Rogers Waterworks and Sewer Commission

January 20, 2015

Minutes

The Rogers Waterworks and Sewer Commission held its regular meeting at 4:00 PM on Tuesday, January 20, 2015 in the Rogers Water Administration Building. Present were Commissioners Kathy McClure, Travis Greene, Roger Surly, and Jene’ Huffman-Gilreath. Commissioner Don Kendall did not attend. Rogers Water Utilities staff in attendance was Joyce Johnson, William Evans, Johnny Lunsford, Jennifer Lattin, Robert Moore, Earl Rausch, Brian Sartain, Stephen Ponder, Randy Watson, Vera Hall, and Donna Wilson. Others in attendance were Robert Frazier of the Frazier Law Firm and Teresa Moss of the Democrat-Gazette. Chairman Surly called the meeting to order at 4:02 PM.

Chairman Surly recognized Robert Moore, RPCF Plant Manager, to commemorate the five (5) year anniversary of Marco Segura. Segura was given a certificate and gift but did not attend.

There was a motion by Commissioner Huffman-Gilreath, second by Commissioner McClure to approve the minutes of the December 15, 2014 regular meeting as submitted. All in favor, motion carried.

Chairman Surly recognized Joyce Johnson, Utilities Controller for the presentation of the December 2014 financial reports. Johnson stated that Access and Impact Fees are running ahead of budget. The reserved funds are greater than last year due to paying off sewer bonds last year. The water department incurred a loss of $54,000 in December 2014 which is less than the previous year which showed a loss of $59,000. Looking ahead, she pointed out the water department usually incurs losses from January through May of each year. So, while the year to date income is $163,000, by the end of the fiscal year there will probably be a loss as indicated by the budget. In the sewer department year to date income is $1.3 million which is similar to the previous year. The budgeted $2.3 million profit for fiscal year 2015 should be attainable depending on the spring weather.

Johnson said the year to date water revenue is at $4.97 million which is ahead of the budgeted amount of $4.71 million. Total water department expenditures are $4.81 million which is slightly higher than the $4.78 that was budgeted due to higher water purchases in the first six months of the year. She explained other expenditures are within budget. In the sewer department year to date revenue is $5.63 million, just under the budgeted amount of $5.64 million. Expenditures are at $4.34 million compared to the budgeted amount of $4.49 million. Johnson asked if there were any questions.
Commissioner Greene asked what the City Franchise Tax is and why it is only charged on sewer. Johnson explained it was established by City Ordinance many years ago and provided for a monthly transfer to the City of Rogers for franchise fees based on a percentage of sales in water and sewer. After some years, the city council rescinded the water franchise fees, but left the sewer franchise fees in place.

Chairman Surly recognized Earl Rausch, Utility Superintendent for the December Staff reports. Rausch reported that we have a substantial increase for this time of year in the number of plans for review. He noted some are small jobs, subdivisions, remodels, and buildings but present an exciting volume so far this year. Rausch ask if there were any questions about the jobs listed.

Rausch stated that we have done our request for qualifications per state law and had six (6) engineering firms turn in their qualifications to us for the water master plan. We will begin the process of starting to negotiate with the engineering firms after we have selected the top three (3) firms. Chairman Surly ask what all does that entail. Rausch stated this will be water master plan which includes water modeling and water age. This modeling will help us get rid of some water age problems and suggest looping some lines together. The water master plan will give us a better idea of which system improvements needs to be included in the Capital Improvement Plan (CIP). We know development is coming soon in the area of Hwy 112 which we currently have no water lines. We need to react because we are now reviewing plans of a new subdivision on Hwy 112. We hope to make the announcement at the next Commission meeting which engineering firm has been selected and present their proposal.

Rausch commended Robert Moore, RPCF Plant Manager, on a job well done regarding the 2014 yearend report. He noted the phosphorous values looks great as it shows a slight downward trend the past four (4) years. Commissioner Huffman-Gilreath ask when we think phosphorous will be an issue. Moore stated that it could possibly be in 2016 and Rausch added it might involve litigation. Rausch noted we were losing some Biochemical Oxygen Demand (BOD), and Moore added that he feels it is starting to pick up again due to nutrient growth. Rausch noted that water samples were collected at the Osage Creek monitoring station but we have not yet received the results. The sample results should be available for the next month Commission meeting.

Rausch reported water sales is good for this time of year at 6 ½ million, being three (3) percent for the month and 13 percent for the calendar year. On to the Sewer report, Rausch says camera work footage has slightly increased and flushing footage has doubled. The flushing increase is due to having 2 flush trucks operational. One overflow was noted on Wood St. with no household property damage. Rausch asked if there were any further questions. There were no further questions.
Rausch presented a spreadsheet using a comparison of prices from our neighboring cities on current and new proposed costs of water services, fees, and deposits. He said our cost on some of these water services have actually doubled since the last speculated increase around 2002. He would like to make the increase effective February 2015 utilizing a two tier level which has already been discussed with the city. The additional increase would be effective January 2016.

Commissioner Huffman-Gilreath ask why such a difference in cost of a 1 and 1 1/2 inch meter. Evans added it reflects the higher cost of construction for larger meters as well as the cost of parts. Rausch addressed the current costs of constructing large taps which is mainly for contractors/developers. He proposes to increase the current sewer tap costs from $150 to $250 indicating some of the sewer taps are for commercial buildings but mostly for residential housing. Discussion continued relating costs of coring and cutting sewer services into manholes by outside contractors. Chairman Surly ask if there should be a charge for an inspection. Rausch stated we currently do not charge for any type of inspections.

Rausch continued with the analysis of insufficient checks, deposits, service fees and same day meter set fees. Chairman Surly ask how many insufficient checks we have. There is approximately 30-40 return checks processed monthly. Rausch presented the changes with two (2) resolutions (one water & one sewer) explaining it does not require city council approval because they are not considered rates. The cost of water services, fees, and deposits lies within jurisdiction of the Water and Sewer Commission. After much discussion, Commissioner Greene made a motion to adopt the proposed changes. The motion was second by Commissioner Huffman-Gilreath. All in favor, motion carried.

Chairman Surly recognized Johnny Lunsford, Sewer Field Operations Supervisor. Lunsford ask to waive competitive bidding to purchase a new sewer camera. Because we currently use Cues, Lunsford explained it would be more cost effective to purchase the camera from Henard Utility Products since it would be compatible with our existing equipment, not requiring us to change out any of the components. Commissioner McClure made a motion to waive competitive bidding to purchase a sewer camera from Henard Utility Products in the amount of $44,591.19. Motion was second by Commissioner Greene, all in favor motion carried.

Chairman Surly recognized Brian Sartain, Design Engineer. Sartain stated that the City of Rogers received bids on December 23, 2014 for the reconstruction and widening of South 1st St. from Olrich St. to Birch St. City council has approved this street project. This street project will replace approximately 3,100 linear feet of waterline and approximately 1,300 linear feet of sewer. Decco Contractors-Paving was the lowest bidder at $490,100.10 for the water and sewer utilities portion of the project. Staff recommends reimbursement of $490,100.10 to the City of Rogers for the cost of water and sewer relocations. Commissioner Huffman-Gilreath made a motion to reimburse the City of Rogers $490,100.10 for the costs of water and sewer
relocation. The motion was second by Commissioner McClure and Commissioner Greene abstained. All in favor, motion carried.

Chairman Surly addressed the re-appointment of Commissioner Huffman-Gilreath. She agreed to accept a new eight (8) year term. Commissioner McClure made a motion to re-appoint Commissioner Huffman-Gilreath for a new eight (8) year term. Motion was second by Chairman Surly, all in favor motion carried.

Rausch asked Jennifer Lattin to share a report on the water and sewer department trends from 2007 through 2014, and budgeted information through fiscal year 2015. Lattin presented charts showing trends for income, consumption, reserved funds, outstanding debt, number of employees, number of customers, and expenditures over that time period. She noted a significant increase in RWU customers, but pointed out these customers are served with less employees now than in 2007. Lattin ask if there were questions. There were none. Chairman Surly thanked Lattin for providing a very informative report.

Rausch announced that the next commission meeting scheduled for Monday, February 16, 2015 is Presidents Day Holiday and said the next regular meeting will be on Tuesday, February 17, 2015.

Chairman Surly adjourned the meeting at 5:09 PM.

Respectfully submitted,

Earl Rausch, Acting Secretary

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