



ROGERS WATER UTILITIES INVESTMENT POLICY MEETING

FEBRUARY 22, 2022

3:30 PM

ROGERS WATER UTILITIES ADMINISTRATION BUILDING

601 S. SECOND STREET, ROGERS, AR 72756

AGENDA

CALL TO ORDER:

ACTION ON MINUTES:

1. Approval of the March 15, 2021 Minutes

REPORTS:

1. Report on Implementation of Prior Year Recommendations

OTHER BUSINESS:

1. Administration of the Investment Policy
2. Designation of Banks for Banking Information

ADJOURN:

RWU Depository and Investment Committee Meeting

March 15, 2021

Minutes

The Rogers Water Utilities Depository and Investment Committee held a meeting at 3:30 PM Monday, March 15, 2021 remotely from the Rogers Water Administration Building located at 601 S 2nd St. Present were Brent Dobler, Utility Superintendent, Casey Wilhelm, the City of Rogers Finance Director, and Roger Surly, Designated Commissioner. Others in attendance were Jennifer Lattin, Jerry Roegner, and Robert Frazier of the Frazier Law Firm. Commissioner Roger Surly called the meeting to order at 3:30 PM.

Chairman Roger Surly asked for approval of the February 16, 2021 minutes. Brent Dobler made a motion to approve the February 16, 2021 minutes as submitted, second by Casey Wilhelm. Motion carried.

With no further business, Chairman Surly adjourned the meeting at 3:12 PM/

Brent Dobler, Acting Secretary/JAL

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ROGERS WATER UTILITIES
SUMMARY OF FUNDS
December 31, 2021

TAB 1

	Water	Sewer	Total	General Ledger/Bank Account Numbers
Petty Cash and Change Funds	\$ 1,725.00	\$ 150.00	\$ 1,875.00	1-0-100.00/2-0-100.00
Interest Bearing Checking Accts	\$ 5,400,758.96	\$ 3,411,212.24	\$ 8,811,971.20	See TAB 2
CD's and CDARS	\$ 14,536,664.68	\$ 16,037,265.42	\$ 30,573,930.10	See TAB 3
Simmons Trust/Access/Impact	\$ 842,536.23	\$ 1,478,044.11	\$ 2,320,580.34	See TAB 4
Debt Service Trust Funds	\$ 168,088.94	\$ 204,674.22	\$ 372,763.16	See TAB 5
Total Funds	<u>\$ 20,949,773.81</u>	<u>\$ 21,131,345.99</u>	<u>\$ 42,081,119.80</u>	See TAB 6
MINIMUM RESERVES AS CALCULATED 12/31/20	<u>\$ 11,809,000.00</u>	<u>\$ 11,387,000.00</u>	<u>\$ 23,196,000.00</u>	
OTHER RESERVES	<u>\$ 9,140,773.81</u>	<u>\$ 9,744,345.99</u>	<u>\$ 18,885,119.80</u>	

Reviewed and Approved by Utility Superintendent

(Initial) (Date)

Comments:

Reviewed and Approved by Commissioner

(Initial) (Date)

Reviewed and Approved by City Finance Director

(Initial) (Date)

CHECKING & MONEY MARKET BANK RECONCILIATION

December 31, 2021

<u>Bank</u>	<u>Purpose</u>	<u>Ledger Number</u>	<u>Money Market ACCT Number</u>	<u>Checking ACCT Number</u>	<u>Balance</u>
Arvest Bank	Utility Deposit Acct.	1.0.111.05	n/a	80303594	\$1,489,584.11
Arvest Bank	A/P & Payroll Check.	1.0.100.09	n/a	10126398	\$228,153.05
Arvest Bank	Water O&M	1.0.111.09	15074416	10126411	\$2,382,597.19
Arvest Bank	Sewer O&M	2.0.111.09	15432621	80547978	\$2,925,998.50
				Total Arvest	<u>\$7,026,332.85</u>
First National Bank of Rogers	Water Depreciation	1.0.111.08	n/a	1009100	\$546,638.54
First National Bank of Rogers	Sewer Depreciation	2.0.111.08	n/a	8236093	\$485,213.74
First National Bank of Rogers	Meter Deposits	1.0.500.00	n/a	1000055	\$377,653.12
First National Bank of Rogers	Credit Card Account	1.0.100.11	n/a	1004123	\$376,132.95
				Total FNBR	<u>\$1,785,638.35</u>
				Total Funds	<u><u>\$8,811,971.20</u></u>
				Water Funds	\$5,400,758.96
				Sewer Funds	<u>\$3,411,212.24</u>
				Total Funds	<u><u>\$8,811,971.20</u></u>

ROGERS WATER UTILITIES

CDARS---INVESTMENTS ON BALANCE SHEET

TAB 3

12/31/2021 WATER

BANK	ACCOUNT	CD #	RATE	DATE PURCHASED	AMOUNT	MATURITY DATE	DAYS TO ACCRUE	ANNUAL INTEREST	ACCRUED 6/30/2020	INTEREST LAST PAID
FWB	O&M-CDARS	1024395789	0.35%	11/18/2020	\$ 1,018,808.17	11/18/2021	0	\$3,559.72	\$0.00	12/31/2021
FWB	DEPR-CDARS	1024395819	0.35%	11/18/2020	\$ 536,211.84	11/18/2021	0	\$1,876.74	\$0.00	12/31/2021
FWB	O&M-CDARS	1024395754	0.35%	11/18/2020	\$ 524,231.35	11/18/2021	0	\$1,834.81	\$0.00	12/31/2021
OZK	O&M-CDARS	1024554186	0.21%	1/14/2021	\$ 1,069,017.92	1/13/2022	0	\$2,242.69	\$0.00	12/31/2021
ARVES	O&M-CDARS	1024731312	0.15%	3/17/2021	\$ 538,570.03	3/18/2022	92	\$807.86	\$0.00	9/30/2021
OZK	O&M-CDARS	1024909227	0.18%	5/13/2021	\$ 1,057,504.17	5/13/2022	0	\$1,903.51	\$0.00	12/31/2021
OZK	O&M-CDARS	1024928604	0.18%	5/20/2021	\$ 1,047,396.35	5/19/2022	0	\$1,885.31	\$0.00	12/31/2021
FWB	O&M-CDARS	1024967502	0.25%	6/3/2021	\$ 1,057,532.64	6/2/2022	0	\$2,640.45	\$0.00	12/31/2021
FWB	DEPR-CDARS	1024967464	0.25%	6/3/2021	\$ 869,259.79	6/2/2022	0	\$2,170.37	\$0.00	12/31/2021
FWB	O&M-CDARS	1024985616	0.25%	6/10/2021	\$ 538,755.01	6/9/2022	0	\$1,346.89	\$0.00	12/31/2021
FWB	O&M-CDARS	1025161587	0.25%	8/12/2021	\$ 502,487.90	8/11/2022	0	\$1,254.61	\$0.00	12/31/2021
FWB	MTR DEP-CDARS	1025239977	0.25%	9/9/2021	\$ 536,418.17	9/8/2022	0	\$1,341.05	\$0.00	12/31/2021
FWB	MTR DEP-CDARS	1025260364	0.25%	9/23/2021	\$ 544,562.09	9/22/2022	0	\$1,359.66	\$0.00	12/31/2021
FWB	DEPR-CDARS	1025324486	0.25%	10/14/2021	\$ 527,140.35	10/13/2022	0	\$1,317.85	\$0.00	12/31/2021
ARVES	O&M-CDARS	1025359506	0.15%	10/21/2021	\$ 700,000.00	10/20/2022	0	\$1,050.00	\$0.00	12/31/2021
FWB	O&M-CDARS	1025360547	0.25%	10/28/2021	\$ 1,072,636.39	10/27/2022	0	\$2,681.59	\$0.00	12/31/2021
ARVES	O&M-CDARS	1024811375	0.18%	4/8/2021	\$ 1,100,928.72	4/6/2023	92	\$1,926.63	\$0.00	9/30/2021
OZK	DEPR-CDARS	1024889528	0.24%	5/6/2021	\$ 539,589.22	5/4/2023	239	\$1,295.01	\$847.97	
OZK	O&M-CDARS	1024928647	0.60%	5/20/2021	\$ 755,614.57	5/18/2023	13	\$4,533.69	\$161.47	12/31/2021
TOTAL WATER					\$ 14,536,664.68			\$37,028.43	\$1,009.44	

0.25% Water Average Interest Rate

12/31/2021 SEWER

BANK	ACCOUNT	CD #	RATE	DATE PURCHASED	AMOUNT	MATURITY DATE	DAYS TO ACCRUE	ANNUAL INTEREST	ACCRUED 6/30/2020	INTEREST LAST PAID
FWB	O&M-CDARS	1025415953	0.25%	11/17/2021	\$ 1,029,973.69	11/17/2022	0	\$2,574.93	\$0.00	12/31/2021
OZK	O&M-CDARS	1024554194	0.21%	1/14/2021	\$ 1,069,017.87	1/13/2022	0	\$2,242.69	\$0.00	12/31/2021
ARVES	O&M-CDARS	1024811618	0.15%	4/8/2021	\$ 900,651.26	4/7/2022	92	\$1,350.98	\$340.52	9/30/2021
FWB	O&M-CDARS	1024831244	0.15%	4/22/2021	\$ 531,574.08	4/21/2022	0	\$796.78	\$0.00	12/31/2021
FWB	O&M-CDARS	1024831201	0.15%	4/22/2021	\$ 1,059,179.67	4/21/2022	0	\$1,587.60	\$0.00	12/31/2021
OZK	O&M-CDARS	1024909219	0.18%	5/13/2021	\$ 1,027,289.76	5/12/2022	0	\$1,849.12	\$0.00	12/31/2021
OZK	O&M-CDARS	1024909235	0.18%	5/13/2021	\$ 1,057,504.10	5/12/2022	0	\$1,903.51	\$0.00	12/31/2021
OZK	O&M-CDARS	1024928612	0.18%	5/20/2021	\$ 1,510,667.71	5/19/2022	0	\$2,719.20	\$0.00	12/31/2021
OZK	O&M-CDARS	1024928639	0.18%	5/20/2021	\$ 1,032,289.61	5/19/2022	0	\$1,858.12	\$0.00	12/31/2021
FWB	O&M-CDARS	1024985772	0.25%	6/10/2021	\$ 553,776.06	6/9/2022	0	\$1,384.44	\$0.00	12/31/2021
FWB	O&M-CDARS	1024985659	0.25%	6/10/2021	\$ 538,755.01	6/9/2022	0	\$1,346.89	\$0.00	12/31/2021
FWB	O&M-CDARS	1024083825	0.70%	8/13/2020	\$ 1,115,602.58	8/11/2022	0	\$7,782.11	\$0.00	12/31/2021
FWB	O&M-CDARS	1025161587	0.25%	8/12/2021	\$ 1,076,044.80	8/11/2022	0	\$2,686.67	\$0.00	12/31/2021
ARVES	O&M-CDARS	1025359514	0.15%	10/21/2021	\$ 850,000.00	10/20/2022	0	\$1,275.00	\$251.58	9/30/2021
FWB	O&M-CDARS	1025341003	0.25%	10/21/2021	\$ 532,131.42	10/20/2022	0	\$1,330.33	\$0.00	12/31/2021
ARVES	O&M-CDARS	1024811588	0.18%	4/8/2021	\$ 1,501,266.43	4/6/2023	92	\$2,627.22	\$662.20	9/30/2021
OZK	O&M-CDARS	1024889498	0.24%	5/6/2021	\$ 651,541.37	5/4/2023	0	\$1,563.70	\$0.00	12/31/2021
GRAND TOTAL					\$ 16,037,265.42			\$38,592.13	\$1,009.44	

0.24% Sewer Average Interest Rate

0.24% Combined Average Interest Rate

Simmons First Trust Company

Bank Reconciliation

December 31, 2021

TAB 4

	<u>Water</u>	<u>Sewer</u>		
Bank Account	3053010013	305301004		
General Ledger Account	1-0-120.00	2-0-120.00	<u>Total</u>	<u>Collateral</u>
Balance Per Bank	\$ 800,211.23	\$ 1,402,234.11	\$ 2,202,445.34	No collateral required
DIT	<u>\$ 42,325.00</u>	<u>\$ 75,810.00</u>	<u>\$ 118,135.00</u>	
Balance Per General Ledger	<u><u>\$ 842,536.23</u></u>	<u><u>\$ 1,478,044.11</u></u>	<u><u>\$ 2,320,580.34</u></u>	

Regions Trust Bank Reconciliations
December 31, 2021

TAB 5

	7080015721 <u>1-0-512.14</u>	7080021224 <u>1-0-516.14</u>	Total <u>1-4-473.98</u>
Month End Balance	\$125,394.73	\$145,081.73	\$270,476.46
Accrued Interest	0.00	0.00	\$0.00
Deposit in Transit	0.00	0.00	\$0.00
Bond Interest Exp	<u>-\$33,496.88</u>	<u>-\$68,890.64</u>	<u>-\$102,387.52</u>
Reconciled Balance	<u><u>-\$33,496.88</u></u>	<u><u>-\$68,890.64</u></u>	<u><u>\$168,088.94</u></u>

	7080021180 <u>2-0-716-14</u>	Total <u>2-4-473.98</u>
Month End Balance	\$258,874.22	\$258,874.22
Accrued Interest	0.00	\$0.00
Deposit in Transit	0.00	\$0.00
Bond Interest Exp	<u>-\$54,200.00</u>	<u>-\$54,200.00</u>
Reconciled Balance	<u><u>\$204,674.22</u></u>	<u><u>\$204,674.22</u></u>

ROGERS WATER UTILITIES SCHEDULE OF FUNDS

December 2021

	UNRE- STRICTED	RESTRICTED				TOTAL RESTRIC- TED	GRAND TOTAL
		Meter Deposits	Debt Reserve	Access/ Impact Fees	Depreci- ation		
<u>WATER</u>							
Petty Cash	\$ 1,725					\$ -	\$ 1,725
Checking - O&M	228,153					-	228,153
Checking-Bank of Rogers	376,133					-	376,133
Savings-Utility Money Fund	1,489,584					-	1,489,584
Savings-Depr Money Fund					546,639	546,639	546,639
Savings-O&M Money Fund	2,382,597					-	2,382,597
Access/Impact Fees-Simmons				842,536		842,536	842,536
Investments-CD's	10,983,483	1,080,980			2,472,201	3,553,181	14,536,665
Checking-Meter Deposits		377,653				377,653	377,653
Regions Bank-2012 Bonds			91,898			91,898	91,898
Regions Bank-2016 Bonds			76,191			76,191	76,191
TOTAL WATER	15,461,676	1,458,633	168,089	842,536	3,018,840	5,488,098	20,949,774
<u>SEWER</u>							
Petty Cash	150					\$ -	\$ 150
Savings-Depr Money Fund					485,214	485,214	485,214
Savings-O&M Money Fund	2,925,999					-	2,925,999
Access/Impact Fees-Simmons				1,478,044		1,478,044	1,478,044
Investments-CD's	16,037,265					-	16,037,265
Regions Bank-2010 Bonds			-			-	-
Regions Bank-2016 Bonds			204,674			204,674	204,674
TOTAL SEWER	18,963,414	-	204,674	1,478,044	485,214	2,167,932	21,131,346
GRAND TOTAL	\$34,425,089	\$ 1,458,633	\$ 372,763	\$ 2,320,580	\$ 3,504,053	\$ 7,656,030	\$ 42,081,120

DETERMINATION OF MINIMUM RESERVE AMOUNTS IS BASED ON CONSIDERING:

Providing adequate safe drinking water and sanitary sewer is essential to quality of life.

The need to insure Public Health and Welfare in the event of any natural disaster.

Funding day to day operations in case revenues decline as well as funding capital improvements that can cost hundreds of thousands of dollars to replace.

<u>2022 Proposed Minimum Reserves</u>		<u>Prior Year Minimum Reserves</u>	
Significant Outstanding Bonded Debt 12/31/20	\$18,145,000 Water \$8,130,000 Sewer <u>\$26,275,000 Total</u>	Significant Outstanding Bonded Debt 12/31/20	\$18,965,000 Water \$9,260,000 Sewer <u>\$28,225,000 Total</u>
	<u>\$26,275,000 Total</u>		<u>\$28,225,000 Total</u>
<u>WATER</u>		<u>WATER</u>	
Prior Year Operating Expenses (FY'21 audited)	\$11,209,000	Prior Year Operating Expenses (FY'20 audited)	\$10,361,000
Debt Service (FY'23)	\$1,446,000	Debt Service (FY'22)	\$1,448,000
Minimum Reserves FY'23	<u>\$12,655,000</u>	Minimum Reserves FY'22	<u>\$11,809,000</u>
Prior Year Depreciation (FY'21 audited)	-\$2,825,000	Prior Year Depreciation (FY'20 audited)	-\$2,682,000
Minimum Short Term Reserves	<u>\$9,830,000</u>	Minimum Short Term Reserves	<u>\$9,127,000</u>
<u>SEWER</u>		<u>SEWER</u>	
Prior Year Operating Expenses (FY'21 audited)	\$10,255,000	Prior Year Operating Expenses (FY'20 audited)	\$9,909,000
Debt Service (FY'23)	\$1,477,000	Debt Service (FY'22)	\$1,478,000
Minimum Reserves FY'23	<u>\$11,732,000</u>	Minimum Reserves FY'22	<u>\$11,387,000</u>
Prior Year Depreciation (FY'21 audited)	-\$4,440,000	Prior Year Depreciation (FY'20 audited)	-\$4,152,000
Minimum Short Term Reserves	<u>\$7,292,000</u>	Minimum Short Term Reserves	<u>\$7,235,000</u>

ROGERS WATER UTILITIES

Investment Policy

December 2021

	UNRE- STRICTED	RESTRICTED				TOTAL RESTRIC- TED	GRAND TOTAL
		Meter Deposits	Debt Reserve	Impact Fees	Depreci- ation		
Water							
Not available (Trust and Debt Service)			168,000	843,000		1,011,000	1,011,000
Liquid-interest bearing checking/money market	4,888,000	378,000			547,000	925,000	5,813,000
Short-term (1 year or less)CDARS	0	1,081,000			1,925,000	3,006,000	3,006,000
MINIMUM SHORT TERM RESERVES	4,888,000	1,459,000	168,000	843,000	2,472,000	4,942,000	9,830,000
Available for longer term investment							
Medium-term (2-3 years)	1,857,000	0			540,000	540,000	2,397,000
Long-term (4-5 years)	0	0			0	0	-
Total	1,857,000	0	0	0	540,000	540,000	2,397,000
OTHER SHORT TERM RESERVES							
Meter Change Out Program	400,000					0	400,000
Undesignated Other Short-Term Res.	8,323,000					0	8,323,000
	0					0	-
TOTAL WATER RESERVES	15,468,000	1,459,000	168,000	843,000	3,012,000	5,482,000	20,950,000
MINIMUM RESERVES							12,655,000
RESERVES ABOVE MINIMUM							8,295,000

ROGERS WATER UTILITIES

Investment Policy

December 2021

Sewer

	UNRE- STRICTED	RESTRICTED				TOTAL RESTRIC- TED	GRAND TOTAL
		Meter Deposits	Debt Reserve	Impact Fees	Depreci- ation		
Not available (Trust and Debt Service)			205,000	1,478,000		1,683,000	1,683,000
Liquid-interest bearing checking/money market	13,399,000				485,000	485,000	13,884,000
Short-term (1 year or less)CDARS						0	0
MINIMUM SHORT TERM RESERVES	13,399,000	0	205,000	1,478,000	485,000	2,168,000	15,567,000
Available for longer term investment							
Medium-term (2-3 years)	2,153,000					0	2,153,000
Long-term (4-5 years)	0					0	0
Total	<u>2,153,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,153,000</u>
OTHER SHORT TERM RESERVES							
Meter Change Out Program	400,000					0	400,000
Train 2 Rehabilitation at RPCF	3,000,000						3,000,000
Undesignated Other Short-Term Res.	<u>11,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,000</u>
TOTAL SEWER RESERVES	<u>18,963,000</u>	<u>0</u>	<u>205,000</u>	<u>1,478,000</u>	<u>485,000</u>	<u>2,168,000</u>	<u>21,131,000</u>
MINIMUM RESERVES							11,732,000
RESERVES ABOVE MINIMUM							9,399,000

List of Current RWU Depositories:

- 1. Arvest**
- 2. First Western Bank**
- 3. First National Bank of Fort Smith
(First National Bank of Northwest
Arkansas)**
- 4. Simmons First Trust Company**
- 5. Regions Bank**
- 6. Bank OZK**