

Rogers Waterworks and Sewer Commission

May 23, 2022

Minutes

The Rogers Waterworks and Sewer Commission held its rescheduled meeting at 4:00 PM Monday, May 23, 2022 in the Rogers Administration Building located at 601 S 2nd St. Commissioners present were Roger Surly, Travis Greene, Kathy McClure, Mike Watkins, and Peter Farmer. Rogers Water Utilities staff present was Brent Dobler, Johnny Lunsford, Brian Sartain, Stephen Ponder, Todd Beaver, Jene' Huffman-Gilreath, Jennifer Lattin, Dana Daniel, Mario Morales, Debbie Putman, and Donna Wilson. Others in attendance was Lori Ericson from the City of Rogers Planning and Robert Frazier of the Frazier Law Firm. Chairman Watkins called the meeting to order at 4:00 PM.

Johnny Lunsford recognized Taylor Adams from the field ops with five (5) years of service. Jennifer Lattin recognized Hortencia Sanchez CSR with fifteen (15) years of service, and also Jene' Huffman-Gilreath recognized Debbie Putman from IT with five (5) years as well. The Commission expressed appreciation to all.

Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve the April 18, 2022 minutes as submitted. All in favor, motion carried.

Chairman Watkins recognized Jennifer Lattin, Controller to present the April 2022 Financial Reports. Lattin stated that billed revenue for the month of April 2022 is up 9.66% from April 2021. The water consumption is down 3.21% from April 2021. The Water Department reported a profit of \$66,000 for April 2022 and a loss of \$12,000 was reported for April 2021. The difference is due to an overall increase in revenues (\$53,000) with a large decrease in expenses (\$25,000). Regarding expenses, water purchases decreased \$75,000 from April 2022 to April 2021. Although the cost of water has increased from last year, the reduction is due to a decrease in water sales and less lost water. Fiscal Year to Date Collections of access and impact fee revenue for FY 22 are \$803,000 and are ahead of budget by \$262,000, and compares to Year to Date access and impact fee revenue of \$1,018,000 in FY 21 and \$719,000 in FY 20. Year to Date profit is more than the prior year and ahead of budget.

Sewer consumption for the month of April 2022 is down .26% from April 2021. Billed revenue for the month of April 2022 is up 13.10% from April 2021. The Sewer Department reported a profit of \$178,000 for April 2022 and a profit of \$256,000 was reported for April 2021. The difference is due to an increase in revenues (\$66,000) with an increase in expenses (\$143,000). Regarding expenses, PCF O&M expenses increased \$81,000. Fiscal Year to Date collections of access and impact fee revenue for FY 22 are \$1,512,000 and are ahead of budget by \$233,000, and compares to Year to Date access and impact fee revenue of \$2,095,000 in FY 21 and \$1,492,000 in FY 20. Year to Date profit is less than the prior year but ahead of budget.

Lost Water is at 19% for the month of April 2022, 11% for the calendar year and 11% for the last twelve (12) months.

Total restricted and unrestricted funds are \$43.6 million for April 2022. This is an overall increase of \$2,500,000 from April 2021. Water Funds increased by approximately \$840,000 and Sewer Funds

increased by \$1,660,000. \$8.2 million of the \$43.6 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation. There were no questions.

Chairman Watkins recognized Brian Sartain Utility Engineer to present the April Engineering Reports. Sartain stated there is currently two open positions (GIS/Mapping Technician and Design Technician). In the meantime, RWU has contracted with Crafton Tull Associates for on-call plan review services to assist with the workload while these positions are being filled. The Engineering Dept has been busy with 13 plumbing reviews, 25 civil/site reviews and 5 fire sprinkler plan reviews. New projects submitted include several multifamily developments (two near Scottsdale Center, Shane's Tyson's Place and Pointe @ Rogers), also Camp War Eagle Storage, Hawthorne Heights Subdivision, Armor Bank, and Cottages at Pinnacle Hills (townhomes). We have approximately 70-80 active city projects currently. The 11th Street Elevated Tank Repaint is on schedule and near 60% complete. The RPCF Train II Project is underway with about 95% completed and awaiting the delayed arrival of motors and Trilium Recirculation Pumps. Sludge samples have been sent to Huber and Wyse (sludge dryer manufacturers) for testing and have received some preliminary test results. The Chestnut Water and Sewer Project is currently under construction in coordination with the street department. The scheduled Sewer Replacement for the Banz Addition to replace most of the sanitary sewer is currently at the Health Department for review. Plans are near completion for the 2022 Waterline Replacement/Extension with miscellaneous small jobs likely to bid in June/July. Sartain briefed the Commission on the status of the various street projects. There were no questions.

Chairman Watkins recognized Todd Beaver, RPCF Manager to present the April RPCF Reports. Beaver explained the increased ammonia on the Discharge Monitoring Summary occurred from using the treatment train which involved problems with sensors that the automation relies on to control our treatment. There was ten (10) self-monitoring reports processed with violations noted from Preformed Line, Tyson of Rogers, and Southeast Poultry. All of these issues have been addressed/repared. There was \$14,310.85 total surcharges assessed in April, bringing this year to date total of \$75,347.58. The FOG Inspection Report has performed 24 inspections for the month of April 2022 mostly routine but did address a few issues with those establishments. We have made recommendations and will continue monitoring these concerns. A site visit with DEQ's Permit Engineer to discuss the upcoming permit renewal went well. Supply chain issues are making it very difficult and expensive to repair equipment when parts are available. 379 MG was treated in April with approximately 124 MG from Inflow and Infiltration. These flows included 5.97" of rain over twelve (12) events.

Chairman Watkins recognized Johnny Lunsford, Operations Manager to present the April Field Ops Report. Lunsford stated that meeting with Beaver Water District went well to discuss better communication on how to regulate the water flow in the Prairie Creek Tower. Since a number of water leaks have been fixed recently it has been a process to prevent overflow of the tower because of no telemetry there. Since telemetry has been installed, Beaver Water can better monitor the same information. The Beaver Water purchases have decreased about 2%. Lunsford said that he is working on producing a new graph that will track the amount of water purchased with usage and sales amounts to see the related trends. With a new hire in the field ops, that leaves two open positions to be filled. The field crew is working hard and getting the work orders completed. He said the relations with our vendors is good in providing us about upcoming price increases and availability. That will enable us to have extra inventory and help control the higher costs. There were no questions.

Chairman Watkins recognized Jennifer Lattin, Controller for presentation of the proposed Water and Sewer Budget for the Fiscal Year 2023. Lattin presented the proposed Fiscal Year Budgets for the Water Department and Sewer Department, discussing the cash flow, revenue, expenditure, capital projects, salary, and how it effects the Water Department Reserves. Total Water capital requests are budgeted to be \$10,925,000. Total Sewer capital requests are budgeted to be \$32,020,000. Significant Sewer Projects include the Solids Handling Project Ph II, sanitary sewer rehabilitation, and Pinnacle Sewer Improvements. To fund initial costs of the Solids Handling Project Ph II, the Sewer Budget assumes additional outside funding (via loan or bond) of \$12 million. The revenue budgets include the upcoming rate increases, effective July 1, 2022 as well as a reduction in interest income as a reflection of planned use of fund reserves. The Water salary budget includes one (1) additional full-time staff, and the Sewer salary budget includes three (3) additional full-time staff (of which two positions are budgeted as a partial year). Both the Water and Sewer expenditure budgets include costs of software maintenance fees due to ongoing software implementations and reflects RWU absorbing customer credit card fees for Utility payments. If all revenue and spending occur as budgeted, she indicated reserves for the Water Department on June 30, 2023, are expected to be \$16.9 million while the Sewer Department reserves are expected to be \$13.7 million. RWU staff will closely monitor actual revenues and spending to ensure compliance in maintaining minimum reserves. Commissioner Roger Surly made a motion, second by Commissioner Kathy McClure to approve the Water and Sewer Budget for FY 23 as submitted. All in favor, motion carried.

Lattin continued to request approval of Resolution No. 22-11 with attached exhibit A, to authorize destruction of certain Rogers Water Utilities accounting records (57 line items listed) that need to be destroyed. Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve Resolution No. 22-11 with exhibit A as submitted. All in favor, motion carried.

Chairman Watkins recognized Jene' Huffman-Gilreath, Shared Services Manager to request approval of Resolution No. 22-12 with attached exhibit A authorizing disposition of obsolete IT equipment (13 line items listed). A motion was made by Commissioner Kathy McClure, second by Commissioner Peter Farmer to approve Resolution No. 22-12 with exhibit A as submitted. All in favor, motion carried.

Huffman-Gilreath continued and asked approval to purchase a new security system for the Rogers Water Administrative location. This will include implementation of panic buttons, cameras, access control, alarm system and 5 year licenses. Commissioner Roger Surly asked if we would own the equipment and if this included the water tower locations. Huffman-Gilreath replied yes. Huffman-Gilreath stated training will be provided and if approved, will be ready to implement in the FY 23 budget. After further discussion, Commissioner Roger Surly made a motion, second by Commissioner Travis Greene to approve \$119,458 + sales tax for purchase of a new security system from Verkada as submitted. All in favor, motion carried.

Chairman Watkins recognized Dana Daniel HR Manager to present Resolution No. 22-13 with attached exhibit 1, amending the Employee Policy Manual for Rogers Water Utilities. Daniel stated a need to clarify some language in the current policy. Commissioner Roger Surly asked if this policy is the same for the City of Rogers. Daniel replied that this is the policy created for Rogers Water Utilities. Kathy McClure made a motion, second by Commissioner Roger Surly to approve Resolution No. 22-13 with attach exhibit 1 as submitted. All in favor, motion carried.

Brian Sartain requested approval of Resolution No. 22-14 clarifying a previous action at the April 18, 2022 Commission meeting regarding a Sewer Maintenance Contract with Goodwin & Goodwin, Inc. The Rogers Water Utilities is authorized to allocate funds to the sewer maintenance contract with Goodwin & Goodwin, Inc. up to an amount not to exceed \$3,854,298.60. If additional funds above the amount of \$3,854,298.60 for sewer maintenance work become available, Rogers Water Utilities is authorized to allocate additional funds to the sewer maintenance contract with Goodwin & Goodwin, Inc. up to an amount not to exceed \$5,409,234.68. A motion was made by Commissioner Roger Surly, second by Commissioner Kathy McClure to approve Resolution No. 22-14 as submitted. All in favor, motion carried.

Chairman Watkins recognized Brent Dobler, Utility Superintendent requesting approval of Resolution No. 22-15 authorizing the Mayor and Superintendent of the Rogers Water Utilities to execute certain documents in connection with funding administered by the Arkansas Natural Resources Commission (ANRC). Specifically, the Arkansas Clean Water State Revolving Loan Fund. Commissioner Kathy McClure made a motion, second by Commissioner Roger Surly to approve Resolution No. 22-15 to authorize application for assistance from the ANRC in order to make certain improvements, namely a project known as the Rogers Pollution Control Facility Solids Handling Improvements, Phase II as submitted. All in favor, motion carried.

Brian Sartain is requesting approval of Resolution No. 22-16 authorizing the purchase of certain materials; authorizing expenditure of funds for the purchase in an amount up to \$250,000 plus applicable shipping and taxes; waiving the requirements of competitive sealed bidding. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve Resolution No. 22-16 as submitted. All in favor, motion carried.

With no further business, Chairman Watkins adjourned the meeting at 5:30 PM.

Respectfully submitted,



Brent Dobler, Acting Secretary/djw

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