

# **Rogers Waterworks and Sewer Commission**

**May 17, 2021**

## **Minutes**

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, May 17, 2021 remotely from the Rogers Water Utilities Administration Building located at 601 S 2<sup>nd</sup> St. due to the COVID-19 Pandemic. Commissioners present were Travis Greene, Kathy McClure, Roger Surly, Mike Watkins, and Don Kendall. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Jene' Huffman-Gilreath, Jennifer Lattin, Brian Sartain, Stephen Ponder, Aaron Short, Todd Beaver, Mark Landis, Matt Savell, Dana Daniel, Jerry Roegner, Mario Morales, and Vera Hall. Others in attendance were Brent Massey of CEI Engineering, and Robert Frazier of the Frazier Law Firm. Chairman Watkins called the meeting to order at 4:00 PM.

Jene' Huffman-Gilreath, Shared Services Manager recognized Johnny Lunsford, Construction and Maintenance Manager for completing his Undergrad degree while maintaining his full time status with Rogers Water. Huffman-Gilreath thanked RWWSC for providing the funds for the Rogers Water Utilities Educational Assistance Program that allows our employees to further their education. The Commission congratulated Johnny Lunsford on his achievements.

A motion was made by Commissioner Roger Surly, second by Commissioner Kathy McClure to approve the minutes of the April 19, 2021 meeting as submitted. All in favor, motion carried.

Chairman Watkins recognized Matt Savell, Senior Accountant to present the April 2021 Financial Reports. Savell stated that water consumption for the month of April 2021 is up 13.38% from April 2020 and includes one more billing day compared to April 2020. Billed revenue is up 10.23% from April 2020. The Water Department reported a loss of \$12,000 for April 2021 with a profit of \$87,000 reported for April 2020. The difference is due to an overall increase in revenues (\$73,000) with a large increase in expenses (\$172,000). A large part of the increase in expenses was due to sending approximately 58.8 million gallons of water to Bentonville which is yet to be billed. We also had three pay periods in the month of April this year which increased expenses in all departments. Year to date profit is more than the prior year and ahead of budget. Fiscal Year to Date collections of access and impact fee revenue for FY 21 are \$1,018,000 and are ahead of budget by \$518,000, and compares to Year to Date access and impact fee revenue of \$719,000 in FY 20 and \$488,000 in FY 19.

Sewer consumption for the month of April 2021 is up 10.22% from April 2020 and includes one more billing day compared to April 2020. Billed revenue is up 7.71% from April 2020. The Sewer Department reported a profit of \$256,000 for April 2021 with a profit of \$288,000 reported for April 2020. The difference is due to a minimal increase in revenues (\$18,000) with an increase in expenses (\$50,000). Year to date profit is more than the prior year and ahead of budget. Fiscal Year to Date collections of access and impact fee revenue for FY 21 are \$2,095,000 and are ahead of budget \$1,112,000, and compares to Year to Date access and impact fee revenue of \$1,492,000 in FY 20 and \$1,126,000 in FY 19.

Lost Water is at 14% for the month of April 2021, 16% for the calendar year, and 15% for the last twelve months.

The Total Restricted and Unrestricted Funds are \$41.1 million for April 2021, which is an overall increase of \$4,962,000 from April 2020. Water Funds increased by approximately \$2,644,000 and Sewer Funds increased by \$2,317,000. \$5.5 million of the \$41.1 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation.

The RWU lobby remains closed with all business being conducted over the phone, via email, online, and in the drive-through.

Chairman Watkins recognized Brian Sartain Utility Engineer, for the April Engineering Report. Sartain stated that most of the engineering staff previously working from home have now returned to the office. The April Plan Review received nine (9) new submittals including three (3) new residential subdivisions being Evening Star, Estates, and Hudson Place Ph I. Other new projects include Creekside Medical Development, with Uptown Square Offsite Sewer, Rogers Heritage High Parking Lot Expansion and others. Arkansas Street remains under construction and no bid dates set for other upcoming projects. On Utility Projects, staff will be evaluating options to repair water/sewer mains that have exposure resulting from heavy flooding in April. Costs are up across the board being that some projects are still experiencing issues caused by supply chain shortages, materials, and labor availability. Ductile Iron and PVC pipe in some cases is experiencing a lead time of 10-12 weeks. The Persimmon St project is continuing steadily but is currently behind schedule. Staff will be presenting the recommendation selection for the Construction Manager/General Contractor for the RWU Field Ops & Admin Facility, and staff is currently working to narrow the concept plan with Hight-Jackson Architects. RJN is expected to submit preliminary plans this week for the Pinnacle Sewer Improvement and staff will coordinate a schedule with the golf course on that project. RWU is preparing bid documents (expecting to advertise in May) for the 18" water main crossing at I-49/Ajax Rd but is experiencing a delay with securing an easement. The Preconstruction Meeting for the 2021 Waterline Replacements & Relocations Project was held on May 14<sup>th</sup>, but still at least six (6) weeks out from construction due to material availability.

The engineering firm Freese & Nichols has submitted the draft for the Capital Improvement Plan as part of the Wastewater Master Plan, and staff has provided comments. On the Water Master Plan Update, Garver is working on system buildout modeling and Capital Improvement Plan. When Rogers supplied Bentonville with water during their emergency repair, the opportunity was utilized to record pressures throughout the system to calibrate the model for high flow scenarios in the transmission mains. The smoke testing scheduled for May with Trekk Design Group has been delayed due to wet conditions and ground saturation. The Train II Design-Build is still under construction, with Crossland Heavy Contractors currently working on concrete/joint repairs. On the Solids Handling Phase II we are working with Hawkins-Weir and Black and Veatch following up with manufacturers and evaluating site layout options to determine impact of required space for equipment, conveyance, and phasing considerations. Staff expects to get a conceptual engineering report in early June to help evaluate these options. There were no questions.

Chairman Watkins recognized Todd Beaver, RPCF Manager to present the April RPCF Reports. Beaver said the Discharge Monitoring Report has good results. The Industrial Pre-Treatment Program noted the surcharges issued during the month bringing the total now to \$61,067.25. The self-monitoring data submitted by the permitted industries is being reviewed-sampling that occurred during the previous month. There have been no permit violations since January 2021. The FOG Inspection Report indicates things are going well with no significant issues at this time. The Train II Rehab is still underway with

minimal impact with our operations. The maintenance technician search continues. There was an overflow reported to due to heavy rains last month. The headworks equipment was delivered and currently being installed. 336.6 MG was treated in April with an average flow of 11.2 MGD. These flows included 4.75" of rain over 12 events. There were no questions.

Chairman Watkins recognized Johnny Lunsford, Construction and Maintenance Manager to present the April Operations Report. Lunsford stated that the past heavy rainfall created the highest number of overflows reported he had ever seen. He recognized the RWU SCADA Dept for their hard work during the heavy rain events. Lunsford said because of experiencing short staffing, the field department (previously in separate pods) has been reunited together to better schedule the workload and are working some overtime on Saturday's as weather permits to catch up. He also is continuing the interview process to fill the vacant field positions. Commissioner Roger Surly questioned why employees are vacating RWU. Lunsford stated moving out of state, retirement, and etc. for vacancy. Commissioner Roger Surly expressed appreciation to those current employees for their hard efforts. There were no further questions.

Chairman Watkins recognized Jennifer Lattin, Controller for presentation of the proposed FY 2022 Budget. Lattin presented the proposed Fiscal Year Budget for the Water Department discussing the cash flow, revenue, expenditure, capital projects, salary, and how it effects the Water Department Reserves. Total Water capital requests of \$13,990,000 is higher than the previous year. However, some of the capital items listed include carryover projects that were not spent in the prior Fiscal Year. Other significant capital projects include recoating and repair of the 11<sup>th</sup> St elevated tower and Walnut and S Arkansas St extensions. The revenue budget includes the upcoming rate increase, effective 07/01/21 as well as a reduction in interest income as a reflection of current interest rates and planned use of fund reserves. The salary budget includes two (2) additional full-time staff and one (1) summer intern. The Capital and Expenditure budgets include costs of new software implementations scheduled to occur in FY 22. If all revenue and spending occur as budgeted, she indicated reserves on June 30, 2022 are expected to be \$12.5 million and slightly above minimum reserves. RWU staff will closely monitor actual revenues and spending to ensure compliance in maintaining minimum reserves.

Lattin continued by presenting the proposed Fiscal Year Budget for the Sewer Department and discussed the cash flow, revenue, expenditure, capital, and salary budgets, and reported the total effect of the proposed budget on Sewer Department reserves. Total Sewer capital requests of \$17,660,000 is higher than the previous year. The FY 22 Sewer capital budget includes Train II Rehabilitation at the RPCF, early stages of Phase II of the Solids Handling Project, and some are projects that are carryover and not spent in the prior fiscal year. Other significant capital projects include Champions Sewer Capacity Upgrades and Walnut and S Arkansas St extensions. The revenue budget includes the upcoming rate increase, effective 07/01/21, as well as a reduction in interest income as a reflection of current interest rates and planned use of fund reserves. The salary budget includes three (3) additional staff and one (1) summer intern. The Capital and Expenditure budgets include costs of new software implementations scheduled to occur in FY 22. If all revenue and spending occur as budgeted, she indicated reserves on June 30, 2022 are expected to be at \$12 million and slightly above minimum reserves. RWU staff will closely monitor actual revenues and spending to ensure compliance in maintaining minimum reserves.

A motion was made by Commissioner Roger Surly, second by Commissioner Kathy McClure to approve the proposed FY 22 Budget as submitted. All in favor, motion carried.

Brian Sartain recognized Brent Massey of CEI Engineering to present the CEI Downtown Report. Massey presented projected population growth of the downtown regional center as defined in the comprehensive growth map and using a projected growth rate of 2%, and described densification zones within the downtown region as the need for increased water and sewer capacities to serve this growth area. Water system upgrades to address age, capacity, and fire protection consist of 24 proposed projects totaling \$53 million. Sewer System upgrades to address age, capacity, and mitigation of leakage will consist of 35 projects totaling \$40 million. Water and Sewer projects have been prioritized in the report, and some are currently under construction. Commissioner Surly asked if developers could potentially bear some of the costs of reconstruction. Massey responded that the City and RWU should have further discussions about participation and incentives for development. Sartain added that staff would be seeking opportunities to work in conjunction with street projects and redevelopment projects to maximize the value of the utility work. Dobler added that RWU would continue to participate with developers for any upgrades and improvements. There were no further questions.

Brian Sartain presented the Selection of the Construction Manager/General Contractor for the RWU Field Ops and Admin Project. There were nine (9) statements of qualification received for the scoring process. The Selection Committee recommends the selection of Flintco, LLC for award of the Construction Manager/General Contractor contract for the RWU Field Operations & Administration Facility. Staff will negotiate a contract with Flintco and return to the Commission for approval. Commissioner Roger Surly made a motion, second by Commissioner Kathy McClure to approve Flintco, LLC as the CM/GC for the RWU Field Ops and Admin Project as submitted. All in favor, motion carried.

Brian Sartain requested Agenda item 10) Amendment #3 to the Engineering Contract with CEI for Arkansas Street be tabled at this time and plans to present at the June meeting.

Sartain continued with presentation of the design contract with Crafton Tull & Associates (exhibit A-1 attached) for S 2<sup>nd</sup> St. Waterline Improvements (Pine St to Oak St). This contract proposes to upgrade the 2" cast iron water mainline to an 8" line from Oak St (Monte Ne Project) to 2<sup>nd</sup> St. Staff recommends approval of the professional services contract with Crafton Tull & Associates, Inc. for hourly services and reimbursable expenses in the amount of \$35,500, allowing staff to negotiate the final form and content of the agreement. This consultant has been selected based on their response to the annual request for qualifications. An amended motion was made by Commissioner Kathy McClure, second by Commissioner Roger Surly to approve as submitted. All in favor, motion carried.

Sartain presented the bid results for Garrett Rd/Mt Hebron Park. Staff recommends the approval of the bid from Emery Sapp & Sons, and approval to reimburse the City of Rogers for water and sewer construction expenses in the amount of \$249,199.74. Commissioner Don Kendall made a motion, second by Commissioner Roger Surly to approve the bid from Emery Sapp & Sons as submitted. All in favor, motion carried.

Chairman Watkins addressed the Commission for any opposition to the June RWWSC Meeting being held in person at the Rogers Utilities Administration Office located at 601 S 2<sup>nd</sup> St. There was no opposition declared. After discussion, masks can be worn at your own discretion.

**With no further business, Chairman Watkins adjourned the meeting at 5:21 PM.**

**Respectfully submitted,**

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

**Brent Dobler, Acting Secretary/djw**

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