

Rogers Waterworks and Sewer Commission

August 16, 2021

Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, August 16, 2021 remotely from the Rogers Water Administration Building located at 601 S 2nd St due to the Covid-19 Pandemic. Commissioners present were Mike Watkins, Travis Greene, Roger Surly, Kathy McClure, and Don Kendall. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Brian Sartain, Stephen Ponder, Aaron Short, Todd Beaver, Jennifer Lattin, Jene' Huffman-Gilreath, Dana Daniel, Terry Edwards, Mario Morales, Vera Hall, Debbie Putman, Jerry Roegner, Matt Savell, and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm. Chairman Watkins called the meeting to order at 4:00 PM.

A motion was made by Commissioner Kathy McClure, second by Commissioner Don Kendall to approve the minutes of the July 26, 2021 meeting as submitted. All in favor, motion carried.

Chairman Watkins recognized Jennifer Lattin, Controller to present the June 2021 Year End Financial Reports. Lattin stated that water consumption for the month of June is up .05% from June 2020 and includes one less billing day compared to June 2020. Billed revenue is down .42% from June 2020. The Water Department reported a profit of \$153,000 for June 2021, prior to the APERS pension adjustment of \$181,000 with a profit of \$229,000 reported for June 2020. FY 21 profit finished ahead of budget by \$1,333,000 before the APERS adjustment and more than the prior year profit by \$1,449,000. Favorable actual profit compared to budget is primarily the result of increased consumption and increased access and impact fee collection. Fiscal Year to Date collections of access and impact fee revenue for FY 21 are \$1,121,000 and ahead of budget by \$521,000, and compares to year to date access and impact fee revenue of \$889,000 in FY 20 and \$572,000 in FY 19.

Sewer consumption for the month of June 2021 is up 6.62% from June 2020 and includes one less billing day compared to June 2020. Billed revenue is up 4.68% from June 2020. The Sewer Department reported a profit of \$571,000 for June 2021, before the APERS pension adjustment of \$289,000. A profit of \$516,000 was reported for June 2020. FY 21 profit finished ahead of budget by \$2.3 million before the APERS adjustments and is ahead of the prior year by \$1,624,000. Favorable actual profit compared to budget is primarily the result of the increased consumption and increased access and impact fee collection. Fiscal Year to Date collections of access and impact fee revenue for FY 21 are \$2,340,000 and are ahead of budget by \$1,160,000, and compares to year to date access and fee revenue of \$1,786,000 in FY 20 and \$1,273,000 in FY 19.

Lost Water is at 24% for the month of June 2021, 17% for the calendar year, and 16% for the last twelve (12) months.

The Total Restricted and Unrestricted Funds are \$40.7 million for June 2021, which is an overall increase of \$3.9 million from June 2020. Water Funds increased by \$2.1 million, and Sewer Funds increased by \$1.9 million. \$6.2 million of the \$40.7 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. You will see on the Water Department Balance Sheet and the Sewer Department Balance Sheet the items for Deferred Outflows/Pension Assets and Deferred Inflows/Pension Liabilities. These results are from APERS pension plan reporting effective June 30, 2020.

For FY 21, the APERS pension adjustments result in a reduction of excess revenues over expenditures of \$181,000 in the Water Department and \$290,000 in the Sewer Department. This reflects a marginal increase in Rogers Water Utilities' proportionate share of the net pension liability a discount rate of 7.15% (determined by APERS) and reflects changes in investments related to the APERS net pension liability.

Total FY 21 consumption increased 10.71% in the Water Department and increased 3.91% in the Sewer Department. Customer count during FY 21 increased 2.13% in the Water Department and 227% in the Sewer Department.

Lattin continued with presentation of the July 2021 Financial Report stating that the water consumption is down 5.37% from July 2020. Billed revenue is up 6.25%, including an additional billing day compared to July 2020. The Water Department reported a profit of \$455,000 for July 2021 with a profit of \$541,000 reported for July 2020. The difference is due to an overall decrease in revenues (\$36,000) with an increase in expenses (\$50,000). Year to date profit is less than the prior year and ahead of budget. Fiscal Year to Date collections of access and impact fee revenue for FY 22 are \$115,000 and are ahead of budget by \$61,000, and compares to year to date access and impact fee revenue of \$221,000 in FY 21 and \$115,000 in FY 20.

Sewer consumption for the month of July 2021 is up 4.76% from July 2020 and includes an additional billing day compared to July 2020. Billed revenue is up 16.47% from July 2020. The Sewer Department reported a profit of \$696,000 for July 2021 with a profit of \$711,000 reported for July 2020. The difference is due to an overall increase in revenues (\$38,000) with an increase in expenses (\$53,000). Year to date profit is less than the prior year and ahead of budget. Fiscal Year to Date collections of access and impact fee revenue for FY 22 are \$240,000 and are ahead of budget by \$112,000, and compares to Year to Date access and impact fee revenue of \$437,000 in FY 21 and \$257,000 in FY 20.

Lost Water is at 13% for the month of July 2021, 17% for the calendar year, and 15% for the last twelve (12) months.

The Total Restricted and Unrestricted Funds are \$42.1 million for July 2021, which is an overall increase of \$3.3 million from July 2020. Water Funds increased by approximately \$2 million and Sewer Funds increased \$1.3 million. \$7 million of the \$42.1 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation.

Chairman Watkins recognized Brian Sartain, Utility Engineer for the July Engineering Report. Sartain stated that the trend as last month continuing with fewer projects being submitted now fifteen (15) plumbing plan reviews down from twenty-four (24) last month. July new site submittals include Olive St Townhomes, Target Drive up expansion, and Pinnacle Hills Active Living Roadway indicating fewer large scale submittals received. One Engineering employee tested positive with Covid, doing well now and back to work. Arkansas St utilities are progressing to the next phase from Walnut to Poplar Street.

The first phase of construction of the 2021 Waterline Replacements has commenced along W Pine St from 5th to 8th Street. Staff has provided additional comments to the conceptual engineering report, and requested additional detail on layout/conveyance options on the Solids Handling/Dryer Replacement Project to develop more accurate cost estimates. A meeting is scheduled for Wednesday with the Engineering Team.

We have received the draft reports for capital improvements from both the Water and Wastewater Master Plans. Referring to maps, Sartain provided a brief summary of recommendations, noting that the work does not include proposed projects at the wastewater plant, and that those would be presented to the Commission in a future meeting. The draft water master plan included short term projects that were either already in the design or construction phase. Most of the larger, more costly projects (specifically elevated storage tanks and transmission main infrastructure) would be in the longer term, buildout scenario. The future transmission main from the proposed Beaver Water District pump station presents several possible options, including opportunities to partner with Bentonville. For wastewater projects, the Short-Term CIP (0-10 years) estimated \$26,635,800 and the Long-Term CIP (11-20 years) estimated a project cost of \$29,503,100. Sartain reviewed a map of highlights for the proposed CIP. The smoke testing performed by Trekk Design was completed on July 6th, indicating areas of filtration and inflow data on private service lines that CCTV does not detect. Commissioner Surly asked how RWU will address those issues. Sartain stated that staff will discuss options for repair of private services and recommend an appropriate action. Field Operations conducted a CCTV inspection of the Blossom Way Sewer and found that the condition of the pipe has worsened, showing active infiltration. Approximately two years ago RJN produced a report that indicated the need to replace this sewer line. After inspection it has been determined that this 30 inch fiberglass pipe project needs to take place in this fiscal year. Commissioner Don Kendall asked about the location. Sartain replied on the north side of Rife Medical Lane. Brent Dobler added that since this is a parallel main line, customers will not be impacted by construction on this line. There were no further questions.

Chairman Watkins recognized Dana Daniel, HR Director to present a brief report. He stated RWU currently has seventy-seven (77) employees at this time with one (1) current vacancy. Daniel reported the Utility has experienced challenges trying to fill employment openings during the Covid 19 Pandemic. RWU has an approximate 68% rate of our workforce that have been employed with the company two (2) years or longer. He stated that a large number of vacancies have been filled with employee referrals. He praised the RWU supervisors for providing good communication and leadership during this difficult time. Commissioner Roger Surly asked if RWU currently participated in a referral bonus. Daniel replied no. There were no further questions.

Chairman Watkins recognized Todd Beaver, RPCF Manager to present the July RPCF Reports. Beaver said the Discharge Monitoring Report has good results with no violations. The Industrial Pretreatment Program did report surcharges totaling \$6,803.49 issued in July. Each month the self-monitoring data submitted is reviewed by the permitted industries-sampling that occurred during the previous month. A notice of violation was issued to Pel-Freez for failing to self-monitor during the 2nd quarter. Cross training continues to work well with the Industrial Pre-Treatment and the FOG Departments. New wheels have been installed on the traveling bridge filter and is operating well. Train II Rehab is still underway with minimal impact to operations. Obtaining quotes are being conducted for the dryer maintenance. Beaver did indicate that there is an approximate nine week delivery delay for polymer.

He is currently researching other avenues for this needed material. 298.8 MG was treated in July with an average flow of 8.5 MG. These flows included 4.62" of rain over 5 events. There were no questions.

Chairman Watkins recognized Johnny Lunsford, Operations Manager to present the July Operations Report. Lunsford shared a graph depicting information regarding the increased number of new construction sets starting in 2020 to date. This past month Field has repaired sixteen (16) leaks (five were contractor hits) and the remaining leaks were identified using leak detection. A record of sixty-eight (68) miscellaneous repairs were completed as well. Lunsford stated there were nineteen (19) homes that were issued a boil order on August 11, 2021 that was caused from a leak (plumber hit line). The boil order was lifted by the Arkansas Dept of Health on August 13, 2021. There were no questions.

Lunsford continued with requesting approval to purchase a 2021 Ram 5500 service truck. This vehicle is a budgeted item to replace #142. The cost has increased approximately \$1,500 from the original quoted price. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve purchase of a 2021 Ram 5500 Chassis Cab 4x4 for a total amount of \$64,265.93 from Superior Auto Group as submitted. All in favor, motion carried.

Lunsford also requested approval to purchase a Caterpillar 420 Backhoe for replacement. RiggsCat is honoring the original state bid price of \$88,500 and is a budgeted item. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to approve purchase of a Caterpillar 420 Backhoe in the amount of \$88,500 as submitted. All in favor, motion carried.

A request of approval to purchase a Caterpillar 306 Mini Excavator was presented by Lunsford in the amount of \$77,998.75. The current equipment that is being replaced will can be used at the RPCF. This is a budgeted item. Commissioner Travis Greene inquired about the sale of the used items. Lunsford stated that using Gov.deals to sell those items has proven very successful. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve \$77,998.75 to purchase the Caterpillar 306 Mini Excavator from RiggsCat as submitted. All in favor, motion carried.

Chairman Watkins recognized Todd Beaver, RPCF Manager to request approval to purchase a Kubota Tractor M5-111HDC-1 for RPCF. This item is actually less than was budgeted. Beaver also stated that the RPCF has used Gov.deals getting success. Commissioner Kathy McClure made a motion, second by Commissioner Don Kendall to approve the purchase of a new Kubota Tractor for RPCF in the amount of \$66,220.53 as submitted. All in favor, motion carried.

Chairman Watkins recognized Jene' Huffman-Gilreath, Shared Services Manager to request approval to solicit bids for printing and mailing services. She is requesting approval to seek bids due to some recent issues with our current provider DFI. Commissioner Don Kendall made a motion, second by Commissioner Roger Surly to approve advertising for bids for printing and mailing services. All in favor, motion carried.

Chairman Watkins recognized Brent Dobler, Superintendent to present Resolution No. 21-25 Revised Sewer Impact Fee Ordinance for RFSS. Dobler stated this resolution is recommending an amendment to section 54-211 of the Code of Ordinances of the City of Rogers, Arkansas; specifying the sewer development impact fee for certain townhouses with a residential fire sprinkler system (RFSS). This Resolution simply adds "townhomes" to the existing Ordinance. A motion was made by Commissioner

**Kathy McClure, second by Commissioner Don Kendall to approve Resolution No. 21-25 as submitted.
All in favor, motion carried.**

With no further business, Chairman Watkins adjourned the meeting at 4:48 PM.

Respectfully submitted,



Brent Dobler, Acting Secretary/djw

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