

Rogers Waterworks and Sewer Commission

April 18, 2022

Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, April 18, 2022 in the Rogers Administration Building located at 601 S 2nd St. Prior to today's meeting a reception was held to honor retiring Commissioner Don Kendall for seventeen (17) years of service to the Rogers Water Utility and Commission. Don Kendall was presented a key to the City of Rogers from Mayor Greg Hines for his many attributes to the community. Peter Farmer, the new RWWSC Commissioner, was introduced and sworn in by Mayor Hines. Commissioners present were Roger Surly, Travis Greene, Kathy McClure, Mike Watkins and Peter Farmer. Rogers Water Utilities staff present was Brent Dobler, Johnny Lunsford, Aaron Short, Stephen Ponder, Mark Landis, Todd Beaver, Jerry Roegner, Jennifer Lattin, Jene' Huffman-Gilreath, and Dana Daniel. Others in attendance was Robert Frazier from the Frazier Law Firm. Chairman Mike Watkins called the meeting to order at 4:00 PM.

Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve the March 21, 2022 minutes as submitted. All in favor, motion carried.

Chairman Watkins recognized Jennifer Lattin, Controller to present the March 2022 Financial Reports. Lattin stated that billed revenue for the month of March 2022 is up 11.24% from March 2021. The water consumption is up 1.39% from March 2021. The Water Department reported a profit of \$185,000 for March 2022 with a profit of \$70,000 reported for March 2021. The difference is due to an overall increase in revenues (\$161,000) with an increase in expenses (\$47,000). Fiscal Year to Date Collections of access and impact fee revenue for FY 22 are \$759,000 and are ahead of budget by \$272,000, and compares to Year to Date access and impact fee revenue of \$942,000 in FY 21 and \$642,000 in FY 20. Year to Date profit is more than the prior year and ahead of budget.

Sewer consumption for the month of March 2022 is up 5.21% from March 2021. Billed revenue for the month of March 2022 is up 15.89% from March 2021. The Sewer Department reported a profit of \$418,000 for March 2022 and a profit of \$259,000 was reported for March 2021. The difference is due to an overall increase in revenues (\$259,000) with an increase in expenses (\$100,000). Fiscal Year to Date collections of access and impact fee revenue for FY 22 are \$1,416,000 and are ahead of budget by \$264,000, and compares to Year to Date access and impact fee revenue of \$1,947,000 in FY 21 and \$1,283,000 in FY 20. Year to Date profit is less than the prior year but ahead of budget.

Lost Water is at 11% for the month of March 2022, 9% for the calendar year and 11% for the last twelve (12) months.

Total restricted and unrestricted funds are \$44.5 million for March 2022. This is an overall increase of \$3,225,000 from March 2021. Water Funds increased by approximately \$2,690,000 and Sewer Funds increased by \$535,000. \$8.3 million of the \$44.5 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation.

Lattin gave an Operating Software Update: On May 31st, the general ledger, bank reconciliations and accounts payable modules will be "live" on the new software ERP Pro 10 from Tyler Technologies. The remaining modules, such as utility billing, personnel, fixed assets, and other will occur in phases later

in the year moving into next year. Commissioner Surly asked if the financial statements are running parallel at this time. Lattin said she has been testing and training, but the software has not fully been operational at this time. There were no further questions.

Chairman Watkins recognized Aaron Short Design Engineer to present the March Engineering Reports. Short said engineering continues to be busy with 33 civil plan reviews, 16 plumbing reviews, 1 easement and 1 fire plan review. The 2021 Waterline Replacement project is awaiting parts, waiting on samples and only has cut/caps remaining. The 11th St Water Tower repaint is well underway and going well. The Pleasant Grove Rd on the West side of Hwy 112 is still progressing. The J B Hunt Dr project is under construction trying to schedule around the weather for stream work with Blossom Way Creek. The Oak St Overpass has started, waiting on franchise utility relocates. Short stated that the projects in design/acquisition/construction are slowly moving forward with very little changes at this time. Commissioner Travis Greene asked about equipment on site at the 11st St Tower. Short replied the equipment is for recycling shot in the sandblasting process. There were no further questions.

Chairman Watkins recognized Todd Beaver RPCF Manager to present the March RPCF Reports. Beaver said Discharge Monitoring Report had good results with no violations noted. He stated that Tyson of Rogers had pretreatment equipment failure during the month of March. The aeration motor for the 205,000 gallon storage tank failed and from lacked aeration will result in Notice of Violation due to high CBOD. They have plans to replace the aeration equipment and the electrical system that support it. There was nine (9) self-monitoring reports processed with one (1) violation noted from Preformed Line for Zinc loading. This violation was based on exceeding a very low categorical limit and had little impact on the Zinc loading at RPCF. There was \$6,948.84 total surcharges assessed in March, bringing this year to date total to \$61,036.73. The FOG Inspection Report had performed 20 inspections for the month of March 2022 with all being routine inspections with the exception of one location and that is being addressed. 313 MG was treated in March with approximately 49 MG from Inflow and Infiltration. These flows included 2.42" of rain over five (5) events. There were no questions.

Chairman Watkins recognized Jene' Huffman-Gilreath, Shared Services Manager to share the March IT Report. The IT Department continues to work to segment the network to provide additional security to our SCADA networks as well as to the office side. We are keeping a watch on activity on the network and continue to see where our firewalls have stopped unknown requests and attempts to enter our networks. We have received the two new Dell servers and will be working with our third party support to install those and optimize our current server network. The two new firewalls have arrived as well and are in service. IT continues to work with CISA to implement patches, updates and minimize risk. There were no questions.

Huffman-Gilreath continued presenting the bid results held on April 15, 2022 for RWU Property Insurance. One bid was received from Rogers Insurance Agency which is the current carrier. The premium cost was locked in for three (3) years but is higher due to the increase value of property from 106 million to approximately 119.5 million and also added property that was not previously included. The increased premium will be \$81,424 with a \$10,000 deductible including the earthquake coverage of \$818. A motion was made by Commissioner Kathy McClure, second by Commissioner Roger Surly to approve \$81,424 with the \$10,000 deductible including the earthquake coverage as submitted. All in favor, motion carried.

Huffman-Gilreath presented a request for approval of \$125,000 to purchase new furniture for the suggested layout in lieu of moving forward with the new expansion project at this time. This will create new work space for the field crew, accommodate the engineering department, the Commission Room and also relocate IT staff all together. Commissioner Roger Surly asked about funds available in the budget. Huffman-Gilreath said with assurance the monies were available. After further discussion, Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve the \$125,000 as submitted. All in favor motion carried.

Jennifer Lattin presented the annual report required by FTC Regulations for Rogers Water Utilities Identity Theft Prevention Program (Red Flag Policy). The Annual Report was accepted, with no changes or modifications. There were six (6) incidences of suspected identity theft involving unauthorized credit card use for utility payments with our third party billing Paymentus. In these cases, we were notified, and those payments were reversed. Additionally, payments via credit card on the affected customer accounts were disabled for a selected period of time. Commissioner Kathy McClure made a motion, second by Commissioner Roger Surly to accept the Identity Theft Prevention Report (Red Flag Policy) as submitted. All in favor, motion carried.

Lattin continued to present Resolution No. 22-10 with attached Exhibit 1 authorizing a revised Customer Service Agreement Form. Lattin explained the revision includes clarification regarding evasion of payment and transferring account balances, as well as includes verbiage for *De Facto Customers*, the latter previously approved with Resolution No. 21-27. The Spanish version, for internal use/purposes will be updated as well. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve Resolution No. 22-10 with Exhibit 1 as submitted. All in favor, motion carried.

Chairman Watkins recognized Aaron Short Design Engineer to present the bid results for a Sanitary Sewer Maintenance Contract, a unit price contract for sewer maintenance. One bid was received from Goodwin & Goodwin, Inc. with the total for all items and estimated quantities of work being \$5,409,234.68. Short stated that the Engineer's estimate for all items and estimated quantities was \$3,854,298.60 from 2021 data and with current inflation a more updated estimate would be approximately \$4.8 million. Short also stated that about \$3,000,000 was currently budgeted but that it was anticipated additional capital could be allocated to the contract later as, historically, certain street department projects for which RWU initially budgets do not actually occur, that Goodwin & Goodwin understood RWU's budget limitations, and that RWU would specify the work to be conducted under the contract and would thus be able to control the amount spent. Controller Jennifer Lattin stated \$3,000,000 was put into the upcoming budget for sewer maintenance but that there was a possibility of allocating up to \$5.4 million if additional funds become available for sewer maintenance. Superintendent Brent Dobler provided further elaboration regarding the possibility of allocating additional capital to sewer maintenance as funds became available.

Commissioner Roger Surly made a motion to approve the Goodwin & Goodwin bid in the amount of \$5,409,234.68 as presented, second by Commissioner Kathy McClure. All in favor, motion carried. Commissioner Travis Greene inquired as to whether the approval should specify that the approval was up to the budgeted amount. Attorney Robert Frazier stated that the motion had been made "as presented" (which included discussion of the budgeted amount, other funds possibly being allocated in the future, and Goodwin & Goodwin's acknowledgement of the budgeted amount) but that the Commission could reopen the item to specify a limitation. Commissioner Roger Surly made a motion

to approve Good & Goodwin's bid with the budgeted amount of \$3,000,000, second by Commissioner Kathy McClure. Chairman Watkins, without objection construed and announced the motion as approving the bid up to the amount of \$3,854,298.60. All in favor, motion carried.

Short continued with Amendment 2 an engineering contract with CEI Engineering Associates, Inc. for N Arkansas St (Chestnut to Union St) due to some changes. They are combining two contracts therefore there will be \$47,000 water and sewer fees for some additional design work. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve \$47,000 for additional fees for Amendment 2 with CEI Engineering Associates, Inc. for N Arkansas St (Chestnut to Union St). All in favor, motion carried.

With no further business, Chairman Watkins adjourned the meeting at 5:04 PM.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Brent Dobler', with a long horizontal stroke extending to the right.

Brent Dobler, Acting Secretary/djw

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