

Rogers Waterworks and Sewer Commission

December 30, 2004

Minutes

The Rogers Waterworks and Sewer Commission held its rescheduled monthly meeting at 4:00 PM, Thursday, December 30, 2004, in the Council Chambers of the Rogers City Administration Building. Commissioners Donnie Moore, Fred Wanger, and Jerry Pittman were present. Lon Pepple and Dick McLelland were absent. Rogers Water Utilities staff in attendance were Tom McAlister, Mark Johnson, William Evans, Earl Rausch, Everett Balk, Joyce Johnson, Mike Lawrence, Stephen Ponder, and Luanne Diffin. Others in the audience were Travis Matlock, Nathan Young, Derrel Smith, Phillip Taldo, John Easterling, Mike Rowe, James Hale, Sr., Charles Irvin, Eric Farmer, Jan Skopecek, Lance Johnson, Bill Witcofski, Jack Hales, Mark Phillips, E. J. Johnson, Tim Gray, Kenneth Cowin, Daniel Cowin, Ronald Mason, Tim Hise, Sean Delano, J. D. Vickers, Tom Britain, John Moore, and Ernie Bradford. Chairman Moore called the meeting to order at 4:05 PM.

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

Moore recognized the large contingent of homebuilders in opposition to the proposed Resolution No. 05-05, which would set fees for water and sewer connections in Rogers. Moore recognized Lance Johnson, President, NWA Home Builders Association. Johnson was opposed to the resolution for several reasons. He said that the fees would add to the high cost of building and hurt housing in Rogers. He said that the EES, Inc., report from which the proposed fee schedule was taken, referred to system development charges, which were in effect, impact fees. Johnson complained that the study did not model any other revenue sources, such as bonds, etc. He said that the proposed fee schedule was “disproportional” to the cost of providing the service. Johnson asked that the Commission table the resolution.

Moore recognized Phillip Taldo, Springdale One, developer of the Plantation Subdivision on S. First Street in Rogers. Taldo’s remarks were limited to specific questions regarding his addition, which had been in the works to be approved for several months. He said that Phase 1 had been approved by the City, and that the water and sewer plans had been approved for Phase 1 and 2. Taldo said that he had been required by the City to do a FEMA study to ascertain the flood plain elevations on Phase 2. He asked that the Commission charge his project at the existing fee schedule for both phases and not charge a “hookup” fee for the lots, since the economics of his project made the additional costs unfeasible. He also asked that duplexes be charged as single-family dwellings.

Tom McAlister, Superintendent, Rogers Water Utilities, said that Taldo’s first addition had been approved, and a contract for extension had been tendered to Mr. Taldo

last month, which Taldo had not yet signed. He said that RWU had planned to honor the contract, which charged connection fees based on \$150 for water, \$150 for sewer, per living unit. The contract mentioned only Phase 1, since that was all Taldo planned to develop originally, he said. McAlister said the resolution called for hookup fees from the person requiring the water service, and that duplexes would be charged as two living units.

Moore asked the Commissioners for input regarding the proposed resolution. Pittman noted a spelling error. Moore said that it might be better to move the effective date back to give the builders more time to adjust. Someone mentioned Bentonville and the connection fees that city was charging. An unidentified man said that Bentonville was different, since the Council was publicly elected, and the Commissioners were appointed. Moore noted for the record that the Rogers Council had authority to overturn any action by the Commission.

Several comments were heard from the audience regarding the proposal. More than one builder opined that the hookup fees were unfairly weighted in that a 1200 square foot home would cost the same as a 3000 square foot home. Pittman recognized Charles Reaves, who spoke about the fees being a “stop gap” measure, and urged the Commission to look at the larger economic picture. Reaves said that fees in Rogers and Bentonville would drive development elsewhere in a few years. He said that commercial development followed “rooftops”, or residential development, and that the fees could hurt development in the long term.

Moore read into the record a prepared statement, which is included hereto and a part of these minutes. Moore said that the Commission was considering about \$100 million in capital costs over the next fifteen years, and that most of those costs were driven by development or growth. He said that the increased fees were an attempt to create more revenue so that the required infrastructure might be built to accommodate growth, while maintaining water and sewer rates at affordable levels. He said that the proposed rates were much less than the consultant had recommended. Moore said that the fees could help keep future rate increases down.

Finally, there was a motion by Pittman, second by Wanger, to adopt the proposed Resolution No. 05-05, after moving the effective date of the new access fees and hookup fees back to April 1, 2005, and April 1, 2006, respectively. All in favor, motion carried.

Moore thanked the audience for their input, and suggested that those interested might get together with staff to come up with a workable plan. As for Mr. Taldo’s specific requests, he said that the Commission would have to further deliberate and “get back to him”. At this point, the builders left the meeting.

Moore recognized Luanne Diffin, Laboratory Director and Industrial Pretreatment Coordinator. Diffin presented the Commission with Proposed Resolution No. 05-06, which expressed support for the City’s Industrial Pretreatment Program. Diffin said that the resolution was required by the Arkansas Department of Environmental Quality, along

with a program modification that was already under review. There was a motion by Pittman, second by Wanger, to adopt the resolution. All in favor, motion carried.

Moore recognized Mark Johnson, Utilities Engineer. Johnson presented the Commission with two requests for cost sharing from two separate projects. The first request was from Kevin Necessary, the developer of Post Meadows Addition, to help pay for an off-site water extension. Necessary asked for a contribution of \$30,150, since the 8-inch water line along post road was external to his addition. There was a motion by Pittman, second by Wanger, to approve the cost sharing scenario as requested. All in favor, motion carried.

The next request was from Randy Winski, developer of Warren Glen Addition off of West Drive. The request was to pay for the up sizing of the off-site sewer main, from an 8-inch to a ten-inch, as required by RWU staff. The request was for \$68,906, which Johnson said was a reasonable amount. There was a motion by Wanger, second by Pittman, to approve the amount requested. All in favor, motion carried.

Continuing, Johnson presented the Commission with Change Order No. 1, from Journagan Contractors, the utilities relocation contractor on New Hope Road. The request was for \$202,426.94, which was about ten percent of the contract price, Johnson said. He said that changes in conditions had warranted the change, such as the unforeseen difficulties crossing Dixieland Road. There was a motion by Pittman, second by Wanger, to approve the change order. All in favor, motion carried.

Continuing, Johnson said that the RWU had advertised for architectural services for a new engineering building, and had received five statements of qualifications. Of the five architectural firms, he said that the RWU engineering staff was most impressed by the SOQ from Perry Butcher and Associates. He requested that the staff be allowed to negotiate a contract with PBA for architectural services. There was a motion by Pittman, second by Moore, to allow the staff to negotiate with PBA. Moore and Pittman voted "aye". Wanger abstained. Motion carried.

Johnson concluded by saying that the water system improvements to southeast Rogers were under design, and that bids would be brought back to the Commission in January, in three contract sections.

Moore recognized Earl Rausch, Utilities Design Engineer, who requested that the Commission throw out the bids for the Pleasant Grove Road Sewer project, since there were no participating landowners. There was a motion by Pittman, second by Wanger, to throw out the bids. All in favor, motion carried.

Moore recognized Everett Balk, Project Facilitation Engineer, who gave the Commission a brief update of the activities of his section. When asked if he saw any improvement in the plan review/approval process, Balk said that the engineers were starting to come in for predesign meetings, which he thought was positive. Moore opined that it would take at least a year to optimize the process.

Moore recognized Joyce Johnson, Utilities Controller. Johnson presented the Commission with November financial sheets. She said that the statements reflect the receipt of the \$8 million water revenue bond proceeds. Pittman asked that any conversations with the builders should include Mrs. Johnson, since she had a good grasp of the financial shape of Rogers Water Utilities.

McAlister said that he would be attending a meeting of the Benton County Rural Water Authority No. 4, Monday night, in Springdale. He said that he and the City Attorney were asked to attend, to address a difference of interpretation in the City's contract with BCRWA No. 4.

The meeting adjourned at 5:30 PM.

Respectfully submitted,

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

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