

Rogers Waterworks and Sewer Commission

July 27, 2020

Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, July 27th, 2020 remotely from the Rogers Water Utilities Administration Building located at 601 S 2nd St. due to the Covid-19 Pandemic. Commissioners present with roll call were Roger Surly, Travis Greene, Kathy McClure, Don Kendall, and Mike Watkins. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Brian Sartain, Todd Beaver, Jennifer Lattin, Jene' Huffman-Gilreath, Dana Daniel, Vera Hall, Matt Savell, Jerry Roegner, Debbie Putman, and Aaron Short. Others in attendance were Kristina Kilgore-Mullen, a Roger's resident at 6704 Valley View Court, Jerry Carmichael from the City of Rogers City Council, Lori Ericson from the City of Rogers Planning and Robert Frazier of the Frazier Law Firm. Chairman McClure called the meeting to order at 4:00 PM.

A motion was made by Commissioner Roger Surly, second by Commissioner Don Kendall to approve the minutes of the June 15, 2020 and July 1st, 2020 meetings as submitted. All in favor, motion carried.

Chairman McClure recognized Jennifer Lattin, Controller to present the June 30, 2020 financial reports. Lattin stated that water consumption for the month of June 2020 is up .20% from June 2019 and includes one additional billing day compared to June 2019. Billed revenue is up 12.59% from June 2019 and includes the water rate increase of 12.5% that is effective as of 4/1/20. Commercial consumption decreased by 18%, and residential irrigation consumption increased by 34%. The Water Department reported a profit of \$229,000 for June 2020, prior to the APERS pension adjustment of \$140,000. A loss of \$70,000 was reported for June 2019. FY 20 profit finished ahead of budget by \$434,000 before the APERS adjustment, but is less than the prior year profit by \$63,000. Favorable actual profit compared to budget is primarily the result of the rate increase on 4/1/20, increased access and impact fees, and less water purchased. Fiscal Year to Date collections of access and impact fee revenue for FY 20 are \$889,000 and ahead of budget by \$338,000, and compares to Year to Date Access and Impact Fee Revenue of \$572,000 in FY 19 and \$745,000 in FY 18.

Sewer consumption for the month of June 2020 is down 3.80% from June 2019 and includes one additional billing day compared to June 2019. Billed revenue is up 9.95% from June 2019 and includes the sewer rate increase of 12% that is effective as of 4/1/20. Commercial consumption decreased 24%. The Sewer Department reported a profit of \$516,000 for June 2020, before the APERS pension adjustment of \$249,000. A profit of \$307,000 was reported for June 2019. FY 20 profit finished ahead of budget by \$1.2 million before the APERS adjustments, and is \$279,000 ahead of the prior year by \$70,000. Favorable actual profit compared to budget is primarily the result of the rate increase on 4/1/20, and higher than anticipated residential and industrial billing, and access and impact fees. Fiscal Year to Date collections of access and impact fee revenue for FY 20 are \$1,786,000 and are ahead of budget by \$536,000, and compares to Year to Date Access and Impact Fee Revenue of \$1,273,000 in FY 19 and \$1,460,000 in FY 18.

Lost Water is at 35% for the month of June 2020, 24% for the calendar year, and 17% for the last twelve (12) months.

The Total Restricted and Unrestricted Funds are \$36.8 million for June 2020, which is an overall decrease of \$1.5 million from May 2020. Essentially, no change occurred in the Water Funds, while Sewer Funds decreased by \$1.5 million. \$6.1 million of the \$36.8 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation.

As a requirement of governmental accounting standards (GASB 68), RWU reports their proportionate share of the Arkansas Public Employees Retirement System (APERS) pension plan. Additionally, RWU records an annual APERS expense or revenue on the income statement, as appropriate. For FY 20, the APERS pension adjustments result in a reduction of excess revenues over expenditures of \$140,000 in the Water Department and \$249,000 in the Sewer Department. This reflects a marginal decrease in Rogers Water Utilities' proportionate share of the net pension liability, a discount rate of 7.15% (determined by APERS), and changes in investments related to the APERS net pension liability.

Total annual consumption decreased 4.11 % in the Water Department, due to high precipitation during the summer in 2019, and increased 1.51% in the Sewer Department. Customer count during FY 19 increased 1.78% in the Water Department and 1.93% in the Sewer Department.

RWU resumed service disconnections on 7/7/20. RWU continues to work with customers to make payment plans in order to prevent disconnection. As long as customers are meeting the agreed upon payment arrangements, accounts are not and will not be disconnected. The RWU lobby remains closed with all business being conducted over the phone, via email, online, and in the drive-through.

Chairman McClure recognized Brian Sartain, Utility Engineer for the presentation of the June engineering report. Sartain stated that June civil plan review was a busy month with seven (7) new submittals including Willow Creek Apartments, Lakewood Subdivision Ph 7, Greens on Blossomway Ph 2, 28th Street Townhomes, Valley West Multifamily, Dolle Redevelopment, and the Rainbow Rd Sewer Extension. Sartain stated that the projects are evenly distributed around town with additional development along the I-49 Corridor. Chairman McClure questioned if some of the projects with additional reviews were being assessed review fees. Sartain noted that some of the projects that generate comments during construction or after we conditionally approve the plans, these are usually minor items and not assessed fees. There are four (4) Construction Projects currently and three (3) bids will be presented today. The RPCF Train 2 Rehab construction phase has been delayed due to design team coordination with the formulation of the Wastewater Master Plan so those design exercises can be performed in sync. The five (5) Bond Projects are continuing with a delay of Arkansas St Gateway-Oak St to Locust St awaiting completion of the utility relocation plans from Swepco and Black Hills Energy. There were no questions.

Chairman McClure recognized Todd Beaver, RPCF Manager to present the June RPCF Reports. Beaver said the Discharge Monitoring Report had good results with no violations reported. The Industrial Pretreatment made an inspection at WestRock with no violations reported. However, after sampling from WestRock's flume ink/dye was discovered in the influent at the wastewater treatment plant. WestRock was required to determine the source of the spill and implement future prevention measures. There were 14 FOG inspections performed this month, continuing to follow the COVID-19 guidelines, and still communicating through email to eliminate contact. Beaver announced that David Staib has been promoted to RPCF Assistant Plant Manager. The interviewing process has started to fill a maintenance tech vacancy. 243.4 MG was treated in June with approximately 15.4 MG additional flow with an average flow of 7.9 MGD. These flows included 1.3" of rain over 3 events. There were no questions.

Chairman McClure recognized Johnny Lunsford, Construction and Maintenance Manager for the June Operations report. Lunsford noted the problems with the sewer stoppages (flushing disposable wipes) has decreased. The crews are still separated working in various locations continuing to follow the COVID-19 guidelines. They will start organizing and prepare the plans for the winter work stations as some equipment must be stored inside the towers to avoid freezing temps. There were no questions.

Chairman McClure recognized Brent Dobler, Utility Superintendent to respectfully request for RWWSC to table the Mancina Properties discussion. Dobler said we are awaiting a geotech consultants report in order to provide accurate information. Mr. David Mancina and Attorney Joseph McGehee have been notified of this and is expected to be available at the next meeting.

Brent Dobler recognized Kristina Kilgore-Mullen to discuss a residential water leak at her home located at 6704 Valley View Court. She was notified by RWU staff of higher than normal usage (approximately 288,700 gallons) and found a large leak under the driveway. The total billed amount is \$1096.28 less a water/sewer credit adjustment given of \$174.54, leaving a balance due of \$921.74. After questions and discussion, Commissioner Roger Surly recommended that RWU assist the customer with a payment plan to pay the adjusted balance of \$921.74 that is due. The RWWSC expressed appreciation to Mrs. Kilgore-Mullen. There were no further questions.

Chairman McClure recognized Jene' Huffman-Gilreath, Shared Services Manager to request acceptance of Timmons Solutions as the CityWorks Implementation partner and approval to enter into negotiations with Timmons Solutions. Commissioner Roger Surly made a motion, second by Commissioner Don Kendall to approve the request of Timmons Solutions as submitted. The request will forward to the Rogers City Council for approval. All in favor, motion carried.

Brian Sartain presented an engineering proposal from Garver Engineering for the Water Master Plan Update. The last update was completed in 2015. This contract term is for two hundred seventy five (275) days at an hourly rate not to exceed \$140,000. Staff recommends approval of the engineering contract as submitted. Commissioner Mike Watkins made a motion, second by Commissioner Roger Surly to accept approval of the contract for the Water Master Plan Update with Garver Engineering as submitted. All in favor, motion carried.

Sartain continued requesting approval of the engineering contract for the RPCF Solids Handling Ph II with Hawkins-Weir Engineers, Inc. This contract is for an hourly rate not to exceed \$317,000. Staff recommends approval of the scope and fees

of the engineering contract and allowing RWU Management to negotiate the final form and content of the agreement. A motion was made by Commissioner Don Kendall, and second by Commissioner Mike Watkins to approve the contract with Hawkins-Weir Engineers, Inc. as submitted. All in favor, motion carried.

Chairman McClure recognized Aaron Short, Design Engineer to present the bid results for Repainting of the Tower Park Elevated Storage Tank. Short noted that several bids had been received, however, one bidder did not have an active Arkansas Contractor's license, and others did not meet the bidding requirements. Staff recommends all bids be rejected at this time. Commissioner Don Kendall made a motion, second by Commissioner Roger Surly to reject all bids for the Repainting of Tower Park Elevated Storage Tank. All in favor, motion carried.

Short continued with the bid results for the 9th-10th, & Persimmon St Waterline Replacement. The lowest bid received was Crossland Heavy for \$778,727 including an \$80,000 owner's contingency. Staff recommends approval of Crossland Heavy for the 9th-10th, & Persimmon St Waterline Replacement in the amount of \$778,727 as submitted. A motion was made by Commissioner Mike Watkins, second by Commissioner Roger Surly. All in favor, motion carried.

Brian Sartain presented the bid results of the RPCF Asphalt Rehabilitation. Two (2) bids were received with the lowest bid from CMC Sealcoating in the amount of \$33,403.07. Staff recommends approval of the CMC Sealcoating bid in the amount of \$33,403.07. Commissioner Roger Surly made a motion, second by Commissioner Don Kendall to accept the bid for the RPCF Asphalt Rehabilitation from CMC Sealcoating in the amount of \$33,403.07 as submitted. All in favor, motion carried.

Sartain continued with a change order request by Nabholz Construction for the Mobility Hub Project on S 1st St. in the amount of \$339,483.36. This change order will extend improvements along Cherry St (from 1st - 3rd St) and along 2nd St. (from Cherry to Poplar St) and includes the replacement of water mains. Staff recommends acceptance of the proposed change order by Nabholz Construction for the Mobility Hub Project, authorizing the reimbursement of funds to the City of Rogers in the amount of \$339,483.36 for the associated waterline replacement. This includes an owner's allowance of \$30,000 for unforeseen expenses. A motion was made by Commissioner Don Kendall, second by Commissioner Mike Watkins to approve the change order by Nabholz Construction as submitted. All in favor, motion carried.

Sartain requested approval to purchase a new 2020 Ram 1500 Classic (DS6L41) Tradesman 4x4 Quad Cab from Superior Auto Group in the amount of \$22,752.00. This is a budgeted item replacing #306 (2004) used as a survey truck. Commissioner Roger Surly made a motion, second by Commissioner Don Kendall to approve \$22,752.00 for the purchase of a new 2020 Ram 4x4 Quad Cab as submitted. All in favor, motion carried.

Chairman McClure recognized Todd Beaver to request approval to purchase a new 2020 Ram 3500 Chassis Cab (DD3L63) Tradesman 2WD Reg Cab from Superior Auto Group in the amount of \$55,975.00. This is under the budgeted cost replacing #920 (2006) used as a maintenance service vehicle. A motion was made by Commissioner Don Kendall, and second by Commissioner Roger Surly to approve \$55,975.00 for the purchase of a new 2020 Ram 3500 Chassis Cab as submitted. All in favor, motion carried.

Chairman McClure recognized Johnny Lunsford to request approval to purchase a new 2020 Ram 1500 Classic (DS6L41) Tradesman 4x4 Quad Cab from Superior Auto Group in the amount of \$22,752.00. This is under the budgeted cost replacing #145 (2012) that is having maintenance issues. Commissioner Don Kendall made a motion, second by Commissioner Mike Watkins to approve \$22,752.00 for the purchase of a new 2020 Ram 4x4 Quad Cab as submitted. All in favor, motion carried.

Lunsford continued requesting to table the approval of Granite.net Software Upgrade. More time is needed to clarify the previous quote and expect to have it ready for the next meeting.

Lunsford continued requesting approval of Resolution No. 20-18 authorizing the purchase of SebaKMT leak detection equipment in the amount of \$28,840.00 plus shipping and applicable taxes. This budgeted equipment is compatible with RWU's existing equipment and will enhance RWU's ability to detect leaks. A motion was made by Commissioner Mike Watkins, and second by Commissioner Roger Surly to approve Resolution No. 20-18 in the amount of \$28,840.00 as submitted. All in favor, motion carried.

Chairman McClure recognized Jennifer Lattin requesting permission to advertise for Bond Redemption Counsel. The 2010 Sewer Bonds will be callable in December. Commissioner Roger Surly asked if these funds are available in our reserves. Lattin replied yes. There were no further questions. A motion was made by Commissioner Roger Surly, and second by Commissioner Don Kendall giving approval to advertise for Bond Redemption Counsel. All in favor, motion carried.

With no further business, Chairman McClure adjourned the meeting at 5:09 PM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Brent Dobler', with a stylized, sweeping flourish at the end.

Brent Dobler, Acting Secretary/djw

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