

## Rogers Waterworks and Sewer Commission

June 20, 2022

### Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, June 20, 2022 in the Rogers Administration Building located at 601 S 2<sup>nd</sup> St. Present were Commissioners Roger Surly, Travis Greene, Kathy McClure, Mike Watkins, and Peter Farmer. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Brian Sartain, Aaron Short, Todd Beaver, Matt Savell, Mark Landis, Dana Daniel, Jerry Roegner, Debbie Putman, Jene' Huffman-Gilreath, and Donna Wilson. Others in attendance were Lori Ericson, Rogers City Planning and Robert Frazier of the Frazier Law Firm. Chairman Watkins called the meeting to order at 4:00 PM.

Brian Sartain recognized Aaron Short Design Engineer for five (5) years of service with RWU. The Commission expressed appreciation.

A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve the minutes of the May 23, 2022 meeting as submitted. All in favor, motion carried.

Chairman Watkins recognized Matt Savell, Senior Accountant to present the May 31, 2022 Financial Reports. Savell stated that billed revenue for the month of May 2022 is up 16.20% from May 2021. The water consumption is up 4.82% from May 2021. There are 33 billing days in May 2022 vs 31 billing days in May 2021 which increases water consumed and billed in this month. The Water Department reported a profit of \$230,000 for May 2022 with a profit of \$175,000 reported for May 2021. The difference is due to an overall decrease in revenues (\$102,000) with a decrease in expenses (\$157,000). Regarding revenues in May 2021, RWU sold water to Bentonville at cost (\$251,000 for 181,000 gallons) to assist Bentonville during a repair of their 48" waterline. The sale was recorded as a revenue of "Misc Water Sales". Regarding expenses, water purchases decreased \$141,000 (109,000,000 gallons) from May 2021 to May 2022. Part of the decrease is due to the reduction of not purchasing the water that was billed to Bentonville in May 2021. Since the sale was billed to Bentonville at cost, the overall impact on the financials is zero for May 2021. Fiscal Year to Date Collections of access and impact fee revenue for FY 22 are \$916,000 and are ahead of budget by \$ 196,000, and compares to Year to Date access and impact fee revenue of \$1,132,000 in FY 21 and \$840,000 in FY 20. Year to Date profit is more than the prior year and ahead of budget.

Billed revenue for the month of May 2022 is up 17.17% from May 2021. Sewer consumption is up 3.75% from May 2021. The Sewer Department reported a profit of \$302,000 for May 2022 and a profit of \$389,000 was reported for May 2021. The difference is due to an increase in revenues (\$142,000) and with an increase in expenses (\$248,000). Regarding expenses, Field increased \$82,000 which include repairs of a flush truck for \$50,000 and PCF expenses increased \$131,000 largely due to an increase in cost of utilities (\$28,000), repair and related costs of the sludge dryer (\$58,000), and depreciation (\$30,000). Fiscal Year to Date collections of access and impact fee revenue for FY 22 are \$1,681,000 and are ahead of budget by \$66,000, and compares to Year to Date access and impact fee revenue of \$2,305,000 in FY 21 and \$1,695,000 in FY 20. Year to Date profit is less than the prior year but ahead of budget.

Lost Water is 23% for the month of May 2022, 14% for the calendar year and 11% for the last twelve (12) months.

Total restricted and unrestricted funds are \$43.9 million for May 2022. This is an overall increase of \$2,900,000 from May 2021. Water Funds increased by approximately \$885,000 and Sewer Funds increased by \$1,990,000. \$5.9 million of the \$43.9 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation. Beaver Water District sent notice that the upcoming rate increase for water purchases will be \$1.46, up from \$1.41, effective 10/1/2022. This will have no effect on the current fiscal year financials but will in the upcoming fiscal year. The FY 23 budget for water purchases projected a 4% increase that considers both cost and customer growth.

The accounting department implemented Tyler Technologies software on 5/31/22. The implementation included Accounts Payable, General Ledger, Bank Reconciliation, and Purchasing (the last of which will be utilized at a future date). May financials, which includes the balance sheet and income statement are produced from the new software. For presentation of July financials, additional reporting detail comparing current month to prior year month and YTD to Prior YTD will be available. There were no questions.

Chairman Watkins recognized Brian Sartain Utility Engineer to present the May Engineering Reports. Sartain said engineering continues to be busy. The Design Technician position has been filled and the GIS Mapping Technician position remains vacant. The Engineering Department experienced staff members affected by Covid in May and June, causing some staffing issues and backlog in plan review. Currently some of the plan review tasks are being outsourced.

RWU executed a work order in the amount of \$8,100 to contractor JL Bryson to complete overflow pipe modifications to the Prairie Creek Water Tower. This needed modification was noted in the latest ADH sanitary survey to comply with current AWWA standards. RWU failed to come to an agreement with the developers of Uptown Square after the Commission had authorized funding to improve sewer in the roadway adjacent to the development. RWU executed an engineering contract with Crafton Tull in the amount of \$15,000 to amend the design of sanitary sewer improvements along S Champions Blvd from the Uptown Square development and to the South approximately 1000', upsizing from an 8" to 12" sewer main. We worked with the City to allow the developer to pay a fee-in-lieu of sidewalk installation to minimize future impact. New Civil Projects submitted are Domino's, BHE Gas Line, Dixieland Multifamily, Janacek Remodeling Building, Freeman Family Rentals, and Health Lanes. Sartain shared some graphs updating on the flow monitoring on the south side of town (an area generally between Laurel Ave and Pleasant Grove Rd., from S 1<sup>st</sup> to 8<sup>th</sup> St). This area of the 12 inch line on the southwest side of town was identified on the draft of the Sanitary Sewer Wastewater Master Plan as surcharging or overflowing in the five (5) year modeled event. RWU was not aware of any overflows at that time. With Field Ops experiencing some instrumentation problems with flow monitors, RWU contracted with Trekk Design Group to place overflow monitor at various locations. Sartain shared some data from the large rain event of May 4-5 around manhole 11-224 indicating some storm water inflow problem from this basin. Using this data, we expect to find most of the problems using smoke testing and repair the leaks which should result in I & I reduction. Rwu is currently in discussions with the Arkansas Department of Health with regard to this issue, and it appears that further development in this area could likely be restricted until such a time that the problem is resolved. Commissioner Travis

Greene asked how the Health Department was aware of this issue. Sartain said the Health Department requested RWU to verify downstream capacity for a proposed residential development, and RWU provided data that is being collected from the current flow monitoring effort. Sartain said all known overflows are reported to ADEQ, but RWU was unaware of any overflows in this area. There were no further questions.

Chairman Watkins recognized Todd Beaver RPCF Manager to present the May RPCF Reports. Beaver said the Discharge Monitoring Report had good results with no violations noted. The Industrial Pretreatment had one (1) site visit with Ozark Mountain Poultry and nine (9) self-monitoring reports processed. There was \$10,199.24 surcharges assessed in April, bringing this year to date total to \$85,546.82. The FOG Inspection Report had limited routine inspections but all found in working order and doing well. We are still awaiting electric motors to complete the work in the Train II Rehab. A major power issue occurred resulting from a bird shorting across two phases of the line causing several major circuit breakers trip at the RPCF. Some sensors and input cards have been replaced. BCR has completed the sludger dryer repair and a copy of the report was provided. Search continues to fill the vacant lab technician position. 405.9 MG was treated in May with approximately 142.4 MG from Inflow and Infiltration. These flows included 9.05" of rain over twelve (12) events. There were no questions.

Chairman Watkins recognized Jene' Huffman-Gilreath, Shared Services Manager to present the May IT Report. IT continues to be very busy working on several new software Implementations and dealing with supply issues on key hardware components ordered earlier in the year. The Cityworks integration is a continued work in progress.

Huffman-Gilreath continued requesting approval for the RPCF Security System. The proposed total for the RPCF Security System is \$63,963.00 plus applicable sales tax; and includes Verkada hardware, license with five (5) years of monitoring. Huffman-Gilreath said a pre-order will take place upon approval of this project, and payment will reflect in FY 23. Commissioner Kathy McClure made a motion, second by Commissioner Roger Surly to approve the purchase of the RPCF Security System in the amount of \$63,963.00 plus tax as submitted. All in favor, motion carried.

Huffman-Gilreath presented Resolution No. 22-17 for approval authorizing renewal of a contract for janitorial services for the Rogers Water Utilities. This renewal with Bravo authorizes the expenditure of an amount not to exceed \$50,000 to renew the contract for an additional one-year period beginning on July 7, 2022 and ending July 7, 2023. A motion was made by Commissioner Travis Greene, second by Commissioner Kathy McClure to approve Resolution No. 22-17 for a janitorial contract renewal with Bravo not to exceed \$50,000 as submitted. All in favor, motion carried.

Chairman Watkins recognized Brian Sartain to request approval of the Tower Park Elevated Storage Tank Change Order. Staff requests authorization to execute Change Order No. 2 for the 11<sup>th</sup> St Elevated Storage Tank Repaint Project with Classic Protective Coatings in the amount of \$19,740 for a total change order amount of \$54,740 to date. A motion was made by Commissioner Kathy McClure, second by Commissioner Peter Farmer to approve Change Order No. 2 for the 11<sup>th</sup> St Elevated Storage Tank Repaint in the amount of \$19,740 and for a total change order amount of \$54,740 to date as submitted. All in favor, motion carried.

Sartain continued requesting approval of the Solids Handling Ph II CMAR Contract with Crossland Heavy Contractors. Staff requests approval to enter into the Construction Management At-Risk Agreement

with Crossland Heavy Contractors, authorizing the expenditure of up to \$156,170.00 for preconstruction and site investigation services, and establishment of the 5.75% CM fee. Staff also requests authorization to negotiate the final form and content of the Agreement. A Guaranteed Maximum Price (GMP) Amendment will be brought before the Commission prior to moving forward with the construction phase of the project. A motion was made by Commissioner Travis Greene, second by Commissioner Roger Surly for approving the Construction Management At-Risk Agreement with Crossland Heavy Contractors, authorizing the expenditure of up to \$156, 170.00. The Commission's acceptance of the contract is also contingent on approval from the ANRC as submitted. All in favor, motion carried.

Sartain requested approval to enter into a Smoke Testing Contract Ph II with Trekk Design Group in the amount not to exceed \$75,000. Staff requests approval to enter into an agreement with Trekk Design Group in an amount not to exceed \$75,000 for smoke testing services and authorization to negotiate the final form and content of the Agreement. Commissioner Travis Greene asked what is the estimated amount of time needed to complete the smoke testing, Sartain replied approximately three (3) weeks. Commissioner Kathy McClure made a motion, second by Commissioner Travis Greene to approve a contract for smoke testing with Trekk Design Group as submitted not to exceed \$75,000. All in favor, motion carried.

Sartain asked for a motion of approval for Corridor Study Report with Garver LLC (exhibit A, B, C, D, E). Staff requests authorization to execute the Agreement with Garver, LLC for water system emergency connections analysis, western corridor alternatives analysis, western corridor route study, and western corridor improvements study on an hourly fee basis + expenses not to exceed \$125,000. Staff also requests authorization to negotiate the final form and content of the contract. A motion was made by Commissioner Kathy McClure, second by Commissioner Roger Surly to approve Garver LLC to execute the Corridor Study Report as submitted. All in favor, motion carried.

Sartain requested approval of Amendment 1 to an Engineering Contract with RJN for Revisions to the Pinnacle Sewer Improvements. Staff requests approval to execute a contract amendment with RJN Group, Inc. to accommodate plan revisions to the Pinnacle Sanitary Sewer Improvements Project with an hourly fee not to exceed \$43,800. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Amendment 1 with RJN Group, Inc. not to exceed \$43,800 as submitted. All in favor, motion carried.

Chairman Watkins recognized Dana Daniel, HR Director to present Resolution No. 22-18 amending the Compensation Administration Policy for the Rogers Water Utilities, amending certain pay ranges with exhibit 1 attached. Salaried positions exempt from overtime and minimum wage requirements ("exempt positions") are noted by asterisk on exhibit 1. Pay ranges for employees in positions which are not exempt from overtime and minimum requirements ("non-exempt positions") assume full-time employment for one (1) year at a corresponding hourly wage. Commissioner Travis Greene made a motion, second by Commissioner Roger Surly to approve Resolution No. 22-18 with exhibit 1 attached as submitted. All in favor, motion carried.

Chairman Watkins recognized Brent Dobler, Utility Superintendent to request approval of Resolution No. 22-19, authorizing Rogers Water Utilities to accept a recommendation for funding administered by the Arkansas Natural Resources Commission (ANRC) for a project known as the Rogers Pollution Control Facility Solids Handling Improvements, PH II. The staff at the Arkansas Department of Agriculture have

offered to recommend to the ANRC, funding for the project in the form of a loan from the Arkansas Clean Water State Revolving Loan Fund in the amount of \$31,246,250 with an anticipated term of twenty (20) years at a combined interest rate of 1.50% per annum. A motion was made by Commissioner Roger Surly, second by Commissioner Kathy McClure to approve Resolution No. 22-19 as submitted. All in favor, motion carried.

With no further business, Chairman Watkins adjourned the meeting at 5:15 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**

**File:rwwsmin062022**