak (severe). He said he did not know how the leak made the newspaper.

Greene recognized William Evans again. Evans asked for permission to advertise for bids for a "valve machine". He said the machine was trailer mounted and able to hydraulically open and close water valves. He said that the machine was capable of cleaning valve

boxes and mapping the location of valves by global positioning satellites (GPS). McAlister noted that being able to locate and operate valves was very important to the operation of a water distribution system. There was a motion by Huffman-Gilreath, second by Kendall, to allow staff to advertise for bids. All in favor, motion carried.

Greene recognized Mark Johnson again. Johnson presented the Commission with an aerial photo of the city of Rogers, with areas of town with aging sewer infrastructure noted. Johnson said that he had been asked by Huffman-Gilreath how much money would be needed to fix the old, leaky sewer system. Johnson said that he had identified over 500,000 feet of sewer over 30 years old. While age was not necessarily a determinant in the decision to replace a sewer main, it was probably a good place to start an assessment of the system. He said the study would take several months before he could hazard a guess at the cost. McAlister noted that a project of this nature, if conducted by a consultant, would take years and cost a million dollars. Someone asked if Johnson had enough staff to do the work? Johnson said he did, if he had sufficient time.

McAlister said that the City Council had asked for an update on the financial circumstances of the water department at their next meeting in January.

The meeting adjourned at 5:30 PM

Respectfully submitted,

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

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