

Rogers Waterworks and Sewer Commission

March 16, 2020

Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, March 16, 2020, in the Rogers Water Utilities Administration Building located at 601 S 2nd St. Present were Commissioners Roger Surly, Travis Greene, Kathy McClure, and Don Kendall (remotely by phone). Mike Watkins was absent. Rogers Water Utilities staff present were Brent Dobler, Jennifer Lattin, Jene' Huffman-Gilreath, Johnny Lunsford, Brian Sartain, Aaron Short, Dana Daniel, Todd Beaver, Jerry Roegner, and Adam Peterson. Others in attendance were B J Hyde, Bill Rumsey, and Joe Jerabech from the Rogers Fire Department, and Robert Frazier of the Frazier Law Firm. Chairman McClure called the meeting to order at 4:00 PM.

Johnny Lunsford recognized Brian Sartain and Taylor Adams for completing their Class I Collection System Certification and Ken Mitchell passed the Class II Collection System Certification. Lunsford also announced that Adam Peterson will now take leadership as the Maintenance Team Leader. The Commission expressed congratulations.

Chairman McClure recognized Brent Dobler to request approval to allow the Rogers Waterworks and Sewer Commissioners to attend meetings via phone remote in this time of public health emergency. Commissioner Travis Greene made a motion for approval, second by Commissioner Roger Surly. Roll call: Unanimous – Yes. Motion carried.

A motion was made by Commissioner Roger Surly, second by Commissioner Travis Greene to approve the minutes of the February 18, 2020 meeting as submitted. Roll call: Unanimous – Yes. Motion carried.

Chairman McClure recognized Jennifer Lattin, Controller to present the February 29, 2020 financial reports. Lattin stated that water consumption for the month of February 2020 is up 6.42% from February 2019. Billed revenue is up 4.48% from February 2019. The Water Department reported a profit of \$59,000 for February 2020. A profit of \$34,000 was reported for February 2019. Comparing February 2020 to February 2019, total revenues increased by \$58,000, primarily due to an additional day of billed revenue and collection of access and impact fees, and expenses increased \$33,000. Fiscal Year to Date profit is less than the prior year, by \$432,000, but ahead of budget. Fiscal Year to Date collection of Access and Impact Fee Revenue for FY 20 are \$571,000 and are ahead of budget by \$205,000, and compares to Year to Date Access and Impact Fee Revenue of \$399,000 in FY 19 and \$528,000 in FY 18.

Sewer consumption for the month of February 2020 is up 7.74% from February 2019. Billed revenue is up 5.76% from February 2019. The Sewer Department reported a profit of \$314,000 for February 2020. A profit of \$250,000 was reported for February 2019. Comparing February 2020 to February 2019, total revenues increased by \$107,000, primarily due to an additional day

of billed revenue and slight increase in billed consumption and collection of access and impact fees, and expenses increased \$43,000; \$18,000 of which is a result of an increase of sludge disposal costs. Fiscal Year to Date profit is more than the prior year, by \$14,000, and is ahead of budget. Fiscal Year to Date collections of Access and Impact Fee Revenue for FY 20 are \$1,158,000 and are ahead of budget by \$324,000, and compares to Year to Date Access and Impact Fee Revenue of \$937,000 in FY 19 and \$1,045,000 in FY 18.

Lost Water is at 13% for the month of February 2020, 15% for the calendar year, and 16% for the last twelve months.

The Total Restricted and Unrestricted Funds Report are \$36.2 million for February 2020, which is an overall decrease of \$1,600,000 from February 2019. Water Funds increased from \$17.2 million to \$17.6 million from February 2019 while Sewer Funds decreased from \$20.6 million to \$18.6 million. \$7.8 million of the \$36.2 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation. Commissioner Don Kendall questioned what was included in the \$1.6 million decrease in the Total Restricted and Unrestricted Funds. Lattin stated that it was largely the Capital Improvements for the Bio Solids Handling Project at the Rogers Pollution Control Facility. There were no further questions.

Chairman McClure recognized Brian Sartain, Utility Engineer for the presentation of the February engineering report. Sartain said that the number of plan reviews have returned to normal activity. New submittals include the Gilbert Building, a shopping center on 8th Street, KD3 Office Building, Hedberg Allergy Clinic expansion, and the 13th Street Bicycle/Pedestrian Improvements. Sartain stated there has not been a slowing effect identified with any projects at this time. The 11th St Pump Station Improvements, Blossom Way Sewer Rehab, and the 11th St Elevated Tank Repaint are going out for bid soon. Sartain said some of the street projects could see a change in schedule, with Arkansas Street most likely being released for bid in April. The draft of the Rogers Downtown Utility Master Plan was received and is currently under review by staff. The RWU Service Boundary Map was approved by the Department of Agriculture and Arkansas Natural Resource Commission (ANARC). Three (3) annexation requests have been received. Two (2) of these requests are included in the newly approved Boundary Map, however, the third request for seventy-two (72) acres is not. RWU will recommend to the City Council that it is not in the best interest to serve this property. Sartain shared some photos at the RPCF of the site work progress and the new plant driveway. In order to better evaluate the basins, the design and construction team has been cleaning the basins for the RPCF Train II Rehab (Design Build). There were no questions.

Chairman McClure recognized Todd Beaver, RPCF Manager to present the February 2020 Reports. Beaver stated that the Discharge Monitoring Reports shows good results with the previous ammonia problem resolved. The FOG Department and Industrial Pre-treatment is going well. There was noted a significant increase in surcharges assessed this month. The lab results of the oil leak showed it was not heating oil, therefore, no known leaks in the dryer. However, we are

still not able to process the material through the machine. After consulting with solids handling experts, we feel the conclusion being a mechanical or a problem with biology. Upon inspection, some problems were found but not to the great extent of the problems at hand. We are wasting through class B export, expecting to get caught up next month. A new Non Potable Water pump is onsite and with weather permitting will be installed soon while the dryer is down. Beaver expressed his ideas and concerns regarding the life expectancy of the sludge dryer. When the sludge dryer was placed in service in 2013, the sludge dryer was estimated to be operational for 20 years. However, due to recent repairs and decreased performance, management estimates the useful life to likely be 14 years. Jennifer Lattin, Controller, was recognized to review the related financial impacts which include increasing depreciation expense, as a result of a shorter useful life, and the potential early call of the 2010 Sewer Revenue Bonds. 291 MG was treated in February with 94 MG additional flow with an average flow of 9.4 MGD. These flows included 2.4" of rain over 9 rain events.

Chairman McClure recognized Johnny Lunsford, Construction and Maintenance Manager for a brief report on field operations. Lunsford stated there was not a lot of activity performed due to wet weather and field operations had a significant amount of field employees training and attending classes preparing for tests for license certification. There were no questions.

Brent Dobler presented Resolution No. 20-04 (with exhibit 1 attached) requesting an amendment to Section 54-211 of the Code of Ordinances of the City of Rogers; specifying the sewer development impact fee for certain residential structures with a Residential Fire Sprinkler System (RFSS). Effective April 15, 2020, when a RFSS is installed in a structure to be used as a private residence or dwelling and a one inch water meter is required solely because of installation of the RFSS, then the sewer development impact fee specified for a 5/8 inch water meter should be charged for each living unit in the structure. Commissioner Roger Surly made a motion to approve Resolution No. 20-04 as submitted, second by Commissioner Travis Greene. Roll call: Unanimous – Yes. Motion carried. Upon Commission approval this proposed amendment will be presented to the Rogers City Council for approval.

Chairman McClure recognized Jene' Huffman-Gilreath, Shared Services Manager requesting approval to issue RFP for Networking and Systems Security. The purpose of this contract is to review our current servers and assure that our computers are networked properly. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve request for RFP for Networking and Systems Security. Roll call: Unanimous – Yes. Motion carried.

Todd Beaver presented Resolution No. 20-05 requesting to purchase a gearbox for the sludge dryer at the RPCF in the amount up to and including twenty-two thousand dollars (\$22,000), plus shipping and applicable taxes; waiving competitive bidding. This gearbox is manufactured by Nord Gear Corporation whereas Fleck Bearing Company is the authorized representative of Nord

Gear in our area. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve Resolution No. 20-05 as submitted. Roll call: Unanimous – Yes. Motion carried.

Beaver continued with requesting approval of Resolution No. 20-06 that is authorizing a contract with Denali Water Solutions, LLC on a temporary basis for hauling sewage sludge from the RCPF; waiving competitive bidding for an amount not to exceed one hundred fifty thousand dollars (\$150,000), plus applicable taxes. A motion was made by Commissioner Roger Surly, second by Commissioner Travis Greene to approve Resolution No. 20-06 as submitted. Roll call: Unanimous – Yes. Motion carried.

Chairman McClure recognized Jennifer Lattin, Controller requesting approval of Resolution No. 20-07 to authorize renewal of a contract for electronic bill payment services with Paymentus Corporation. This agreement began in 2018, with an option to renew for an additional one-year term. Commissioner Roger Surly made a motion, second by Commissioner Travis Green to approve Resolution No. 20-07 as submitted. Roll call: Unanimous – Yes. Motion carried.

Chairman McClure recognized Brian Sartain requesting approval of Resolution No. 20-08 authorizing an agreement regarding the acquisition lands for the future expansion of the Scissortail Lift Station. This will allow the RWWSC and management of RWU to negotiate the terms of an agreement concerning acquisition of land for the expansion of the Scissortail Lift Station with Hwy 112 Partners, LLC and ABS Option Co., LLC. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve Resolution No. 20-08 as submitted. Roll call: Unanimous – Yes. Motion carried.

Sartain continued with presentation for approval of a Cost Sharing Agreement with Beaver Water District for a surge analysis engineering study for a total amount of \$53,051.05. This approval represents a 50% cost share of an engineering agreement between Olsson and Beaver Water District. A motion was made by Commissioner Roger Surly, second by Commissioner Travis Greene to approve the 50% cost share of the contract between Olsson and BWD in the amount of \$26,525.53 for the BWD/RWU transmission system surge analysis. Roll call: Unanimous – Yes. Motion carried.

With no further business, Chairman McClure adjourned the meeting at 5:11 PM. Respectfully

Submitted,



Brent Dobler, Acting Secretary/djw

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