

Rogers Waterworks and Sewer Commission
November 20, 2023
Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM, November 20, 2023, in the Rogers Water Utilities Administration Building located at 601 S 2nd Street.

Present were Commissioners Paige Sultemeier, Travis Greene, Kathy McClure, Jerry Carmichael, and Chairman Peter Farmer. Rogers Water Utilities staff present were Jerry Roegner, Johnny Lunsford, Todd Beaver, Debbie Putman, Mario Guzman-Morales, Dana Daniel, Brian Sartain, and Brent Dobler. John Evans with Landmark CPA's was present as well as Robert Frazier from the Frazier Law Firm.

Chairman Farmer called the meeting to order at 4:00PM, then called for an action on the minutes from the October 16, 2023, Water and Sewer Commission meeting. Commissioner McClure made a motion to approve the September 18, 2023, minutes. Commissioner Sultemeier seconded. All in favor, motion carried.

Chairman Farmer then recognized John Evans to present the RWU FY23 Audit results for both the Rogers Water department and the Rogers Sewer departments. He reported a good, clean, unqualified opinion on the financial statements. The audit report does state that there is a new change to the auditing standards regarding subscription-based software. This does not have any impact on the audit results, just reporting. Mr. Evans also explained that on the balance sheet, the APERS Pension liabilities amount of \$3.2 million dollars is an actuarial number from the State of Arkansas and does not mean that RWU could ever be required to write a check for this amount. It is simply an amount that fluctuates due to the market conditions and must be recognized by the audit. Another report required of government entities is the Internal Control Over Financial Reporting and Compliance Report. Mr. Evans reported that there were no findings in this report. A motion to approve was made by Commissioner McClure to approve and accept the draft audits by Landmark CPA's. Seconded by Commissioner Greene. All in favor, motion passes 5-0. Landmark CPA's will now finalize the report and return it to RWU. RWU will then file the final audits with legislative audit.

Chairman Farmer then recognized Brent Dobler to present the financial reports. Billed revenue in the Water department was up 11.08% from September 2022. Water consumption was up 7.17% from September 2022. A profit of \$707,000 was reported for September 2023. A profit of \$600,000 was reported for September of 2022. Fiscal YTD collections for impact and access fee revenue for FY24 are \$292,800. This compares to YTD fees of \$209,300 in FY23 and \$313,100 in FY22. Year to date profit is more than the prior year by \$22,000.

The Sewer department billed revenue for the month of September is up 11.64% from September of 2022. Sewer consumption was up 8.22% from September 2022. The Sewer department reported a profit of \$3,000,000 for September 2023. Note that \$2,472,000 was received as a grant from the ANRC. A profit of \$575,000 was reported for September 2022. Fiscal YTD collections of impact and access fee revenue for FY24 are \$548,200. This compares to YTD access and impact fee revenue of \$355,430 in FY23 and \$538,100 in FY22. Year to date profit is more than the prior year by \$3,060,000.

Total restricted and unrestricted funds are \$52 million for September 2023. This is an overall increase of \$6.4 million from September 2022. Water funds increased by approximately

\$2,900,000 and Sewer funds increased by \$6,400,000. \$8.7 million of the \$52 million total funds are restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation.

Chairman Farmer then recognized Brian Sartain to present the Engineering Reports. Mr. Sartain went over the October plan review. The transition to Cityworks will mean that some of the projects in plan review will not show if they were not originally inputted into Cityworks. Development is strong in the private arena. The public projects that RWU is working on are the Western Corridor transmission main concept plans with property boundary surveys, environmental reports, geotechnical and cultural resource surveys. Under construction projects include pipe bursting and cured in place projects. RWU has officially taken Bent Tree and Berry Farm lift stations offline and we now have two fewer lift stations in the system, which is always a good thing. The Walnut widening project is looking at a February bid date. RWU is also currently implementing the Project Accounting module in Tyler Technologies. The equipment contract with Huber has been signed and is underway. Hawkins-Weir Engineering teams are working diligently on the design to arrive at the guaranteed maximum price on this construction manager at risk project.

Chairman Farmer then recognized Todd Beaver to present the Rogers Pollution Control Facility reports. Todd went over the discharge reports in greater detail for the benefit of some of our newer Commissioners. The FOG program inspections continue to go well. The industrial side is doing well, we do have some violations that are resulting in surcharges, but it generally comes down to the fact that our surcharges are less than it would cost them to treat themselves. We will look at this during our next rate study to make sure we have a process for violations that compels an industry to make the needed changes. The coatings on the clarifiers were completed in October. The facility received over 3.3" of rain over 8 events in October with 36 million gallons of inflow and infiltration which is our historical average for October.

Chairman Farmer then recognized Jerry Roegner to present an IT presentation. Jerry gave a brief history of where RWU's IT Department was five years ago, what was required to update the IT function at RWU, and where RWU is currently with regards to cybersecurity and overall system resiliency and redundancy.

Chairman Farmer then recognized Brian Sartain to present an Engineering Proposal for Targeted Sewer Capacity Studies for Proposed Development. This is a proposal where a developer will be able to, but not required, to participate with Freese & Nichols engineering. Since capacity studies are often required by the Health Department for new developments, and this information is valuable to RWU's wastewater model as well as the developer's engineers, RWU will cost share 50% of any study done by Freese & Nichols engineering, who maintains the RWU wastewater model. Annually, RWU anticipates this will cost around \$1500-\$3000 per study. Commissioner McClure made a motion to pass Item 2 as amended with a one-year review, Commissioner Greene seconded. All in favor, 5-0, motion passes.

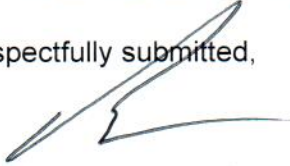
Chairman Farmer then recognized Brent Dobler to present Resolution 23-30 Authorizing Opt Out of PFAS Class Action. Dobler explained that RWU has been included as a member of a class-action lawsuit regarding PFAS in the water system. RWU must opt out or give up any potential future litigation against PFAS manufacturers that are part of this specific lawsuit. Since our water has never tested positive for any of these substances, we would not receive any settlement from this lawsuit. Therefore, to protect our ability to enter any lawsuit in the future if something changed, RWU must formally opt out of this claim. Commissioner Carmichael made

a motion to pass Resolution 23-30 Authorizing Opt Out of PFAS Class Action, Commissioner McClure seconded. All in favor, 5-0, Resolution 23-30 passed.

Chairman Farmer recognized Brian Sartain to present a Change Order on the 2023 Large Diameter Sewer Project Cost Overrun. Brian explained that there was a mistake in our original bid quantities with respect to pipe in a casing under 24th street. A \$100,000 contingency allowance was originally on this project, this is an additional \$47,190. Commissioner Greene made a motion to approve this change order in the amount of \$47,190. Commissioner McClure seconded. All in favor, 5-0, motion passes.

With no further items on the Agenda, Chairman Farmer adjourned the meeting at 4:27 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Brent Dobler', written over a horizontal line.

Brent Dobler, Acting Secretary
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