

## Rogers Waterworks and Sewer Commission

July 25, 2022

### Minutes

The Rogers Waterworks and Sewer Commission held its scheduled meeting at 4:00 PM Monday, July 25, 2022 in the Rogers Administration Building located at 601 S 2<sup>nd</sup> St. Present were Commissioners Travis Greene, Kathy McClure and Mike Watkins. Commissioners Roger Surly and Peter Farmer were absent. Rogers Water Utilities staff present were Brent Dobler, Johnny Lunsford, Brian Sartain, Aaron Short, Troy Davis, Karla Stanton, Jennifer Lattin, Mario Morales, Debbie Putman, Matt Savell, Todd Beaver, Dana Daniel, 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.

Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve the minutes from June 20, 2022 meeting as submitted. All in favor, motion carried.

Chairman Watkins recognized Jennifer Lattin, Controller to present the June 30, 2022 Financial Reports. Lattin stated that billed revenue for the month of June 2022 is up 22.39% from June 2021. The water consumption is up 11.37% from June 2021 and includes one additional billing day compared to June 2021. The Water Department reported a profit of \$338,000 for June 2022, prior to the APERS pension adjustment of \$261,000 (favorable), and a profit of \$153,000 reported for June 2021. FY 22 profit finished ahead of budget by \$710,000 (before the APERS adjustment). Favorable actual profit compared to budget is primarily the result of increased consumption and increased access and impact fee collection. The difference between actual vs budgeted results is due to a few significant items: 1) Revenues exceeding projections by \$570,000 (billed revenue by \$173,000 and access/impact fee collection by \$312,000), 2) Depreciation being less than projected by \$138,000. Fiscal Year to Date Collections of access and impact fee revenue for FY 22 are \$1,032,000 and ahead of budget by \$312,000, and compares to Year to Date access and impact fee revenue of \$1,121,000 in FY 21 and \$889,000 in FY 20.

Billed Sewer revenue for the month of June 2022 is up 15.9% from June 2021. Sewer consumption is up 3.32% from June 2021 and includes one additional billing day compared to June 2021. The Sewer Department reported a profit of \$701,000 for June 2021, before the APERS pension adjustment of \$427,000 with a profit of \$571,000 reported for June 2021. FY 22 profit finished less than the prior year by \$369,999 (before the APERS adjustment). FY 22 profit finished ahead of budget by \$973,000 (before the APERS adjustment). Favorable actual profit compared to budget is primarily the result of increased consumption and increased access and impact fee collection. The difference between actual vs budgeted results is due to a few significant items: 1) Revenues exceeding projections by \$989,000 (billed revenue by \$590,000 and access/impact fee collection by \$282,000). 2) Depreciation being less than projected by \$270,000 and 3) PCF utilities and equipment maintenance (dryer repair) being more than budgeted by \$391,000. Fiscal Year to Date collections of access and impact fee revenue for FY 22 are \$1,897,000 and are ahead of budget by \$282,000, and compares the year to date access and impact fee revenue of \$2,340,000 in FY 21 and \$1,786,000 in FY 20.

Lost Water is 23% for the month of June 2022, 16% for the calendar year, and 11% for the last twelve (12) months.

Total restricted and unrestricted funds are \$44.2 million for June 2022, which is an overall increase of \$3.5 million from June 2021. Water Funds increased by \$640,000 and Sewer Funds increased by \$2.8 million. \$6.4 million of the \$44.2 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation. \$24.3 million is required to keep available for minimum reserves per the RWU Investment Policy for 2022; \$12.6 is the minimum for Water and \$11.7 is the minimum for Sewer.

As a requirement of governmental accounting standards (GASB 68), RWU reports their proportionate share of the Arkansas Public Employees Retirement System (APERS) pension plan. On pages 1, 3, and 4 of the Water Department Balance Sheet and pages 9, 11, and 12 of the Sewer Department Balance Sheet, you can see items for Deferred Outflows/Pension Assets and Deferred Inflows/Pension Liabilities. These results are from APERS pension plan reporting effective June 30, 2021. Additionally, RWU records an annual APERS expense or revenue on the income statement, as appropriate. For FY 21, the APERS pension adjustments result in an increase in excess revenues over expenditures of \$261,000 in the Water Department and \$427,000 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 the changes in investments related to the APERS net pension liability. Total FY 22 consumption increased 2.51% in the Water Department and increased 2.13% in the Sewer Department. Customer count during FY 22 increased 1.83% in the Water Department and 1.71% in the Sewer Department.

Chairman Watkins recognized Brian Sartain, Utility Engineer to present the June Engineering Reports. Sartain introduced new staff additions; Troy Davis as the Design Technician and Karla Stanton is the GIS/Mapping Technician. Sartain explained that there are extensive delays (up to one year) for ductile iron pipe and is currently delaying a number of development projects and prompting multiple requests from developers to allow the use of PVC. There was discussion about the shortage of supplies and the current effects on RWU. On June 22<sup>nd</sup>, a contractor damaged a 24" DIP sewer main on Bell View with earth moving equipment. The main has been temporarily patched awaiting replacement pipe. Plan review continues to be busy with submittals from Superior Storage, Grotto at Osage Creek, Bell View Urban Center II, M & D Adventures and others. Trekk Design is nearing completion of smoke testing approximately 128,000 feet of sewer lines. We should receive these smoke testing results in 2-3 weeks. Sartain presented a graph for the "water usage trends" that shows the Beaver Water District Daily Purchases. Sartain pointed out that RWU had observed a record peak water purchase of 19.7 MG in a single day, and that is still well within the projected flows and design capacity as outlined in the Water Master Plan. Classic Protective Coatings has completed the repaint of the 11<sup>th</sup> St Elevated Storage Tank and Sartain presented a before/after photo of the Storage Tank. There were no questions.

Chairman Watkins recognized Todd Beaver, RPCF Manager to present the June RPCF Reports. Beaver said the Discharge Monitoring Report had good results with no violations noted. The total amount surcharged during the FY 22 budget year is \$99,603.44 and the previous year total was \$64,709.11. There were two (2) industries visited with one (1) notice of violation. The FOG reported thirty-two (32) inspections for the month. The Train II Rehab is primarily complete and operational. Halle Wade is the newest RPCF staff addition filling the lab technician vacancy. The name of the primary PLP contact as

asked at the previous RWWSC meeting and that is Lloyd Brown. The bid for bio solids hauling was re-advertised and an optional pre-bid meeting held with potential bidders. We treated 281.9 MG in June with approximately 26.9 MG from Inflow and Infiltration. These flows included 1.88" of rain over six (6) events.

Chairman Watkins recognized Johnny Lunsford Operations Manager to present the June Field Ops Report. Lunsford said the Field Ops has been busy with eighteen (18) new price applications. There was twenty-seven (27) new bore permits issued with the contractors in Rogers. There was nine hundred eighty-four (984) water and sewer locates. An additional three hundred (300) leak loggers were set and has identified twelve (12) additional leaks. The construction crew has completed fifty-six (56) work orders including fire hydrant replacement/repairs. These requests were from the fire department on issues found during the city's ISO study. There was inlet repairs, taps and new services as well. The field has been working more on inlet repairs, giving the crews more cooling breaks during the extreme high temperatures. The construction crews repaired fifteen (15) leaks, (found 12 by leak loggers and 3 caused by contractors). Nine top soil and sod jobs were completed. The sewer crews performed 173 manhole inspections, 9,243 linear feet of CCTV inspections, 87,970 linear feet of sewer flushing, and cleaned eight (8) lift stations. There was two (2) mainline backups and ten (10) private line backup investigations. Repaired three (3) manholes and completed three (3) new sewer taps. There were no questions.

Lunsford presented Resolution No. 22-20 requesting approval to purchase an Orbit Screener; waiving competitive bidding. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 22-20 for \$74,850 plus shipping and applicable taxes to purchase an Orbit Model 58 C screener as submitted. This is a budgeted item. All in favor, motion carried.

Lunsford continued with Resolution No. 22-21 authorizing to purchase a Kubota tractor and related equipment through the Sourcewell Cooperative Purchasing Program through Kubota's local authorized dealer Springdale Tractor Co; waiving any further requirements of competitive bidding. Commissioner Greene asked if this is replacing current equipment. Lunsford stated yes. Commissioner Kathy McClure made a motion, second by Commissioner Travis Greene to approve Resolution No. 22-21 for \$38,377 plus shipping and applicable taxes as submitted. All in favor, motion carried.

Lunsford presented Resolution No. 22-22 requesting approval to purchase Sewer Inspection Equipment through HGACBUY Cooperative Purchasing Program from Visual Imaging Resources LLC. Commissioner Travis Greene made a motion, second by Commissioner Kathy McClure to approve Resolution No. 22-22 for \$155,673 plus shipping and applicable taxes as submitted. This is a budgeted item. All in favor, motion carried.

Brian Sartain presented Resolution No. 22-23 to amend the Record Retention and Disposal Policy with Exhibit 1 attached. This is to add a section styled "Safe Drinking Water Act Documents". Commissioner Kathy McClure made a motion, second by Commissioner Travis Greene to approve Resolution No. 22-23 with Exhibit 1 attached as submitted. All in favor, motion carried.

Sartain continued requesting approval of Resolution No. 22-24 authorizing destruction of certain residential Cross Connection Control Program documents with Exhibit A. The proposed documents for destruction are annual Backflow assembly test reports for residential properties and are more than three (3) years old. Commissioner Travis Greene made a motion, second by Commissioner Kathy

**McClure to approve Resolution No. 22-24 with Exhibit A attached as submitted. All in favor, motion carried.**

**With no further business, Chairman Watkins adjourned the meeting at 4:54 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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