ROGERS WATERWORKS AND SEWER COMMISSION MEETING AGENDA
NOVEMBER 21, 2022
4:00 PM

AGENDA

CALL TO ORDER:

ACTION ON MINUTES:

1. Approval of the October 17, 2022 Water & Sewer Commission Minutes

REPORTS:

1. RWU Annual Audit Report - John Evans
2. Financial Reports - J. Lattin
3. Engineering Reports - B. Sartain
4. Operations Reports - J. Lunsford
5. Rogers Pollution Control Facility Reports - T. Beaver
6. ANRC Funding Applications - B. Dobler

OLD BUSINESS:

NEW BUSINESS:

1. Resolution 22- ___ Unlawful Inflow Connections - B. Dobler
2. Motion to Approve 2022 Invitation for Printing and Mailing Services - J. Lattin
3. Resolution 22- __ Waiving Competitive Bid for Vaccon Repair - J. Lunsford
4. Motion to Approve a Facilities Extension Contract for Meadowbrooke Ph1 - B. Sartain
5. Motion to Approve Engineering Proposal for RPCF Capacity Improvements - B. Sartain

ADJOURN:

Rogers Waterworks and Sewer Commission

October 17, 2022

Minutes

The Rogers Waterworks and Sewer Commission held its regularly scheduled meeting at 4:00 PM Monday, October 17, 2022, in the Rogers Administration Building located at 601 S 2nd Street. Present were Commissioners Roger Surly, Travis Greene, Kathy McClure, Mike Watkins and Peter Farmer. Rogers Water Utilities staff present were Jennifer Lattin, Dana Daniel, Tony Kinion, Aaron Short, Johnny Lunsford, Todd Beaver, Brent Dobler, Jerry Roegner and Debbie Putman. Also in attendance was Robert Frazier.

Brent Dobler introduced our new IT Manager, Jerry Roegner to the Commission.

Chairman Watkins called the meeting to order at 4:03PM. Commissioner McClure made a motion, seconded by Roger Surly to approve the minutes from the September 19th meeting as submitted. All in favor, motion carried.

The RWU annual audit review was not presented as John Evans was unable to attend. After a brief discussion, Chairman Watkins tabled this item until the November meeting.

Chairman Watkins recognized Jennifer Lattin for the Financial Reports. Jennifer stated that she did not have the full reports completed due to our ongoing software conversion/implementation but would send them immediately upon completion. Overall revenues have increased, and she stated that we experienced very favorable water and sewer numbers in September. Reserves are very healthy at $45.4M. She also gave an update on the software implementation with Tyler Technologies and some of the obstacles RWU has been facing. In spite of the utility billing module implementation taking much longer than anticipated, the financial reporting and payroll modules have experienced good implementations.

Chairman Watkins recognized Jerry Roegner to go over the IT reports. IT has been helping with the implementations. The office, the plant, and our water towers now all have new security cameras onsite. The Administration and RPCF offices now have new access controls as well. The list that the team had assembled under Jene' is still being followed and will continue to be. He mentioned that he does not anticipate any major deviations from this path.

Chairman Watkins then recognized Johnny Lunsford to present the Operations Report. Johnny has been attending many conferences such as WEF in New Orleans since he is the WEF delegate for AR. Crews are performing tasks safely and productively. We are seeing the supply chain issues easing and now have all of the materials available. Commissioner Farmer asked if we were having trouble obtaining mechanical joint fittings, and Johnny responded that we had not had trouble obtaining these fittings at this time.

Chairman Watkins recognized Todd Beaver to present the RPCF reports. Dry weather has been very helpful with plant operations. Industrial pretreatment has been moving right along and our team has informed some of them of better management practices that we have noticed along the way. FOG inspection has been doing well by Amber and Patrick. Still waiting on one of the solids hauling contractors to get their incorporation in AR. Commissioner Greene asked what that consisted of Robert

Frazier elaborated. Frazier said that it was a very easy requirement to obtain, not sure why the contractor has not done this yet. Dry weather resulted in very low I&I.

Mr. Beaver then went on to ask for a motion to continue with an engineering change order for the Solids Handling Project that is in design. This amendment covers the extra design cost of a not to exceed price of $68,500 to take the two dryer options to 15% completion. Greene asked if this seemed online, and Beaver responded with a “yes”. Greene then went on to make a motion to approve, Surly seconded. Motion passed unanimously.

Chairman Watkins recognized Aaron Short to make a motion to approve engineering services for a parallel 24” sewer line with an estimated cost of $15M. This motion is to approve Crafton Tull to provide design plans. A not to exceed cost of $689, 660. Commissioner Greene asked if there was a “rule of thumb” for reviewing the cost of an engineering services contract. Mr. Short responded that it really depends on the complexity of the project and went on to briefly state what was unique with regard to this project such as a bore underneath I-49 and some of the adjacent landowners as an example of some potential obstacles that may or may not result in a higher cost to engineer. McClure made a motion, seconded by Surly. Motion approved unanimously.

With no further business, Chairman Watkins adjourned the meeting at 4:34PM.

ROGERS WATER UTILITIES

Rogers Water Utilities
Water Department

Financial Statements
and
Supplementary Information
June 30, 2022 and 2021

(With Independent Auditor's Report Thereon)

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Waterworks and Sewer Commission
Rogers Water Utilities Water Department
Rogers, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the **Rogers Water Utilities Water Department** (the Water Department), a component unit of the City of Rogers, Arkansas, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Water Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Water Department, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Water Department and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Water Department's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Water Department's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Water Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

As discussed in Note 1, the financial statements present only the Water Department and do not purport to, and do not, present fairly the financial position of the Rogers Water Utilities or the City of Rogers, Arkansas, and the changes in their financial position, or, where applicable, their cash flows in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and pension schedules on pages 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Water Department's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated October 5, 2022 on our consideration of the Water Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Water Department's internal control over financial reporting and compliance.

Landmark PLC

Rogers, Arkansas
October 5, 2022

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Management's Discussion and Analysis
June 30, 2022, 2021, and 2020

This management's discussion and analysis of the financial performance of the Rogers Water Utilities Water Department (Water Department) provides an overview of the Water Department's financial activities for the years ended June 30, 2022, 2021, and 2020. Rogers Water Utilities is a component unit of the City of Rogers, Arkansas, and is overseen by the Rogers Waterworks and Sewer Commission, an autonomous board of directors, created by the Rogers City Council. The Rogers Water Department is rate-funded, receiving no general tax revenue. The information presented should be read in conjunction with the basic financial statements and accompanying notes to the financial statements.

Financial Highlights Discussion

- The Water Department's net position increased by $5,594,000 or 6.1% over fiscal year 2021. Net position increased by $8,959,000 or 10.9%, in fiscal year 2022 over 2021.
- Water Department operating revenues increased by $1,419,000 or 10% from 2021. Operating revenues increased by $2,395,000, or 20.1% in 2022 from 2021.
- Operating expenses increased by $281,000 or 2.5% from 2021. Operating expenses increased by $704,000, or 9.1% in 2022 from 2021.
- Net Position increased by $3,646,000 before capital contributions during fiscal year 2022. In fiscal year 2021, net position before capital contributions increased by $2,542,000.

Rogers Water Department Fiscal Year 2022 Highlights

- The change in net position before capital contributions exceeded budget by $710,000 and was more than prior year operating results by $662,000.
- The number of customers increased by 628 or 1.83% from the prior year. Billed water consumption increased by 2.51%.
- Our water supplier, Beaver Water District, implemented a rate increase of $0.03 per thousand effective October 1, 2021.
- Continue with two (2) software integrations, Cityworks, for asset management, and Tyler Technologies, for billing and accounting functions. Both projects are still ongoing.
- RWU will continue the $500,000/year City-wide meter change out program. At this rate, our meter change out will be perpetual and based on the life cycle of the water meters. The change out is being conducted by Utility Staff.
- RWU refurbished the Tower Park Water Tower on 11th Street. Total project costs were $1.4 million.
- RWU initiated a Corridor Study with Garver Engineers that will help determine cost-effective ways the Utility can achieve a higher risk and resiliency status by working with neighboring water systems. This can be achieved by either emergency connections with other water systems, and/or new water transmission mains, or a combination of both.

Rogers Water Utilities Water Department
A Component Unit of the City of Rogers, Arkansas

Management's Discussion and Analysis
June 30, 2022, 2021, and 2020

Rogers Water Department Fiscal Year 2021 Highlights

- The change in net position before capital contributions exceeded budget by $1,152,000 but was more than prior year operating results by $859,000.
- The number of customers increased by 716 or 2.13% from the prior year. Billed water consumption increased by 10.71%.
- RWU signed an agreement with Timmons Group to implement Cityworks software, a web GIS-centric enterprise asset management system to manage, track, analyze and score our infrastructure assets, in a joint agreement with the City of Rogers.
- RWU signed a 4-year contract with Tyler Technologies to replace RWU's current AS400 operating software. The start of the contract is July 1, 2021 and includes replacement of billing, accounting, payroll, and other operating functions.
- RWU retained Garver to conduct a Water Master Plan that will be used to update our Capital Improvement Plan (CIP). This CIP makes it possible for RWU to plan for our future financial requirements.
- RWU will continue the $500,000/year City-wide meter change out program. At this rate, our meter change out will be perpetual and based on the life cycle of the water meters. The change out is being conducted by Utility Staff.

Rogers Water Department Fiscal Year 2020 Highlights

- The change in net position before capital contributions exceeded budget by $294,000 but was less than prior year operating results by $105,000.
- The number of customers increased by 587 or 1.78% from the prior year. Billed water consumption decreased by 4.11%.
- Continued a City-wide meter change out program and extended the completion period to be over the next 4 to 6 years. The change out is being conducted by Utility Staff.
- Our water supplier, Beaver Water District, implemented a rate increase of $0.02 per thousand effective October 1, 2020.
- Completed a water and sewer rates study with HDR Engineering to determine utility Capital needs and cash requirements.
- Presented a 5-year rate increase schedule to Rogers Waterworks and Sewer Commission and Rogers City Council. The 5-year rate increase was approved by both governing bodies with the first increase effective on April 1, 2020. The subsequent rate increases will occur each July 1, 2021-2025.
- As a result of the COVID-19 pandemic, commercial water consumption decreased by 21% in the last quarter of fiscal year 2020 compared to the last quarter of fiscal year 2019. As a result, commercial revenue for FY 2020 was slightly less than the prior year and budget by 3.6% and 7% respectively.

- As a result of the COVID-19 pandemic, RWU suspended service disconnections from March 26 to July 6th and waived all associated reconnection fees. As a result, penalty revenue and service charge income were less than the prior year and budget by $67,000 combined. Service disconnections resumed on July 7, 2020.
- Tyson Foods, RWU's largest industrial customer, increased water usage by 6.18% from fiscal year 2019. For the two years prior, Tyson Foods water usage decreased as part of a plan to reduce water usage by 25% by the year 2025.

Using This Annual Report

The Water Department's financial statements consist of three statements - a statement of net position; a statement of revenues, expenditures and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Water Department, including resources held by the Water Department but restricted for specific purposes by creditors. The Water Department is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

Rogers Water Utilities Water Department
A Component Unit of the City of Rogers, Arkansas

Management's Discussion and Analysis
June 30, 2022, 2021, and 2020

Financial Highlights
Assets, Liabilities and Net Position

	2022	2021	2020
Assets			
Total current assets	$ 18,329,100	$ 17,722,076	$ 15,538,016
Restricted cash, investments, and interest receivable	5,121,196	4,907,239	4,794,455
Other noncurrent assets	97,595,121	92,807,782	86,373,110
Total Assets	$ 121,045,417	$ 115,437,097	$ 106,705,581
Deferred Outflows of Resources			
Deferred pension outflows	$ 322,491	$ 556,560	$ 398,255
Deferred bond refunding costs	455,614	511,306	566,998
Total Deferred Outflow of Resources	$ 778,105	$ 1,067,866	$ 965,253
Liabilities			
Total current liabilities	$ 4,200,740	$ 3,358,253	$ 3,061,086
Liabilities payable from restricted assets	1,432,481	1,388,434	1,339,145
Long-term liabilities	18,481,345	20,568,972	20,987,260
Total Liabilities	$ 24,114,566	$ 25,315,659	$ 25,387,491
Deferred Inflows of Resources			
Deferred pension inflows	$ 988,748	$ 63,475	$ 116,303
Net Position			
Invested in capital assets, net of related debt	$ 79,207,480	$ 73,853,008	$ 66,713,919
Restricted	3,688,715	3,518,805	3,455,309
Unrestricted	13,824,013	13,754,016	11,997,812
Total Net Position	$ 96,720,208	$ 91,125,829	$ 82,167,040
Operating Results and Changes in Net Position			
Operating revenues	$ 15,724,077	$ 14,305,466	$ 11,910,043
Operating expenses			
Depreciation and amortization	3,039,133	2,825,190	2,681,615
Other operating expenses	8,450,255	8,383,526	7,679,032
Total Operating Expenses	11,489,388	11,208,716	10,360,647
Operating income	4,234,689	3,096,750	1,549,396
Other revenues (expenses)			
Interest expense	(648,566)	(672,757)	(692,857)
Other income (expenses)	59,488	118,504	277,365
Total Other Revenues (Expenses)	(589,078)	(554,253)	(415,492)
Change in net position before capital contributions	3,645,611	2,542,497	1,133,904
Capital Contributions	1,948,768	6,416,292	2,644,226
Change in Net Position	5,594,379	8,958,789	3,778,130
Net Position, Beginning of Year	91,125,829	82,167,040	78,388,910
Net Position, End of Year	$ 96,720,208	$ 91,125,829	$ 82,167,040

Capital Asset and Debt Administration

Capital Assets
As of June 30, 2022, the Water Department's investment in capital assets was $97,366,000 (net of accumulated depreciation and amortization). This investment in capital assets included land, buildings, improvements, machinery and equipment, software hosting and contributed property.

Major capital asset events include the following:

- Construction costs of $4,884,000 were incurred on a variety of construction projects during 2022. $4,243,000 of constructed assets were completed and placed in service, consisting mostly of water main construction and rehabilitation projects. In addition, $1,725,000 of water mains constructed by developers were contributed to the Water Department to own and maintain. This is recorded as a capital contribution in the statement of revenues, expenses, and changes in net position. In 2022 the Water Department had construction of $2,127,000 and contributed capital of $6,251,000, and in 2021 construction of $2,783,000 and contributed capital of $2,542,000.
- Capital expenditures for additions and improvements to the Water Department, in addition to the constructed assets, were $984,000 in 2022, as compared to $883,000 in 2021 and $488,000 in 2020.

Additional information regarding capital assets can be found on Note 6 of this report.

Long-Term Debt
The Water Department had $18,145,000 in revenue bonds outstanding as of June 30, 2022, which is a decrease of $820,000 from 2021 resulting from scheduled principal payments. Revenue bonds outstanding as of June 30, 2021 were $18,965,000, which was a decrease of $800,000 from 2021. This decrease is a result of scheduled principal payments.

Additional information regarding long-term debt can be found on Note 9 of this report.

Additional Management Comments
Water consumption in fiscal year 2022 was 2.51% more than the previous year. The change in net position for the year was greater than budget and more than the prior year.

The Rogers Water Department funded capital improvements out of reserves in fiscal year 2022. Significant projects in process at the end of fiscal year 2022 consist primarily of various City of Rogers Street improvements. Major projects expected in fiscal year 2023 include water main projects for City of Rogers street projects and other waterline replacements and extensions.

Looking ahead, the source of water for all Northwest Arkansas, Beaver Lake, appears to be in good shape. Rate increases from the water supplier, Beaver Water District, are subject to increase annually and driven by updated water usage forecasts. BWD has indicated a rate increase of $0.05/1,000 gallons will be implemented October 1, 2023. Additionally, BWD expects a total overall increase of $0.28/1,000 gallons from FY 2023-FY 2027. Beaver Water District is poised to meet the demand of Rogers Water Utility water customers for maximum daily demand twenty years hence.

RWU now has recently completed Master Plans for the water distribution system, the sewer collection system, and the Rogers Pollution Control Facility. These plans provide conservative cost estimates for future capital improvements that will allow the Utility to provide service to our customers. It is estimated that build-out will occur in year 2045. These numbers will be further refined by in-depth design contracts and will be vital for future budgeting and rate studies for the Utility.

The Information Technology department at RWU has initiated several confidential projects to reduce the risk of cyberattacks including ransomware. Continuous training of all RWU employees is a major component of this strategy as well as working with Homeland Security and the Cybersecurity and Infrastructure Security Agency (CISA).

Looking toward the future, new software is scheduled to be installed in 2022; Cityworks software will allow for a more GIS-centric management program and will be used in conjunction with the City of Rogers while Tyler Technologies software will allow for a more updated accounting, billing, and other operating software to meet long-term needs of the Utility.

Financial Statements

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Statements of Net Position
June 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 3,273,922	$ 3,984,500
Investments	12,101,539	10,971,866
Accounts receivable, net of allowance for doubtful accounts of $141,500 and $135,000, respectively	2,345,385	2,338,275
Inventory	526,298	364,153
Prepaid expenses	81,956	63,282
Total Current Assets	18,329,100	17,722,076
RESTRICTED CASH, INVESTMENTS AND INTEREST RECEIVABLE		
Restricted cash and cash equivalents	721,037	419,416
Investments	4,400,159	4,487,624
Interest receivable	-	199
	5,121,196	4,907,239
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION	97,595,121	92,807,782
Total Assets	121,045,417	115,437,097
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	322,491	556,560
Deferred bond refunding costs	455,614	511,306
	778,105	1,067,866
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 121,823,522	$ 116,504,963

See accompanying notes to financial statements.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Statements of Net Position
June 30, 2022 and 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2022	2021
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts payable - trade	$ 598,674	$ 571,828
Accounts payable to construction contractors	1,311,488	390,131
Accounts payable - other	913,919	861,031
Accrued expenses	450,225	387,062
Due to sewer department	31,595	298,201
Current portion of software hosting	49,839	30,000
Current portion of bonds payable	845,000	820,000
Total Current Liabilities (Payable from Current Assets)	4,200,740	3,358,253
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Customer meter deposits	1,330,093	1,281,717
Accrued interest payable	102,388	106,717
Total Current Liabilities (Payable from Restricted Assets)	1,432,481	1,388,434
LONG-TERM LIABILITIES		
Software hosting payable	247,447	40,000
Bonds payable, net of unamortized premiums and discounts	17,700,970	18,576,080
Net pension liability	532,928	1,952,892
	18,481,345	20,568,972
Total Liabilities	24,114,566	25,315,659
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	988,748	63,475
NET POSITION		
Invested in capital assets, net of related debt	79,207,480	73,853,008
Restricted	3,688,715	3,518,805
Unrestricted	13,824,013	13,754,016
	96,720,208	91,125,829
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 121,823,522	$ 116,504,963

See accompanying notes to financial statements.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Residential water	$ 8,059,882	$ 7,119,417
Commercial water	3,911,251	3,304,319
Industrial water	1,482,005	1,255,957
Sprinkler service and hydrant	137,565	133,020
Service charges and penalties	600,394	585,466
Access, impact, and new customer fees	1,032,140	1,196,215
Other operating revenue	500,840	711,072
	15,724,077	14,305,466
OPERATING EXPENSES		
Water purchased	5,317,084	5,349,570
Plant operations and distribution	1,569,056	1,485,939
General and administrative	1,564,115	1,548,017
Depreciation and amortization	3,039,133	2,825,190
	11,489,388	11,208,716
OPERATING INCOME	4,234,689	3,096,750
OTHER REVENUES (EXPENSES)		
Interest income	53,554	105,288
Gain on sale of fixed assets	12,734	20,016
Interest expense	(648,566)	(672,757)
Trustee fees	(6,800)	(6,800)
	(589,078)	(554,253)
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	3,645,611	2,542,497
CAPITAL CONTRIBUTIONS	1,948,768	6,416,292
CHANGE IN NET POSITION	5,594,379	8,958,789
NET POSITION, BEGINNING OF YEAR	91,125,829	82,167,040
NET POSITION, END OF YEAR	$ 96,720,208	$ 91,125,829

See accompanying notes to financial statements.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Statements of Cash Flows
Years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 13,583,593	$ 11,644,765
Cash received from access, impact and new customer fees	1,032,140	1,196,215
Cash received from service charges, penalties and other operating revenue	1,149,610	1,349,264
Payments for water	(5,236,012)	(5,390,119)
Payments for salaries and benefits	(2,129,630)	(1,887,248)
Payments to suppliers for goods and services	(1,649,763)	(638,941)
Net Cash From Operating Activities	6,749,938	6,273,936
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	53,753	105,089
Net change in investments	(1,129,673)	(1,850,971)
Net change in restricted investments	87,465	(180,868)
Net Cash (Used For) Investing Activities	(988,455)	(1,926,750)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital expenditures	(4,599,507)	(2,852,875)
Cash received from sale of fixed assets	14,222	20,361
Principal payments on bonds	(820,000)	(800,000)
Principal payments on software hosting	(131,042)	(20,000)
Interest and paying agent fees, net of capitalized interest	(634,113)	(657,411)
Net Cash (Used for) Capital and Related Financing Activities	(6,170,440)	(4,309,925)
CHANGE IN CASH AND CASH EQUIVALENTS	(408,957)	37,261
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,403,916	4,366,655
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,994,959	$ 4,403,916

See accompanying notes to financial statements.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Statements of Cash Flows
Years ended June 30, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income	$ 4,234,689	$ 3,096,750
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	3,039,133	2,825,190
Allowance for doubtful accounts	6,500	10,000
Net change in pension liability	(260,622)	180,688
Changes in assets and liabilities:		
Accounts receivable	(13,610)	(177,948)
Inventory	(162,145)	(66,088)
Prepaid expenses	(18,674)	(12,409)
Accounts payable - trade and other	79,734	26,173
Accrued expenses and customer deposits	111,539	74,479
Due to sewer department	(266,606)	317,101
Net Cash From Operating Activities	$ 6,749,938	$ 6,273,936
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:		
CASH AND CASH EQUIVALENTS		
Petty cash	$ 1,725	$ 1,725
Operating and maintenance	141,008	55,028
Checking	295,666	202,868
Savings - depreciation fund	1,102,809	1,631,184
Savings - meter deposits	1,732,714	2,093,695
	3,273,922	3,984,500
RESTRICTED CASH AND CASH EQUIVALENTS		
Savings - depreciation fund	250,894	153,408
Checking - meter deposits	470,143	266,008
	721,037	419,416
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	$ 3,994,959	$ 4,403,916
NONCASH TRANSACTIONS		
Capital contributions of property and equipment	$ 1,725,099	$ 6,250,785
Other capital contributions	$ 223,669	$ 165,507
Property and equipment additions included in accounts payable to construction contractors	$ 1,311,488	$ 390,131
Financing for software hosting	$ 358,328	$ 90,000

See accompanying notes to financial statements.

NOTE 1: NATURE OF ACTIVITIES

The City of Rogers, Arkansas was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. Rogers Water Utilities (the Utilities) is a blended component unit of the City of Rogers, Arkansas and is governed by the Waterworks and Sewer Commission, which is appointed by the City Council. The Utilities operate through two separate departments – the Water Department and the Sewer Department. The Water Department provides water services to the City of Rogers and certain surrounding areas. The City Council approves the rate changes of the Utilities. The debt of the Utilities is maintained in the name of the City of Rogers, Arkansas.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from other revenue (expense) items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the Water Department. All revenues and expenses not meeting this definition are reported as other revenues (expenses) but remain a major component of the overall revenues and expenses of the Water Department.

In accordance with Governmental Accounting Standards Board (GASB) Statement Number 62, the Water Department applies accounting standards in accordance with the Codification of Governmental Accounting and Financial Reporting Standards which incorporates applicable Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements issued on or before November 30, 1989.

Fund Type
The Water Department is an enterprise fund, used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Use of Estimates
Management used estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash Equivalents
Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and have maturities that present insignificant risk of changes in value because of changes in interest rates. At June 30, 2022 and 2021, the Water Department had cash equivalents of $842,055 and $690,223, respectively.

Investments
Investments consist of certificates of deposit with original maturities of greater than ninety days and governmental securities. Certificates of deposit are recorded at amortized cost which approximates fair value. Governmental securities are recorded at fair market value based on quoted market prices. Income related to investments is recorded when earned.

Accounts Receivable
Accounts receivable relate to water and trash service billings and are shown net of an allowance for doubtful accounts. The allowance is based upon historical losses and a review of past-due accounts. Credit extended to customers is generally uncollateralized. Accounts are due ten days after the billing date. Past-due accounts are charged a ten percent penalty. Customers are required to make a deposit, and deposits can be offset against the receivable.

Inventory
Inventory is valued at the lower of cost (first-in, first-out method) or net realizable value. Inventory consists of construction and maintenance supplies related to the water system.

Long-Lived Assets
The Water Department reviews long-lived assets and certain identifiable intangibles held and used by the Water Department for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the years ended June 30, 2022 and 2021, this review has not materially affected the Water Department’s reported earnings, financial position or results of operations.

Contributed Capital
The Water Department records all contributed fixed assets at their estimated fair market value at date of contribution as capital contributions in the Statements of Revenues, Expenses and Changes in Net Position and depreciates these assets over their estimated useful lives. These donated assets, which are received from construction contractors, consist of water lines and related infrastructure. At June 30, 2022 and 2021, cumulative contributed capital fixed assets amounted to approximately $54,991,000 and $53,266,000, respectively.

Fixed Assets

Fixed assets are recorded at cost, including interest incurred during the construction period. Contributed property is recorded at fair value at the date of contribution. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

Structures	5 - 40 years
Mains and hydrants	50 years
Water towers	5 - 50 years
Water service lines	33 years
Water meters	20 - 25 years
Shop equipment and machinery	3 - 10 years
Transportation equipment	3 - 10 years
Two-way radio system	5 - 15 years
Field equipment	3 - 20 years
Office equipment	3 - 20 years

The Water Department's capitalization policy states that capital assets are defined as assets with an estimated useful life of greater than one year. The cost basis of fully depreciated property and equipment still in use by the Water Department at June 30, 2022 and 2021 amounted to approximately $5,391,000 and $5,299,000, respectively.

Amortization of Bond Discounts and Premiums

Bond discounts and premiums are amortized over the lives of the related bond issues. Net amortization of $30,110 and $30,109 for the years ended June 30, 2022 and 2021, respectively, is included as a component of interest expense. See Note 9.

Amortization of Deferred Bond Refunding Costs

The deferred bond refunding costs associated with the 2012 Water Revenue Refunding Bonds and 2016 Water Revenue Refunding Bonds are amortized over the life of the related bond issue (See Note 9). Amortization expense of $55,692 for each of the years ended June 30, 2022 and 2021 is included as a component of interest expense.

Compensated Absences

The Water Department's policies permit employees to earn time off benefits. The expense and related liability are recognized and accrued regardless of whether the employee is expected to realize the benefit. Compensated absences are computed using the regular pay rates in effect at June 30, 2022 and 2021.

Pensions
For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Public Employees Retirement System ("APERS") and additions to or deductions from the APERS fiduciary net position have been determined on the same basis as they are reported by APERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows and Outflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Water Department has two items that qualify for reporting in this category: bond refunding costs and changes regarding pension liabilities. A deferred outflow on bond refunding costs results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. In regards to the deferred outflows of resources related to pension liabilities, these amounts were created as a result of the implementation of GASB 68. See Note 13 for additional information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Water Department has one item that qualifies for reporting in this category. In regards to the deferred inflows of resources related to pension liabilities, these amounts were created as a result of the implementation of GASB 68. See Note 13 for additional information.

Net Position Classifications
Net position is classified and displayed in the following three components:

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted net position – All other net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted."

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Water Department's policy is to make payment from unrestricted funds and generally take reimbursement from restricted funds.

Current Accounting Developments

GASB Statement No. 96, Subscription-Based Information Technology Arrangements: This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This statement is effective for periods beginning after June 15, 2022, with earlier application encouraged.

Management is currently evaluating the impact of implementation of this statement to the financial statements of the Water Department and does not expect the implementation of this statement to significantly impact the financial statements of the Water Department.

Adoption of GASB Statements

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, is effective for the City in the fiscal year 2022. The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The adoption of this statement had no impact on the Water Department's current financial statements.

GASB Statement No. 87, Leases, is effective for the City in the fiscal year 2022. The objective of this statement is intended to better meet the information needs of financial statement users by improving accounting and financial reporting for leases for governments. The adoption of this statement had no impact on the Water Department's current financial statements.

NOTE 3: DEPOSITS IN FINANCIAL INSTITUTIONS

Deposits in financial institutions are financial instruments that could potentially subject the Water Department to a risk of accounting loss to the extent of the uninsured/uncollateralized portion of those deposits. At June 30, 2022, the Water Department had approximately $4,691,607 in deposit balances, of which approximately $750,000 were FDIC insured and the remaining balances collateralized by securities held by the bank in the Utilities' name. Additionally, the Water Department had approximately $15,659,000 in certificates of deposit reported as investments in the Statements of Net Position, all of which were FDIC insured.

NOTE 4: RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments are held for specific purposes at June 30, 2022 and 2021 as follows:

	2022	2021
Meter deposits	$ 1,552,463	$ 1,345,837
Debt service reserve	699,124	676,549
Depreciation reserve for additional replacements to the water system	2,726,284	2,621,968
New customer fees collected for additions of fixed assets	143,325	262,686
Interest receivable	-	199
	$ 5,121,196	$ 4,907,239

NOTE 5: INVESTMENTS

The Water Department's investment policies are to comply with the provisions of state statutes, which generally require that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in direct obligations of the United States of America, the principal and interest of which are fully guaranteed by the United States government.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Water Department's investment policy is to attempt to match investment maturities with cash flow requirements.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Water Department's policy to minimize credit risk losses due to default of security issuers or backers by limiting investments to the safest types of securities. The Water Department's investments consist of certificates of deposit with original maturities of greater than ninety days and less than five years and securities issued by the United States government.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure of the counterparty, the Water Department will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2022, investments of the Water Department were fully collateralized or insured.

At June 30, 2022 and 2021, the Water Department's investments consisted of $15,659,249 and $14,520,255, respectively, held in certificates of deposit and $842,449 and $939,235, respectively, held in United States government securities. All investments at June 30, 2022 and 2021 had maturities of less than five years.

NOTE 6: CHANGES IN FIXED ASSETS

	Balance June 30, 2021	Transfers/ Additions	Disposals	Balance June 30, 2022
Land	$ 733,981	$ -	$ -	$ 733,981
Buildings	1,744,205	-	-	1,744,205
Equipment	72,622,195	5,035,442	(462,543)	77,195,094
Vehicles	550,562	102,032	(39,003)	613,591
Software hosting	90,000	358,328	(33,828)	414,500
Contributed property	53,265,920	1,725,099	-	54,991,019
Construction in progress	3,328,651	4,883,987	(4,243,175)	3,969,463
	132,335,514	12,104,888	(4,778,549)	139,661,853
Accumulated depreciation and amortization	(39,527,732)	(3,039,133)	500,133	(42,066,732)
	$ 92,807,782	$ 9,065,755	$ (4,278,416)	$ 97,595,121

	Balance June 30, 2020	Transfers/ Additions	Disposals	Balance June 30, 2021
Land	$ 732,981	$ 1,000	$ -	$ 733,981
Buildings	1,744,205	-	-	1,744,205
Equipment	71,227,526	1,786,842	(392,173)	72,622,195
Vehicles	543,220	46,610	(39,268)	550,562
Software hosting	-	90,000	-	90,000
Contributed property	47,015,135	6,250,785	-	53,265,920
Construction in progress	2,243,681	2,126,801	(1,041,831)	3,328,651
	123,506,748	10,302,038	(1,473,272)	132,335,514
Accumulated depreciation and amortization	(37,133,638)	(2,825,190)	431,096	(39,527,732)
	$ 86,373,110	$ 7,476,848	$ (1,042,176)	$ 92,807,782

NOTE 7: RISK MANAGEMENT

The Water Department is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption, errors and omissions, employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than medical malpractice and employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 8: DUE TO SEWER DEPARTMENT

The Sewer Department and the Water Department of the City of Rogers, Arkansas constitute the Rogers Water Utilities. Rogers Water Utilities sends a monthly billing statement containing both water and sewer fees to each customer. All monies are received by the Water Department, which then transfers sewer collections to the Sewer Department. Additionally, all operating expenses are paid from one bank account and allocated to the appropriate department. These transactions give rise to receivables and payables between the departments. The balances as of June 30, 2022 and 2021 are shown in the Statements of Net Position under the caption “Due to sewer department.”

NOTE 9: BONDS PAYABLE

Series 2012 Water Revenue Refunding Bonds

On April 18, 2012, the Water Department issued $8,505,000 in Water Revenue Refunding Bonds (Series 2012) with an average interest rate of 3.13% to advance refund $7,645,000 of outstanding Water Revenue Improvement Bonds, Series 2004 with an average interest rate of 4.75%. The net proceeds of $8,456,998 (after payment of bond issuance costs and other costs) were deposited in an irrevocable trust with an escrow agent and were used to purchase U.S. government securities. All debt service payments were paid by the trust and all outstanding Water Revenue Improvement Bonds, Series 2004 Bonds were redeemed in full on November 1, 2014.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $847,499. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense over the life of the bonds using the straight-line method. The Water Department completed the advance refunding to reduce its total debt service payments over the next 18 years by $610,822 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $480,287.

Series 2016 Water Revenue Refunding Bonds

On December 13, 2016, the Water Department issued $13,725,000 in Water Revenue Refunding Bonds (Series 2016) with an average interest rate of 3.37% to refund $13,995,000 of outstanding Water Revenue Improvement Bonds, Series 2006 with an average interest rate of 4.33%.

The net proceeds of $14,065,289 (after premiums, payment of bond issuance costs, and other costs) were used to pay the outstanding principal and the accrued interest on the Series 2006 Water Bonds on December 13, 2016.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $140,722. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense over the life of the bonds using the straight-line method. The Water Department completed the advance refunding to reduce its total debt service payments over the 19 years by $3,470,757 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $2,006,537. The Series 2016 bonds also included prepaid bond insurance costs of $16,134 which are amortized against interest expense over the life the Series 2016 bonds. During the years ended June 30, 2022 and 2021, amortization expense for prepaid bond insurance was $833. The remaining prepaid bond insurance is included in Statements of Net Position under the caption “Prepaid expenses.” Furthermore, the Series 2016 bonds had issuance costs of $180,437.

All Bond Issues

System revenues and all assets are pledged to the bonds outstanding. The debt service coverage ratio, calculated as described in the bond documents, as of June 30, 2022 and 2021 is 4.10 and 3.38, respectively. Total interest paid during the years ended June 30, 2022 and 2021 totaled $622,984 and $657,411, respectively. No interest was capitalized during the years ended June 30, 2022 and 2021.

The Water Department is required to establish rates sufficient to pay the expenses and operation and maintenance of the water system, making monthly deposits into bond funds for repayment obligations which will be due and payable in the forthcoming year, and to make deposits in an amount equal to 4% of gross water system revenues for the preceding month into the depreciation fund. The Water Department was in compliance with all debt covenants for the years ended June 30, 2022 and 2021.

Principal and interest maturities of the Water Department bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2023	$ 845,000	$ 600,622	$ 1,445,622
2024	875,000	572,419	1,447,419
2025	1,215,000	537,644	1,752,644
2026	1,255,000	496,419	1,751,419
2027	1,295,000	451,707	1,746,707
2028-2032	7,335,000	1,487,969	8,822,969
2033-2036	5,325,000	265,608	5,590,608
Total	$ 18,145,000	$ 4,412,388	$ 22,557,388

Following is a summary of changes in bonds payable:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Revenue Refunding Bonds, Series 2012	$ 6,650,000	$ -	$ 455,000	$ 6,195,000	$ 465,000
Revenue Refunding Bonds, Series 2016	12,315,000	-	365,000	11,950,000	380,000
Bonds payable, gross	18,965,000	-	820,000	18,145,000	845,000
Plus premiums	431,080	-	30,110	400,970	-
	$19,396,080	$ -	$ 850,110	$18,545,970	$ 845,000

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
Revenue Refunding Bonds, Series 2012	$ 7,100,000	$ -	$ 450,000	$ 6,650,000	$ 455,000
Revenue Refunding Bonds, Series 2016	12,665,000	-	350,000	12,315,000	365,000
Bonds payable, gross	19,765,000	-	800,000	18,965,000	820,000
Plus premiums	461,189	-	30,109	431,080	-
	$20,226,189	$ -	$ 830,109	$19,396,080	$ 820,000

NOTE 10: SOFTWARE HOSTING PAYABLE

During September 2020, the Water Department entered into an agreement with a third party for software hosting. The agreement is interest free and to be paid out over three years. The total cost incurred for the software was $348,200. The payable on this agreement at June 30, 2022 and 2021, was $247,447 and $70,000, respectively.

During July 2021, the Water Department entered into an agreement with a third party for accounting software and related software hosting. The agreement is interest free and to be paid out over three years. The total cost incurred for the software was $66,300. The payable on this agreement at June 30, 2022 and 2021, was $49,839 and $-0-, respectively.

NOTE 11: COMMITMENTS AND CONCENTRATION

The Water Department is committed to several construction contracts in process at year end totaling $8,130,722. As of June 30, 2022, $3,741,325 had been incurred in connection with these contracts.

The Water Department purchases substantially all of its water from the Beaver Water District.

NOTE 12: EMPLOYEE BENEFIT PLANS

Flexible Benefit Plan

The City of Rogers, Arkansas offers all active full-time employees and elected City officials who receive a W-2 form the option to participate in a flexible benefit plan administered by the Utilities. The flexible benefit plan has been established as a cafeteria plan as permitted under Section 125 of the Internal Revenue Code (IRC) of 1954, as amended, to provide for group medical, dental and vision for its eligible employees and dependents. The plan is funded solely by salary redirections as elected on a voluntary basis by participants. Water Department employee contributions for the years ended June 30, 2022 and 2021 were $84,060 and $77,058, respectively.

Deferred Compensation Plan

The Utilities offers a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code as a benefit to its employees. Each employee may contribute amounts up to the maximum allowed under the IRC. The plan permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Other than incidental expenses of collecting and disbursing the employees' deferrals and other minor administrative matters, there are no costs to the Water Department for the deferred compensation plan.

Plan assets remain the property of the Utilities until paid and are subject only to claims of the Utilities' creditors. Participants' rights under the plan are equivalent to the claims of general creditors of the Utilities in an amount equal to the fair market value of the deferred account for each participant. The Utilities fulfills its fiduciary responsibility by remitting all deferred amounts each pay period to an outside service for investment in a diversified portfolio.

Deferred compensation remitted for investment during the years ended June 30, 2022 and 2021 was $14,820 and $17,720, respectively. At June 30, 2022 and 2021, there were six employees participating in the plan.

Education Assistance Program (EAP)

The Utilities offers an education assistance plan as a benefit to its employees. The program was approved by the Waterworks and Sewer Commission on September 18, 2017. Each employee is eligible to participate in the program after (1) full calendar year of full-time employment with RWU and must be in good standing. The program will reimburse employees up to, but no more than $5,250 per calendar year for covered educational expenses, as outlined the EAP plan document. The reimbursement provided is excluded from the employee's gross income for income tax purposes as provide under 26 U.S.C. § 127. In the event the $5,250 is lowered as provided by law, the amount of permitted reimbursement under the program shall automatically decrease on the effective date of the new ceiling. Reimbursements shall be made when the employee submits (a) proof of receiving a passing grade in the course or program and (b) proof the expense incurred as receipts for payment of tuition, fees, books, supplies, etc. Reimbursement for the years ended June 30, 2022 and 2021 were $488 and $3,878, respectively.

NOTE 13: PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

The following brief description of the Arkansas Public Employees Retirement System (APERS) is provided for general information purposes only. Participants should refer to Arkansas Code Annotated, Title 24 for more complete information.

APERS is a cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration.

Benefits Provided

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2005, but prior to 7/1/2007	2.03%
Contributory on or after 7/1/2009	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service at age 55 or at any age with 25 years of service.

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost-of living adjustment of 3% of the current benefit is added each year.

Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701)(a)). Members who began service prior to July 1, 2005 are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to contribute 5% of their salary. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). Employers contributed 15.32% of compensation for the fiscal year ended June 30, 2021. In some cases, an additional 2.5% of member and employer contributions are required for elected officials.

APERS Fiduciary Net Position

Detailed information about APERS's fiduciary net position is available in the separately issued APERS Financial Report available at http://www.apers.org/annualreports.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

The collective Net Pension Liability of $768,832,293 was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. Each employer's proportion of the Net Pension Liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers.

At June 30, 2022 and 2021, the Water Department reported deferred outflows of resources and deferred inflows of resources as of June 30, 2021 and 2020, respectively, related to pensions from the following sources:

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,197	$ (34,178)
Changes of assumptions	-	(3,733)
Changes in proportion and differences between employer contributions and proportionate share	57,526	(15,367)
Net difference between projected and actual earnings on pension plan investments	-	(935,470)
Contributions subsequent to measurement date	252,768	-
Balance, June 30, 2022	$ 322,491	$ (988,748)

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,925	$ (1,294)
Changes of assumptions	24,468	(33,460)
Changes in proportion and differences between employer contributions and proportionate share	78,334	(28,721)
Net difference between projected and actual earnings on pension plan investments	206,641	-
Contributions subsequent to measurement date	221,192	-
Balance, June 30, 2021	$ 556,560	$ (63,475)

Contributions made subsequent to the measurement date will be reversed in fiscal year ending June 30, 2022, and will not be amortized in the schedule below. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Water Department's financial statements as follows:

Years ending June 30:		
2023	$	(224,536)
2024		(200,472)
2025		(222,582)
2026		(271,435)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	26 years (7.6 years for District Judges New Plan/Paid Off Old Plan and 16 years for District Judges Still Paying Old Plan)
Asset Valuation Method	4-year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Inflation	3.25% wage inflation, 2.50% price inflation
Investment Rate of Return	7.15%
Salary Increases	3.25% - 9.85% including inflation (3.25% - 6.96% including inflation for District Judges)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for generational mortality improvements using Scale MP-2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in APERS' target asset allocation as of June 30, 2021 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.22%
International Equity	24%	6.69%
Real Estate	16%	4.81%
Absolute Return	5%	3.05%
Domestic Fixed	18%	0.57%
Total	100%	

Discount Rate

A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the Net Pension Liability using the discount rate of 7.15%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Sensitivity of Discount Rate

1% Lower 6.15%	Discount Rate 7.15%	1% Higher 8.15%
$ 1,594,198	$ 532,928	$ (343,528)

NOTE 13: RISKS AND UNCERTAINTIES

As of the date of the Independent Auditor's Report, the COVID-19 pandemic has had an adverse impact on both domestic and global financial markets and operations. Management is unable to accurately predict how the COVID-19 pandemic will affect the results of the Water Department's operations due to uncertainties surrounding the severity of the disease and the duration of the outbreak

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2022, the date that the financial statements were available to be issued.

Required Supplementary Information

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedules of the Water Department's Proportionate Share of the Net Pension Liability Years ended June 30, 2022 through 2015

	2022	2021	2020	2019	2018	2017	2016	2015*
Proportion of the net pension liability	0.07%	0.06%	0.06%	0.07%	0.07%	0.06%	0.06%	0.05%
Proportionate share of the net pension liability	$ 532,928	$ 1,952,892	$ 1,561,071	$ 1,485,769	$ 1,718,195	$ 1,389,098	$ 1,053,941	$ 761,957
Covered - employee payroll	$ 1,679,959	$ 1,470,689	$ 1,374,871	$ 1,264,034	$ 1,283,356	$ 1,280,327	$ 1,197,940	$ 1,086,721
Proportionate share of the net pension liability as percentage of covered-employee payroll	31.72%	132.79%	113.54%	117.54%	133.88%	108.50%	87.98%	70.12%
Plan's fiduciary net position as a percentage of the total pension liability	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

*Fiscal Year 2015 was the first year of implementation, and is based on actuarial valuation as of June 30, 2014, therefore only eight years are shown.

See Independent Auditor's Report.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Contributions
Years ended June 30, 2022 through 2015

	2022	2021	2020	2019	2018	2017	2016	2015*
Contractually required contribution	$ 252,768	$ 221,192	$ 209,887	$ 187,751	$ 185,515	$ 183,273	$ 161,515	$ 149,290
Contributions in relation to the contractually required contribution	$ (252,768)	$ (221,192)	$ (209,887)	$ (187,751)	$ (185,515)	$ (183,273)	$ (161,515)	$ (149,290)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water Department's covered-employee payroll	$ 1,679,959	$ 1,470,689	$ 1,374,871	$ 1,264,034	$ 1,283,356	$ 1,280,327	$ 1,197,940	$ 1,086,721
Contributions as a percentage of covered-employee payroll	15.05%	15.04%	15.27%	14.85%	14.46%	14.31%	13.48%	13.74%

* Fiscal Year 2015 was the first year of implementation, and is based on actuarial valuation as of June 30, 2014, therefore only eight years are shown.

See Independent Auditor's Report.

Supplementary Information

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Operating Expenses
Years ended June 30, 2022 and 2021

	2022	2021
WATER PURCHASED	$ 5,317,084	$ 5,349,570
PLANT OPERATIONS AND DISTRIBUTION		
Employee benefits	155,688	339,981
Insurance	42,922	34,774
Operating supplies and other	97,377	96,758
Payroll taxes	55,642	49,201
Repairs and maintenance	377,265	269,828
Salaries	780,268	648,337
Utilities	59,894	47,060
	1,569,056	1,485,939
GENERAL AND ADMINISTRATIVE		
Bad debts	29,369	13,026
Employee benefits	128,045	358,082
Insurance	25,238	19,115
Office supplies and postage	147,508	130,367
Other	236,649	116,166
Payroll taxes	65,841	58,231
Professional fees	43,380	48,876
Salaries	722,853	643,854
Taxes and fees	138,547	135,710
Utilities	26,685	24,590
	1,564,115	1,548,017
DEPRECIATION AND AMORTIZATION	3,039,133	2,825,190
TOTAL OPERATING EXPENSES	$ 11,489,388	$ 11,208,716

Rogers Water Utilities Water Department
A Component Unit of the City of Rogers, Arkansas

Schedules of Principal and Interest Payments
Water Revenue Refunding Bonds – Series 2012
June 30, 2022

YEAR	PRINCIPAL	INTEREST RATE	INTEREST	TOTAL
2023	$ 465,000	2.625%	$ 194,878	$ 659,878
2024	480,000	2.750%	182,175	662,175
2025	805,000	3.000%	163,500	968,500
2026	830,000	3.000%	138,975	968,975
2027	855,000	3.500%	111,563	966,563
2028	885,000	3.500%	81,113	966,113
2029	920,000	3.500%	49,525	969,525
2030	955,000	3.500%	16,713	971,713
Balance, June 30, 2022	$ 6,195,000		$ 938,442	$ 7,133,442

Dated: April 18, 2012

Principal Payment Date: November 1

Interest Payment Dates: November 1 and May 1

Payable to: Regions Bank; Little Rock, Arkansas

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Principal and Interest Payments
Water Revenue Refunding Bonds – Series 2016
June 30, 2022

YEAR	PRINCIPAL	INTEREST RATE	INTEREST	TOTAL
2023	$ 380,000	4.00%	$ 405,744	$ 785,744
2024	395,000	4.00%	390,244	785,244
2025	410,000	4.00%	374,144	784,144
2026	425,000	4.00%	357,444	782,444
2027	440,000	4.00%	340,144	780,144
2028	460,000	4.00%	322,144	782,144
2029	480,000	4.00%	303,344	783,344
2030	500,000	4.00%	283,744	783,744
2031	1,535,000	4.00%	243,043	1,778,043
2032	1,600,000	3.00%	188,343	1,788,343
2033	1,650,000	3.00%	139,593	1,789,593
2034	1,700,000	3.00%	88,281	1,788,281
2035	1,755,000	3.00%	34,297	1,789,297
2036	220,000	3.13%	3,437	223,437
Balance, June 30, 2022	$ 11,950,000		$ 3,473,946	$ 15,423,946

Principal Payment Date: November 1

Interest Payment Dates: November 1 and May 1

Payable to: Regions Bank; Little Rock, Arkansas

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedule of Fixed Assets
Year ended June 30, 2022

Fixed Assets

	Balance June 30, 2021	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2022
Land	$ 273,620	$ -	$ -	$ 273,620
Office equipment	756,388	39,258	(315,831)	479,815
Vehicles	550,562	102,032	(39,003)	613,591
Shop equipment	49,801	-	(2,901)	46,900
Field equipment	736,685	96,244	(19,301)	813,628
Radio equipment	29,127	3,275	-	32,402
Pumping equipment	67,015	23,964	-	90,979
Water meters	3,501,284	353,334	(124,510)	3,730,108
Water services	1,378,630	-	-	1,378,630
Water tower	12,093,909	1,404,741	-	13,498,650
Main line	54,009,356	3,114,626	-	57,123,982
Structures and parking lots	1,744,205	-	-	1,744,205
Easements	460,361	-	-	460,361
Software hosting	90,000	358,328	(33,828)	414,500
Contributed water main	53,265,920	1,725,099	-	54,991,019
	129,006,863	7,220,901	(535,374)	135,692,390
Construction in progress	3,328,651	4,883,987	(4,243,175)	3,969,463
	$ 132,335,514	$ 12,104,888	$ (4,778,549)	$ 139,661,853

Accumulated Depreciation and Amortization

	Balance June 30, 2021	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2022
Office equipment	$ 630,057	$ 78,316	$ (314,363)	$ 394,010
Vehicles	420,229	68,582	(39,003)	449,808
Shop equipment	48,655	497	(2,881)	46,271
Field equipment	532,141	47,461	(19,376)	560,226
Radio equipment	21,527	2,426	-	23,953
Pumping equipment	48,955	7,986	-	56,941
Water meters	862,032	197,563	(124,510)	935,085
Water services	1,310,708	18,745	-	1,329,453
Water tower	4,867,951	258,461	-	5,126,412
Main line	18,608,375	1,118,100	-	19,726,475
Structures and parking lots	1,174,180	62,505	-	1,236,685
Software hosting	27,500	94,900	-	122,400
Contributed water main	10,975,422	1,083,591	-	12,059,013
	$ 39,527,732	$ 3,039,133	$ (500,133)	$ 42,066,732

See Independent Auditor's Report.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedule of Fixed Assets
Year ended June 30, 2021

Fixed Assets

	Balance June 30, 2020	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2021
Land	$ 273,620	$ -	$ -	$ 273,620
Office equipment	721,726	44,757	(10,095)	756,388
Vehicles	543,220	46,610	(39,268)	550,562
Shop equipment	51,590	-	(1,789)	49,801
Field equipment	770,495	138,690	(172,500)	736,685
Radio equipment	29,127	-	-	29,127
Pumping equipment	81,189	-	(14,174)	67,015
Water meters	3,283,999	410,901	(193,616)	3,501,284
Water services	1,378,630	-	-	1,378,630
Water tower	11,832,036	261,873	-	12,093,909
Main line	53,078,734	930,622	-	54,009,356
Structures and parking lots	1,744,205	-	-	1,744,205
Easements	459,361	1,000	-	460,361
Software hosting	-	90,000	-	90,000
Contributed water main	47,015,135	6,250,785	-	53,265,920
	121,263,067	8,175,238	(431,442)	129,006,863
Construction in progress	2,243,681	2,126,801	(1,041,831)	3,328,651
	$ 123,506,748	$ 10,302,039	$ (1,473,273)	$ 132,335,514

Accumulated Depreciation and Amortization

	Balance June 30, 2020	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2021
Office equipment	$ 579,912	$ 60,240	$ (10,095)	$ 630,057
Vehicles	394,700	64,797	(39,268)	420,229
Shop equipment	49,897	547	(1,789)	48,655
Field equipment	665,452	38,844	(172,155)	532,141
Radio equipment	18,832	2,695	-	21,527
Pumping equipment	57,010	6,119	(14,174)	48,955
Water meters	841,059	214,588	(193,615)	862,032
Water services	1,289,535	21,173	-	1,310,708
Water tower	4,623,494	244,457	-	4,867,951
Main line	17,532,310	1,076,065	-	18,608,375
Structures and parking lots	1,111,625	62,555	-	1,174,180
Software hosting	-	27,500	-	27,500
Contributed water main	9,969,812	1,005,610	-	10,975,422
	$ 37,133,638	$ 2,825,190	$ (431,096)	$ 39,527,732

See Independent Auditor's Report.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedule of Water System Rates
June 30, 2022 and 2021

In November 2019, the City Council approved a 5-year rate increase schedule with the first increase effective April 1, 2020. The subsequent rate increases will occur each July 1, 2021-2025. The rates in place in place prior to 7/1/2021, new rates effective 7/1/2021 and the rates effective 7/1/2022 are shown below.

Monthly Water Rates For Customers	Inside the City		
	Prior to 7/1/2021	**Effective 7/1/2021**	**Effective 7/1/2022**
First 1,500 gallons or portion thereof	$7.75 minimum	$8.72 minimum	$9.81 minimum
Next 98,500 gallons	$3.36 / thousand	$3.78 / thousand	$4.26 / thousand
Next 400,000 gallons	$2.98 / thousand	$3.35 / thousand	$3.77 / thousand
Next 500,000 gallons	$2.71 / thousand	$3.05 / thousand	$3.43 / thousand
All in excess of 1,000,000 gallons	$2.53 / thousand	$2.85 / thousand	$3.20 / thousand

Monthly Water Rates For Customers	Outside the City		
	Prior to 7/1/2021	**Effective 7/1/2021**	**Effective 7/1/2022**
First 1,500 gallons or portion thereof	$9.92 minimum	$11.16 minimum	$12.56 minimum
Next 98,500 gallons	$4.29 / thousand	$4.82 / thousand	$5.42 / thousand
Next 400,000 gallons	$3.80 / thousand	$4.28 / thousand	$4.81 / thousand
Next 500,000 gallons	$3.45 / thousand	$3.89 / thousand	$4.37 / thousand
All in excess of 1,000,000 gallons	$3.24 / thousand	$3.65 / thousand	$4.10 / thousand

Rogers Water Utilities Water Department
A Component Unit of the City of Rogers, Arkansas

Schedules of Water Customers
June 30, 2022 and 2021

WATER CUSTOMER CLASSIFICATIONS	NUMBER OF CUSTOMERS 2022	2021
Residential customers	31,819	31,245
Commercial customers	3,090	3,036
Industrial customers	46	46
	34,955	34,327

See Independent Auditor's Report.

Rogers Water Utilities Water Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Billable Gallons
Years ended June 30, 2022 and 2021

	NUMBER OF BILLABLE GALLONS	
BILLABLE GALLONS CLASSIFICATIONS	**2022**	**2021**
Residential customers	1,699,288,000	1,711,956,500
Commercial customers	920,071,800	863,668,500
Industrial customers	484,593,500	452,305,000
	3,103,953,300	3,027,930,000

See Independent Auditor's Report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Waterworks and Sewer Commission
Rogers Water Utilities Water Department
Rogers, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Rogers Water Utilities Water Department** (the Water Department), a component unit of the City of Rogers, Arkansas, which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 5, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Water Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Water Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Water Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Water Department's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Waterworks and Sewer Commission
Rogers Water Utilities Water Department

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Water Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Water Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Water Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Landmark PLC

Rogers, Arkansas
October 5, 2022

RWU ROGERS WATER UTILITIES

Rogers Water Utilities
Sewer Department

Financial Statements
and
Supplementary Information
June 30, 2022 and 2021

(With Independent Auditor's Report Thereon)

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

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LANDMARK
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Waterworks and Sewer Commission
Rogers Water Utilities Sewer Department
Rogers, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the **Rogers Water Utilities Sewer Department** (the Sewer Department), a component unit of the City of Rogers, Arkansas, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Sewer Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Sewer Department, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sewer Department and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Sewer Department's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sewer Department's ability to continue as a going concern for one year after the date that the financial statements are issued.

Landmark PLC, Certified Public Accountants
2003 S. Horsebarn Rd, Suite 4 | Rogers, AR 72758 | Telephone (479) 636-4461 | Fax (479) 631-2691 | www.landmarkcpas.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sewer Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sewer Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

As discussed in Note 1, the financial statements present only the Sewer Department and do not purport to, and do not, present fairly the financial position of the Rogers Water Utilities or the City of Rogers, Arkansas, and the changes in their financial position, or, where applicable, their cash flows in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and pension schedules on pages 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Sewer Department's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated October 5, 2022 on our consideration of the Sewer Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sewer Department's internal control over financial reporting and compliance.

Landmark PLC

Rogers, Arkansas
October 5, 2022

Management's Discussion and Analysis
June 30, 2022, 2021, and 2020

This management's discussion and analysis of the financial performance of the Rogers Water Utilities Sewer Department (Sewer Department) provides an overview of the Sewer Department's financial activities for the years ended June 30, 2022, 2021, and 2020. Rogers Water Utilities is a component unit of the City of Rogers, Arkansas, and is overseen by the Rogers Waterworks and Sewer Commission, an autonomous board of directors, created by the Rogers City Council. The Rogers Sewer Department is rate-funded, receiving no general tax revenue. The information presented should be read in conjunction with the basic financial statements and accompanying notes to the financial statements.

Financial Highlights Discussion

- The Sewer Department's net position increased by $6,831,000 or 5.4% from fiscal year 2021. Net position increased by $10,709,000, or 9.2%, in 2021 over fiscal year 2020.
- Sewer Department operating revenues increased by $1,426,000 or 9.2% from fiscal year 2021. Operating revenues increased by $2,016,000, or 15.0% in 2021 over 2020.
- Operating expenses increased by $1,094,000 or 10.6% from fiscal year 2021. Operating expenses increased by $57,000, or 0.9% in 2021 over 2020.
- Net position increased by $5,360,000 before capital contributions during fiscal year 2022. In fiscal year 2021, net assets before capital contributions increased by $5,012,000.

Rogers Sewer Department Fiscal Year 2022 Highlights

- The change in net position before capital contributions exceeded budget by $973,000 and was less than prior year operating results by $369,000.
- The number of customers increased by 424 or 1.71% from the prior year. Billed sewer consumption increased by 2.13%.
- Continue with two (2) software integrations, Cityworks, for asset management, and Tyler Technologies, for billing and accounting functions. Both projects are still ongoing.
- RWU will continue the $500,000/year City-wide meter change out program. At this rate, our meter change out will be perpetual and based on the life cycle of the water meters. The change out is being conducted by Utility Staff.
- RWU substantially completed Train II rehabilitation at the Pollution Control Facility. Total project costs capitalized in fiscal year 2022 were $4.8 million.
- RWU received approval for funding via the ANRC for $31 million to complete Phase II of the Solids Handling Project, Phase II. The project includes redundant solids dryers as well as all of the associated building and equipment. The rate was significantly lower than other financial alternatives available. The rate is 1.5%.

Rogers Sewer Department Fiscal Year 2021 Highlights

- The change in net position before capital contributions exceeded budget by $1,987,000 and prior year operating results by $1,029,000.
- The number of customers increased by 548 or 2.27% from the prior year. Billed sewer consumption increased by 3.91%.
- RWU continued the focus of debt-reduction by early call of the Series 2010 Sewer Bonds; the principal amount called was approximately $1,915,000.
- RWU signed an agreement Timmons Group to implement Cityworks software, a web GIS-centric enterprise asset management system to manage, track, analyze and score your infrastructure assets, in a joint agreement with the City of Rogers.
- RWU signed a 4-year contract with Tyler Technologies to replace RWU's current operating software. The start of the contract is July 1, 2021 and includes replacement of billing, accounting, payroll, and other operating functions.
- RWU completed Phase 1 of the Pollution Control Biosolids Handling project at a total cost of $8.9 million. The funding of the project was entirely from rates and fund reserves.
- RWU began the initial planning stages of Phase 2 of the Pollution Control Biosolids Handling project. The team of Hawkins-Weir/Black & Veatch was retained to prepare a plan and estimate costs of the project.
- RWU concluded a Wastewater Master Plan update with Freese and Nichols. This Master Plan includes a Capital Improvement Plan (CIP) for both the Collections System and the Rogers Pollution Control Facility. These CIP's will aid RWU's financial planning and any future rate structures.
- RWU will continue the $500,000/year City-wide meter change out program. At this rate, our meter change out will be perpetual and based on the life cycle of the water meters. The change out is being conducted by Utility Staff.

Rogers Sewer Department Fiscal Year 2020 Highlights

- The change in net position before capital contributions exceeded budget by $958,000 and prior year operating results by $196,000.
- The number of customers increased by 459 or 1.93% from the prior year. Billed sewer consumption increased by 1.51%.
- Continued a City-wide meter change out program to be completed over the next 4 to 6 years. The change out is being conducted by Utility Staff.
- Completed a water and sewer rates study with HDR Engineering to determine Utility capital needs and cash requirements.
- Presented a 5-year rate increase schedule to Rogers Waterworks and Sewer Commission and Rogers City Council. The 5-year rate increase was approved by both governing bodies with the

first increase effective on April 1, 2020. The subsequent rate increases will occur each July 1, 2021-2025.

- As a result of the COVID-19 pandemic, commercial water consumption decreased by 25% in the last quarter of fiscal year 2020 compared to the last quarter of fiscal year 2019. As a result, commercial revenue for FY 2020 was approximately the same as the prior year and minimally under budget.
- Tyson Foods, RWU's largest industrial customer, increased sewer usage by 6.44% from fiscal year 2019. For the two years prior, Tyson Food's sewer usage decreased as part of plan to reduce water usage by 25% by the year 2025.
- The Utility continues construction of Phase 1 of the Pollution Control Biosolids Handling project. Crossland Heavy Contractors was chosen at a cost of $7.8 million in pre-construction and construction costs. Garver is the engineering firm on the project with total costs of $1.3 million. Phase 1 is expected to be complete in the fall of FY 2021.
- The Utility contracted with Freese and Nichols to conduct a wastewater master plan, which includes the Pollution Control Facility as well as the general sewer system. The wastewater master plan will be used to determine the future effects of population growth in the City, and any system improvements that may be required. The information provided will be matched with the current GIS system and future Cityworks Asset Management Software, which is expected to be in service in FY 2021.
- Due to frequent operational issues and increasing repair expenses, RWU adjusted the useful life of the sludge dryer in April 2020 from 20 years to 14 years. The sludge dryer should be depreciated in full by the end of FY 2026. Currently, Hawkins Weir and Black & Veatch have been retained to design a new solids handling facility and sludge dryer(s) to ultimately replace the existing equipment.

Using This Annual Report

The Sewer Department's financial statements consist of three statements - a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Sewer Department including resources held by the Sewer Department but restricted for specific purposes by creditors. The Sewer Department is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

Rogers Water Utilities Sewer Department
A Component Unit of the City of Rogers, Arkansas

Management's Discussion and Analysis
June 30, 2022, 2021, and 2020

Financial Highlights
Assets, Liabilities and Net Position

	2022	2021	2020
Assets			
Total current assets	$ 24,585,624	$ 21,597,206	$ 18,897,845
Restricted cash and investments	1,437,218	1,468,867	1,987,023
Other noncurrent assets	120,088,702	117,512,872	111,677,042
Total assets	$ 146,111,544	$ 140,578,945	$ 132,561,910
Deferred Outflows of Resources			
Pension costs	$ 487,937	$ 863,876	$ 621,791
Liabilities			
Total current liabilities	$ 2,817,846	$ 2,564,797	$ 2,396,878
Liabilities payable from restricted assets	54,200	61,733	73,552
Noncurrent liabilities	8,805,433	12,156,852	14,638,915
Total liabilities	$ 11,677,479	$ 14,783,382	$ 17,109,345
Deferred Inflows of Resources			
Pension costs	$ 1,571,922	$ 101,424	$ 186,510
Deferred bond refunding gain	263,864	302,478	341,092
Total deferred inflows of resources	$ 1,835,786	$ 403,902	$ 527,602
Net Position			
Invested in capital assets, net of related debt	$ 110,641,820	$ 107,014,067	$ 97,945,477
Restricted	1,383,018	1,407,134	1,913,471
Unrestricted	21,061,378	17,834,336	15,687,806
Total net position	$ 133,086,216	$ 126,255,537	$ 115,546,754
Operating Results and Changes in Net Position			
Operating revenues	$ 16,829,509	$ 15,403,393	$ 13,387,359
Operating expenses			
Depreciation and amortization	4,972,497	4,440,471	4,151,467
Other operating expenses	6,376,504	5,814,251	5,756,919
Total operating expenses	11,349,001	10,254,722	9,908,386
Operating income	5,480,508	5,148,671	3,478,973
Other revenues (expenses)			
Interest expense	(191,058)	(280,308)	(344,895)
Other income (expenses)	70,653	144,021	294,408
Total other revenues (expenses)	(120,405)	(136,287)	(50,487)
Changes in net position before capital contributions	5,360,103	5,012,384	3,428,486
Capital Contributions	1,470,576	5,696,399	1,264,726
Change in Net Position	6,830,679	10,708,783	4,693,212
Net Position, Beginning of Year	126,255,537	115,546,754	110,853,542
Net Position, End of Year	$ 133,086,216	$ 126,255,537	$ 115,546,754

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2022, the Sewer Department's investment in capital assets was $119,859,000 (net of accumulated depreciation). This investment of capital assets included land, buildings, improvements, machinery and equipment, and contributed property.

Major capital asset events include the following:

- Construction costs of $4,889,000 during fiscal year 2022 were incurred on a variety of sewer system and sewer rehab projects. $5,351,000 of constructed assets were completed and placed in service, consisting mostly of train 2 rehab of the pollution control facility. In addition, $1,459,000 of sewer mains constructed by developers was contributed to the Sewer Department to own and maintain. This is recorded as a capital contribution in the Statements of Revenues, Expenses, and Changes in Net Position. In 2021, the Sewer Department had construction of $3,573,000 and contributed capital of $9,659,000, and in 2020, construction of $5,910,000 and contributed capital of $1,254,000.
- Capital expenditures for additions and improvements to the Sewer Department, in addition to the constructed assets, were $941,000 in 2022, as compared to $1,033,000 in 2021 and $1,053,000 in 2020.

Additional information regarding capital assets can be found on Note 6 of this report.

Long-Term Debt

The Sewer Department had $8,130,000 in revenue bonds outstanding as of June 30, 2022, which is a decrease of $1,130,000 from 2021 resulting from regularly scheduled principal payments. Revenue bonds outstanding as of June 30, 2021, were $9,260,000 which is a decrease of $3,170,000 from 2020 resulting from regularly scheduled principal payments and early call of Series 2010 Sewer Bonds.

Additional information regarding long-term debt can be found at Note 9 of this report.

Additional Management Comments

Sewer consumption in fiscal year 2022 increased 2.13% from the previous year, primarily due to customer growth. The change in net position for the year was greater than budget and the prior year.

RWU now has recently completed Master Plans for the water distribution system, the sewer collection system, and the Rogers Pollution Control Facility. These plans provide conservative estimates for future capital improvements that will allow the Utility to provide service to our customers. It is estimated that build-out will occur in year 2045. These numbers will be further refined by in-depth design contracts and will be vital for future budgeting and rate studies for the Utility.

During fiscal year 2020, a rate study was completed by HDR Engineering. The study indicated a rate increase was appropriate. A 5-year water rate increase schedule was presented to the Rogers Waterworks and Sewer Commission and the Rogers City Council. Both governing bodies approved the rate increase, and it became effective April 1, 2020. The 5-year rate increase schedule, along with possible future bond issues, will facilitate the funding of significant capital needs anticipated over the next 5 years. Remaining rate increases will occur from July 1, 2021-2025.

The Rogers Sewer Department funded capital improvements out of reserves in fiscal year 2022. Completed projects include rehabilitation of train 2 at the RPCF and various sewer replacements. Projects in process at the end of the year included various City of Rogers street improvements, engineering for Phase 2 of the solids handling project, and other various sewer line projects. Major projects expected in fiscal year 2023 include construction of phase 2 of the solids handling project, sewer main projects for City of Rogers street projects, and sewer rehab and expansion.

A Memorandum of Agreement was reached between the State of Arkansas and the State of Oklahoma on November 13, 2018 with regard to TMDL (Total Maximum Daily Load) phosphorus limits. The MOU reads "The States, through the appropriate Parties, will continue to require existing point-source dischargers in the Illinois River Watershed with a design capacity of greater than 1 MGD to operate under existing NPDES permits reflecting an effluent limit for total phosphorus of not more than 1 mg/L based upon a 30-day average…" RPCF is able to meet this prescribed limit of phosphorus. RPCF's 30-day average phosphorus level is under 0.2 mg/L.

The Arkansas Department of Energy & Environment – Division of Environmental Quality filed a Complaint for Declaratory and Injunctive Relief in the United States District Court against the United States Environmental Protection Agency. See Case No. 4-22-CV-359 (BMS). The outcome of this case will indirectly determine the phosphorus limits that will be required of any new process design at the Rogers Pollution Control Facility. This case directly involves two neighboring pollution control facilities and the outcome will most likely affect the pending permit for the Rogers Pollution Control Facility.

The Information Technology department at RWU has initiated several confidential projects to reduce the risk of cyberattacks including ransomware. Continuous training of all RWU employees is a major component of this strategy as well as working with Homeland Security and CISA.

Looking toward the future, new software is scheduled to be installed in 2022; Cityworks software will allow for a GIS-centric system with a more sophisticated asset management program and will be used in conjunction with the City of Rogers while Tyler Technologies software will allow for a more updated accounting, billing, and other operating software to meet long-term needs of the Utility.

Financial Statements

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Statements of Net Position
June 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 4,251,793	$ 3,521,750
Investments	18,155,770	16,018,598
Accounts receivable, net of allowance for doubtful accounts of $169,500 and $170,000, respectively	1,817,755	1,581,865
Due from water department	31,595	298,201
Inventory	185,226	70,598
Prepaid expenses	143,485	106,194
Total Current Assets	24,585,624	21,597,206
RESTRICTED CASH AND INVESTMENTS		
Restricted cash and cash equivalents	306,858	157,367
Investments	1,130,360	1,311,500
	1,437,218	1,468,867
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION	120,088,702	117,512,872
Total Assets	146,111,544	140,578,945
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	487,937	863,876
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 146,599,481	$ 141,442,821

See accompanying notes to financial statements.

Rogers Water Utilities Sewer Department
A Component Unit of the City of Rogers, Arkansas

Statements of Net Position
June 30, 2022 and 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

	2022	2021
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts payable - trade	$ 325,420	$ 285,860
Accounts payable to construction contractors	780,014	699,714
Accrued expenses	487,573	419,223
Current portion of software hosting	49,839	30,000
Current portion of bonds payable	1,175,000	1,130,000
Total Current Liabilities (Payable from Current Assets)	2,817,846	2,564,797
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Accrued interest payable	54,200	61,733
Total Current Liabilities (Payable from Restricted Assets)	54,200	61,733
LONG-TERM LIABILITIES		
Software hosting payable	247,447	40,000
Bonds payable, net of unamortized premiums and discounts	7,710,732	8,996,327
Net pension liability	847,254	3,120,525
	8,805,433	12,156,852
Total Liabilities	11,677,479	14,783,382
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	1,571,922	101,424
Deferred bond refunding discounts and premiums	263,864	302,478
	1,835,786	403,902
NET POSITION		
Invested in capital assets, net of related debt	110,641,820	107,014,067
Restricted	1,383,018	1,407,134
Unrestricted	21,061,378	17,834,336
	133,086,216	126,255,537
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 146,599,481	$ 141,442,821

See accompanying notes to financial statements.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Statements of Revenues, Expenses and Changes in Net Position
Years ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Residential sewer	$ 9,286,330	$ 8,268,493
Commercial sewer	2,984,066	2,387,269
Industrial sewer	2,300,061	1,819,287
Penalties	152,541	143,520
Access, impact and new customer fees	1,896,621	2,423,345
Other operating revenue	209,890	361,479
	16,829,509	15,403,393
OPERATING EXPENSES		
Pollution control facility and field expense	4,401,329	3,985,130
General and administrative	1,975,175	1,829,121
Depreciation and amortization	4,972,497	4,440,471
	11,349,001	10,254,722
OPERATING INCOME	5,480,508	5,148,671
OTHER REVENUES (EXPENSES)		
Interest income	65,576	114,245
Gain on sale of fixed assets	9,077	37,001
Interest expense	(191,058)	(280,308)
Trustee fees	(4,000)	(7,225)
	(120,405)	(136,287)
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	5,360,103	5,012,384
CAPITAL CONTRIBUTIONS	1,470,576	5,696,399
CHANGE IN NET POSITION	6,830,679	10,708,783
NET POSITION, BEGINNING OF YEAR	126,255,537	115,546,754
NET POSITION, END OF YEAR	$ 133,086,216	$ 126,255,537

See accompanying notes to financial statements.

Rogers Water Utilities Sewer Department
A Component Unit of the City of Rogers, Arkansas

Statements of Cash Flows
Years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 14,334,567	$ 12,492,100
Cash received from access, impact and new customer fees	1,896,621	2,423,345
Cash received from penalties and other operating revenue	362,431	504,999
Payments for salaries and benefits	(3,170,174)	(2,904,558)
Payments to suppliers for goods and services	(3,410,567)	(2,832,841)
Net Cash From Operating Activities	10,012,878	9,683,045
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	65,576	114,245
Net change in investments	(2,137,172)	(2,302,294)
Net change in restricted investments	181,140	284,611
Net Cash (Used For) Investing Activities	(1,890,456)	(1,903,438)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital expenditures	(5,640,591)	(4,348,519)
Cash received from sale of fixed assets	10,545	37,001
Principal payments on bonds	(1,130,000)	(3,170,000)
Principal payments on software hosting	(131,042)	(20,000)
Interest and paying agent fees, net of capitalized interest	(351,800)	(432,112)
Net Cash (Used For) Capital and Related Financing Activities	(7,242,888)	(7,933,630)
CHANGE IN CASH AND CASH EQUIVALENTS	879,534	(154,023)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,679,117	3,833,140
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,558,651	$ 3,679,117

See accompanying notes to financial statements.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Statements of Cash Flows
Years ended June 30, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income	$ 5,480,508	$ 5,148,671
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	4,972,497	4,440,471
Allowance for doubtful accounts	(500)	(10,000)
Net change in pension liability	(426,834)	289,912
Changes in assets and liabilities:		
Accounts receivable	(235,390)	27,051
Due from water department	266,606	(317,101)
Inventory	(114,628)	(2,154)
Prepaid expenses	(37,291)	(34,241)
Accounts payable - trade	39,560	127,758
Accrued expenses	68,350	12,678
Net Cash From Operating Activities	$ 10,012,878	$ 9,683,045
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:		
CASH AND CASH EQUIVALENTS		
Petty cash	$ 150	$ 150
Operating and maintenance	4,251,643	3,521,600
	4,251,793	3,521,750
RESTRICTED CASH AND CASH EQUIVALENTS		
Depreciation savings	306,858	157,367
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	$ 4,558,651	$ 3,679,117
NONCASH TRANSACTIONS		
Capital contributions of property and equipment	$ 1,459,388	$ 5,669,889
Other capital contributions	$ 11,188	$ 26,510
Property and equipment additions included in accounts payable to construction contractors	$ 780,014	$ 699,714
Financing on software hosting	$ 358,328	$ 90,000

See accompanying notes to financial statements.

NOTE 1: NATURE OF ACTIVITIES

The City of Rogers, Arkansas was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. Rogers Water Utilities (the Utilities) is a blended component unit of the City of Rogers, Arkansas and is governed by the Waterworks and Sewer Commission, which is appointed by the City Council. The Utilities operate through two separate departments – the Water Department and the Sewer Department. The Sewer Department provides sewer services to the City of Rogers and certain surrounding areas. The City Council approves the rate changes of the Utilities. The debt of the Utilities is maintained in the name of the City of Rogers, Arkansas.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from other revenues (expenses) items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the Sewer Department. All revenue and expenses not meeting this definition are reported as other revenues (expenses) but remain a major component of the overall revenues and expenses of the Sewer Department.

In accordance with Governmental Accounting Standards Board (GASB) Statement Number 62, the Sewer Department applies accounting standards in accordance with the Codification of Governmental Accounting and Financial Reporting Standards which incorporates applicable Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements issued on or before November 30, 1989.

Fund Type

The Sewer Department is an enterprise fund, used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Use of Estimates

Management used estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and have maturities that present insignificant risk of changes in value because of changes in interest rates. At June 30, 2022 and 2021, the Sewer Department had cash equivalents of $1,129,869 and $1,062,485, respectively.

Investments

Investments consist of certificates of deposit with original maturities of greater than three months and governmental securities. Certificates of deposit are recorded at amortized cost, which approximates fair value. Governmental securities are recorded at fair market value based on quoted market prices. Income related to investments is recorded when earned.

Accounts Receivable

Accounts receivable relate to sewer billings and are shown net of an allowance for doubtful accounts. The allowance is based upon historical losses and a review of past-due accounts. Credit extended to customers is generally uncollateralized. Accounts are due ten days after the billing date. Past-due accounts are charged a ten percent penalty. Customers are required to make a deposit, recorded on the Water Department, and deposits can be offset against the receivable through an intercompany charge.

Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or net realizable value. Inventory consists of construction and maintenance supplies related to the sewer system.

Long-Lived Assets

The Sewer Department reviews long-lived assets and certain identifiable intangibles held and used by the Sewer Department for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the years ended June 30, 2022 and 2021, this review has not materially affected the Sewer Department's reported earnings, net position or results of operations.

Contributed Capital

The Sewer Department records all contributed fixed assets at their estimated fair market value at date of contribution as capital contributions in the Statements of Revenues, Expenses and Changes in Net Position and depreciates these assets over their estimated useful lives. These donated assets, which are received from construction contractors, consist of sewer lines and related infrastructure. At June 30, 2022 and 2021, cumulative contributed capital fixed assets amounted to approximately $48,287,000 and $46,828,000, respectively.

Fixed Assets

Fixed assets are recorded at cost, including interest incurred during the construction period. Contributed property is recorded at fair value at the date of contribution. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

Structures	5 - 40 years
Mains and hydrants	50 years
Sewer service lines	50 years
Meters	20 - 25 years
Pollution control facility	2 - 50 years
Shop equipment and machinery	2 - 10 years
Transportation equipment	3 - 10 years
Two-way radio system	5 - 15 years
Field equipment	2 - 20 years
Office equipment	3 - 20 years
Software hosting	3 years

The Sewer Department's capitalization policy states that capital assets are defined as assets with an estimated useful life of greater than one year. The cost basis of fully depreciated property and equipment still in use by the Sewer Department at June 30, 2022 and 2021 amounted to approximately $5,110,000 and $5,299,000, respectively.

Amortization of Bond Premiums and Discounts

Bond premiums and discounts are amortized over the lives of the related bond issues. Net amortization expense of $110,595 and $94,147 is included as a component of interest expense for the years ended June 30, 2022 and 2021, respectively.

Amortization of Deferred Bond Refunding Costs

The deferred bond refunding cost associated with the 2016 Sewer Revenue Refunding Bonds is amortized over the life of the related bond issue (See Note 9). Amortization expense of $38,615 is included as a component of interest expense for each of the years ended June 30, 2022 and 2021.

Compensated Absences

The Sewer Department's policies permit employees to earn time off benefits. The expense and related liability are recognized and accrued regardless of whether the employee is expected to realize the benefit. Compensated absences are computed using the regular pay rate in effect at June 30, 2022 and 2021.

Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Public Employees Retirement System (APERS) and additions to or deductions from the APERS fiduciary net position have been determined on the same basis as they are reported by APERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Sewer Department only has one item that qualifies for reporting in this category, which is the deferred outflow of resources on pension costs reported in the Statement of Net Position. These amounts were created as a result of the implementation of GASB 68. See Note 12 for additional information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Sewer Department has two items that qualify for reporting in this category. In regards to the deferred inflows of resources related to pension liabilities and deferred bond refunding costs, these amounts were created as a result of the implementation of GASB 68. See Note 12 for additional information.

Net Position Classifications

Net position is classified and displayed in the following three components:

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted net position – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

When an expense is incurred for purposes for which both restricted net position and unrestricted net position is available, the Sewer Department’s policy is to make payment from unrestricted funds and generally take reimbursement from restricted funds.

Current Accounting Developments

GASB Statement No. 96, Subscription-Based Information Technology Arrangements: This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This statement is effective for periods beginning after June 15, 2022, with earlier application encouraged.

Management is currently evaluating the impact of implementation of this statement to the financial statements of the Sewer Department and does not expect the implementation of this statement to significantly impact the financial statements of the Sewer Department.

Adoption of GASB Statements

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, is effective for the City in the fiscal year 2022. The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The adoption of this statement had no impact on the Sewer Department's current financial statements.

GASB Statement No. 87, Leases, is effective for the City in the fiscal year 2022. The objective of this statement is intended to better meet the information needs of financial statement users by improving accounting and financial reporting for leases for governments. The adoption of this statement had no impact on the Sewer Department's current financial statements.

NOTE 3: DEPOSITS IN FINANCIAL INSTITUTIONS

Deposits in financial institutions are financial instruments that could potentially subject the Sewer Department to a risk of accounting loss to the extent of the uninsured/uncollateralized portion of those deposits. At June 30, 2022, the Sewer Department had approximately $4,848,110 in deposit balances, of which $750,000 were FDIC insured and the remaining balances collateralized by securities held by the bank in the Utilities' name. Additionally, the Sewer Department had approximately $18,156,000 in certificates of deposit reported as investments in the Statements of Net Position, of which all were FDIC insured.

NOTE 4: RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments are held for specific purposes at June 30, 2022 and 2021 as follows:

	2022	2021
Debt service reserve	$ 847,029	$ 827,983
Depreciation reserve for additional replacements to the sewer system	306,858	157,367
New customer fees collected for additions of fixed assets	283,331	483,517
	$ 1,437,218	$ 1,468,867

NOTE 5: INVESTMENTS

The Sewer Department's investment policies are to comply with the provisions of state statutes, which generally require that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in direct obligations of the United States of America, the principal and interest of which are fully guaranteed by the United States government.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Sewer Department's investment policy is to attempt to match investment maturities with cash flow requirements.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Sewer Department's policy to minimize credit risk losses due to default of security issuers or backers by limiting investments to the safest types of securities. The Sewer Department's investments consist of certificates of deposit with original maturities of greater than ninety days and less than five years and securities issued by the United States government.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure of the counterparty, the Sewer Department will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2022, investments of the Sewer Department were fully collateralized or insured.

At June 30, 2022 and 2021, the Sewer Department's investments consisted of $18,155,770 and $16,018,598, respectively, held in certificates of deposit and $1,130,360 and $1,311,500, respectively, held in cash and United States government securities. All investments at June 30, 2022 and 2021 had maturities of less than five years.

NOTE 6: CHANGES IN FIXED ASSETS

	Balance June 30, 2021	Transfers/ Additions	Disposals	Balance June 30, 2022
Land	$ 1,805,153	$ -	$ -	$ 1,805,153
Buildings	67,641,023	5,086,877	(4,057)	72,723,843
Equipment	56,969,907	1,117,932	(467,527)	57,620,312
Vehicles	1,372,225	28,016	(14,035)	1,386,206
Software hosting	90,000	358,328	(33,828)	414,500
Contributed property	46,827,808	1,459,388	-	48,287,196
Construction in progress	3,740,139	4,888,553	(5,351,414)	3,277,278
	178,446,255	12,939,094	(5,870,861)	185,514,488
Accumulated depreciation and amortization	(60,933,383)	(4,972,497)	480,094	(65,425,786)
	$ 117,512,872	$ 7,966,597	$ (5,390,767)	$ 120,088,702

	Balance June 30, 2020	Transfers/ Additions	Disposals	Balance June 30, 2021
Land	$ 1,805,153	$ -	$ -	$ 1,805,153
Buildings	58,959,867	9,192,915	(511,759)	67,641,023
Equipment	55,883,948	1,352,672	(266,713)	56,969,907
Vehicles	1,370,542	56,606	(54,923)	1,372,225
Software hosting	-	90,000	-	90,000
Contributed property	41,157,919	5,669,889	-	46,827,808
Construction in progress	9,825,920	3,573,070	(9,658,851)	3,740,139
	169,003,349	19,935,152	(10,492,246)	178,446,255
Accumulated depreciation and amortization	(57,326,307)	(4,440,471)	833,395	(60,933,383)
	$ 111,677,042	$ 15,494,681	$ (9,658,851)	$ 117,512,872

NOTE 7: RISK MANAGEMENT

The Sewer Department is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption, errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than medical malpractice and employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 8: DUE FROM WATER DEPARTMENT

The Sewer Department and the Water Department of the City of Rogers, Arkansas constitute the Utilities. The Utilities send a monthly billing statement containing both water and sewer fees to each customer. All monies are received by the Water Department, which then transfers sewer collections to the Sewer Department. Additionally, all operating expenses are paid from one bank account and allocated to the appropriate department. These transactions give rise to receivables and payables between the departments. The balances as of June 30, 2022 and 2021 are shown in the Statements of Net Position under the caption “Due from water department.”

NOTE 9: BONDS PAYABLE

Series 2016 Sewer Revenue Refunding Bonds
On December 13, 2016, the Sewer Department issued $12,850,000 in Sewer Revenue Refunding Bonds (Series 2016) with an average interest rate of 3.89% and used unrestricted reserves of $5,380,000 and debt service reserves of $661,154 to refund $19,600,000 of outstanding Sewer Revenue Improvement Bonds, Series 2007 with an average interest rate of 4.91%. The net proceeds of $14,030,940 from the Series 2016 bond issues (after premiums, payment of bond issuance costs, and other costs) and additional sewer department reserves totaling $6,041,154 were put in a trust and used to pay the outstanding principal and the accrued interest on the Series 2007 Sewer Bonds in full on February 1, 2017 when they first became callable. The bond matures in fiscal year 2029 with principal payments due in November and interest payments due in November and May of each year.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $477,851. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being charged to interest expense over the life of the bonds using the straight-line method. The Sewer Department completed the refunding to reduce its total debt service payments over the 21 years by $14,530,274 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $5,599,564. The Series 2016 bond also included prepaid bond insurance costs of $19,530 which are amortized against interest expense over the life of the Series 2016 bonds. During the years ended June 30, 2022 and 2021, amortization expense for prepaid bond insurance was $1,578. The remaining prepaid bond insurance is included in the Statements of Net Position under the caption “Prepaid expenses.” Furthermore, the Series 2016 bonds had issuance costs of $176,374.

All Bond Issues

System revenues and all assets are pledged to the bonds outstanding. The debt service coverage ratio, calculated as described in the bond documents, as of June 30, 2022 and 2021, is 7.13 and 6.59, respectively. Total interest paid during the years ended June 30, 2022 and 2021 totaled $351,800 and $432,112, respectively. No interest was capitalized during the years ended June 30, 2022 and 2021.

The Sewer Department is required to establish rates sufficient to pay the expenses and operation and maintenance of the sewer system, making monthly deposits into bond funds for repayment obligations which will be due and payable in the forthcoming year, and to make deposits in an amount equal to 4% of gross sewer system revenues for the preceding month into the depreciation fund. The Sewer Department was in compliance with all debt covenants for the years ended June 30, 2022 and 2021.

Principal and interest maturities of the Sewer Department bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 1,175,000	$ 301,700	$ 1,476,700
2024	1,220,000	253,800	1,473,800
2025	1,265,000	204,100	1,469,100
2026	1,315,000	152,500	1,467,500
2027	1,365,000	98,900	1,463,900
2028-2029	1,790,000	50,600	1,840,600
Total	$ 8,130,000	$ 1,061,600	$ 9,191,600

Following is a summary of changes in bonds payable:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Revenue Refunding Bonds, Series 2016	$ 9,260,000	$ -	$ 1,130,000	$ 8,130,000	$ 1,175,000
Plus premiums	866,327	-	110,595	755,732	-
	$10,126,327	$ -	$ 1,240,595	$ 8,885,732	$ 1,175,000

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Notes to Financial Statements
June 30, 2022 and 2021

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
Revenue Bonds					
Series 2010	$ 2,075,000	$ -	$ 2,075,000	$ -	$ -
Revenue Refunding					
Bonds, Series 2016	10,355,000	-	1,095,000	9,260,000	1,130,000
Bonds payable, gross	12,430,000	-	3,170,000	9,260,000	1,130,000
Plus premiums	976,921	-	110,594	866,327	-
Less discounts	(16,448)	-	(16,448)	-	-
	$13,390,473	$ -	$ 3,264,146	$10,126,327	$ 1,130,000

NOTE 10: SOFTWARE HOSTING PAYABLE

During September 2020, the Sewer Department entered into an agreement with a third party for software hosting. The agreement is interest free and to be paid out over three years. The total cost incurred for the software was $348,200. The payable on this agreement at June 30, 2022 and 2021, was $247,447 and $70,000, respectively.

During July 2021, the Sewer Department entered into an agreement with a third party for accounting software and related software hosting. The agreement is interest free and to be paid out over three years. The total cost incurred for the software was $66,300. The payable on this agreement at June 30, 2022 and 2021, was $49,839 and $-0-, respectively.

NOTE 11: COMMITMENTS AND CONCENTRATIONS

The Sewer Department is committed to several construction contracts in process at June 30, 2022 totaling $15,343,092. As of June 30, 2022, $7,605,819 had been incurred in connection with these contracts.

For the years ended June 30, 2022 and 2021, the Sewer Department had one customer that accounted for 12.39% and 11.98%, respectively, of total usage.

NOTE 12: PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

The following brief description of the Arkansas Public Employees Retirement System (APERS) is provided for general information purposes only. Participants should refer to Arkansas Code Annotated, Title 24 for more complete information.

APERS is a cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration.

Benefits Provided

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2005, but prior to 7/1/2007	2.03%
Contributory on or after 7/1/2009	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service at age 55 or at any age with 25 years of service.

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost-of living adjustment of 3% of the current benefit is added each year.

Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701)(a)). Members who began service prior to July 1, 2005 are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to contribute 5% of their salary. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). Employers contributed 15.32% of compensation for the fiscal year ended June 30, 2021. In some cases, an additional 2.5% of member and employer contributions are required for elected officials.

APERS Fiduciary Net Position

Detailed information about APERS's fiduciary net position is available in the separately issued APERS Financial Report available at http://www.apers.org/annualreports.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

The collective Net Pension Liability of $768,832,293 was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. Each employer's proportion of the Net Pension Liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers.

At June 30, 2022 and 2021, respectively, the Sewer Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,391	$ (54,337)
Changes of assumptions	-	(5,935)
Changes in proportion and differences between employer contributions and proportionate share	91,456	(24,431)
Net difference between projected and actual earnings on pension plan investments	-	(1,487,219)
Contributions subsequent to measurement date	377,090	-
Balance, June 30, 2022	$ 487,937	$ (1,571,922)

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 41,426	$ (2,066)
Changes of assumptions	39,098	(53,466)
Changes in proportion and differences between employer contributions and proportionate share	125,170	(45,892)
Net difference between projected and actual earnings on pension plan investments	330,191	-
Contributions subsequent to measurement date	327,991	-
Balance, June 30, 2021	$ 863,876	$ (101,424)

Contributions made subsequent to the measurement date will be reversed in fiscal year ending June 30, 2023 and will not be amortized in the schedule below. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Sewer Department's financial statements as follows:

Years ending June 30:		
2023	$	(356,970)
2024		(318,713)
2025		(353,863)
2026		(431,529)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	26 years (7.6 years for District Judges New Plan/Paid Off Old Plan and 16 years for District Judges Still Paying Old Plan)
Asset Valuation Method	4-year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Inflation	3.25% wage inflation, 2.50% price inflation
Investment Rate of Return	7.15%
Salary Increases	3.25% - 9.85% including inflation (3.25% - 6.96% including inflation for District Judges)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for generational mortality improvements using Scale MP-2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.22%
International Equity	24%	6.69%
Real Assets	16%	4.81%
Absolute Return	5%	3.05%
Domestic Fixed	18%	0.57%
Total	100%	

Discount Rate

A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the Net Pension Liability using the discount rate of 7.15%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Sensitivity of Discount Rate

1% Lower 6.15%	Discount Rate 7.15%	1% Higher 8.15%
$ 2,534,472	$ 847,254	$ (546,144)

NOTE 13: EMPLOYEE BENEFIT PLANS

Flexible Benefit Plan
The City of Rogers, Arkansas offers all active full-time employees and elected City officials who receive a W-2 form the option to participate in a flexible benefit plan administered by the Rogers Water Utilities. The flexible benefit plan has been established as a cafeteria plan as permitted under Section 125 of the Internal Revenue Code (IRC) of 1954, as amended, to provide for group medical, dental and vision for its eligible employees and dependents. The plan is funded solely by salary redirections as elected on a voluntary basis by participants. Sewer Department employee contributions for the years ended June 30, 2022 and 2021 were $137,625 and $108,540, respectively.

Deferred Compensation Plan
The Utilities offers a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code as a benefit to its employees. Each employee may contribute amounts up to the maximum allowed under the IRC. The plan permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Other than incidental expenses of collecting and disbursing the employees' deferrals and other minor administrative matters, there are no costs to the Sewer Department for the deferred compensation plan.

Plan assets remain the property of the Utilities until paid and are subject only to claims of the Utilities' creditors. Participants' rights under the plan are equivalent to the claims of general creditors of the Utilities in an amount equal to the fair market value of the deferred account for each participant. The Utilities fulfills its fiduciary responsibility by remitting all deferred amounts each pay period to an outside service for investment in a diversified portfolio.

Deferred compensation remitted for investment during the years ended June 30, 2022 and 2021 was $19,010 and $25,195, respectively. At June 30, 2022 and 2021, there were seven employees participating in the plan.

Educational Assistance Program (EAP)
The Utilities offers an education assistance plan as a benefit to its employees. The program was approved by the Waterworks and Sewer Commission on September 18, 2017. Each employee is eligible to participate in the program after (1) full calendar year of full-time employment with RWU and must be in good standing. The program will reimburse employees up to, but no more than $5,250 per calendar year for covered educational expenses, as outlined the EAP plan document. The reimbursement provided is excluded from the employee's gross income for income tax purposes as provide under 26 U.S.C. § 127. In the event the $5,250 is lowered as provided by law, the amount of permitted reimbursement under the program shall automatically decrease on the effective date of the new ceiling. Reimbursements shall be made when the employee submits (a) proof of receiving a passing grade in the course or program and (b) proof the expense incurred as receipts for payment of tuition, fees, books, supplies, etc. Reimbursement for the years ended June 30, 2022 and 2021 were approximately $488 and $3,878, respectively.

NOTE 14: RISKS AND UNCERTAINTIES

As of the date of the Independent Auditors Report, the COVID-19 pandemic has had an adverse impact on both domestic and global financial markets and operations. Management is unable to accurately predict how the COVID-19 pandemic will affect the results of the Sewer Department's operations due to uncertainties surrounding the severity of the disease and the duration of the outbreak.

NOTE 15: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2022, the date that the financial statements were available to be issued.

The Utilities applied for and received an offer for funding via the Arkansas Natural Resource Commission (ANRC) for funding of the RPCF Biosolids Handling Building Phase II for $31,246,250 (Sewer Department). The Utilities accepted the offer and the ANRC Commission approved the funding at their meeting on August 11th, 2022. The project includes $25,000,000 of construction costs, plus engineering fees, contingencies, and legal. Friday, Eldredge, & Clark law firm has been engaged as bond counsel for the bond issuance.

Required Supplementary Information

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedules of the Sewer Department's Proportionate Share of the Net Pension Liability Years ended June 30, 2022 through 2015

	2022	2021	2020	2019	2018	2017	2016	2015*
Proportion of the net pension liability	0.11 %	0.11 %	0.11 %	0.11 %	0.11 %	0.09 %	0.09 %	0.09 %
Proportionate share of the net pension liability	$ 847,254	$ 3,120,525	$ 2,503,442	$ 2,739,699	$ 2,734,269	$ 2,223,984	$ 1,700,410	$ 1,239,094
Covered - employee payroll	$ 2,474,720	$ 2,173,970	$ 2,102,043	$ 2,046,075	$ 2,039,342	$ 1,855,224	$ 1,666,569	$ 1,651,227
Proportionate share of the net pension liability as percentage of covered-employee payroll	34.24 %	143.54 %	119.10 %	133.90 %	134.08 %	119.88 %	102.03 %	75.04 %
Plan's fiduciary net position as a percentage of the total pension liability	93.57 %	75.38 %	78.55 %	79.59 %	75.65 %	75.50 %	80.39 %	84.15 %

* Fiscal Year 2015 was the first year of implementation, and is based on actuarial valuation as of June 30, 2014, therefore only eight years are

See Independent Auditor's Report.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Contributions
Years ended June 30, 2022 through 2015

	2022	2021	2020	2019	2018	2017	2016	2015*
Contractually required contribution	$ 377,090	$ 327,991	$ 319,710	$ 306,168	$ 298,614	$ 266,756	$ 235,420	$ 242,355
Contributions in relation to the contractually required contribution	$ (377,090)	$ (327,991)	$ (319,710)	$ (306,168)	$ (298,614)	$ (266,756)	$ (235,420)	$ (242,355)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sewer Department's covered-employee payroll	$ 2,474,720	$ 2,173,970	$ 2,102,043	$ 2,046,075	$ 2,039,342	$ 1,855,224	$ 1,666,569	$ 1,651,227
Contributions as a percentage of covered-employee payroll	15.24 %	15.09 %	15.21 %	14.96 %	14.64 %	14.38 %	14.13 %	14.68 %

*Fiscal Year 2015 was the first year of implementation, and is based on actuarial valuation as of June 30, 2014, therefore only eight years are shown.

Supplementary Information

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Operating Expenses
Years ended June 30, 2022 and 2021

	2022	2021
POLLUTION CONTROL FACILITY AND FIELD EXPENSE		
Employee benefits	$ 256,017	$ 729,545
Insurance	95,414	73,363
Operating supplies and other	371,824	222,190
Payroll taxes	109,926	102,770
Repairs and maintenance	704,323	401,629
Salaries	1,526,473	1,406,507
Sludge disposal costs	478,725	483,758
Supplies and postage	152,885	102,098
Utilities	705,742	463,270
	4,401,329	3,985,130
GENERAL AND ADMINISTRATIVE		
Bad debts	37,144	29,793
Consulting services - stream assessment	10,157	20,593
Employee benefits	90,003	321,552
Franchise taxes / use taxes	507,728	441,785
Insurance	14,817	10,502
Office supplies and postage	144,799	127,507
Other	258,539	157,150
Payroll taxes	63,940	54,763
Professional fees	55,273	52,060
Salaries	766,244	589,008
Utilities	26,531	24,408
	1,975,175	1,829,121
DEPRECIATION AND AMORTIZATION	4,972,497	4,440,471
TOTAL OPERATING EXPENSES	$ 11,349,001	$ 10,254,722

See Independent Auditor's Report.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedule of Principal and Interest Payments
Sewer Revenue Refunding Bonds – Series 2016
June 30, 2022

YEAR	PRINCIPAL	INTEREST RATE	INTEREST	TOTAL
2023	$ 1,175,000	4.000%	$ 301,700	$ 1,476,700
2024	1,220,000	4.000%	253,800	1,473,800
2025	1,265,000	4.000%	204,100	1,469,100
2026	1,315,000	4.000%	152,500	1,467,500
2027	1,365,000	4.000%	98,900	1,463,900
2028	1,420,000	4.000%	43,200	1,463,200
2029	370,000	4.000%	7,400	377,400
Balance, June 30, 2022	$ 8,130,000		$ 1,061,600	$ 9,191,600

Dated: December 13, 2016

Payment Dates: November 1

Interest Payment Dates: November 1 and May 1

Payable to: Regions Bank; Little Rock, Arkansas

Rogers Water Utilities Sewer Department
A Component Unit of the City of Rogers, Arkansas

Schedule of Fixed Assets
Year ended June 30, 2021

Fixed Assets

	Balance June 30, 2021	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2022
Land	$ 663,254	$ -	$ -	$ 663,254
Office equipment	749,371	45,712	(324,911)	470,172
Vehicles	1,372,225	28,016	(14,035)	1,386,206
Shop equipment	57,905	-	(4,551)	53,354
Field equipment	1,254,268	132,177	(8,815)	1,377,630
Radio equipment	56,493	3,015	-	59,508
Water meters	3,463,834	353,108	(129,250)	3,687,692
Sewer system	51,388,036	583,920	-	51,971,956
Pollution control facility	65,517,352	5,086,877	(4,057)	70,600,172
Structures and parking lots	2,123,671	-	-	2,123,671
Easements	1,141,899	-	-	1,141,899
Software hosting	90,000	358,328	(33,828)	414,500
Contributed sewer system	46,827,808	1,459,388	-	48,287,196
	174,706,116	8,050,541	(519,447)	182,237,210
Construction in progress	3,740,139	4,888,553	(5,351,414)	3,277,278
	$ 178,446,255	$ 12,939,094	$ (5,870,861)	$ 185,514,488

Accumulated Depreciation and Amortization

	Balance June 30, 2021	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2022
Office equipment	$ 626,421	$ 77,385	$ (323,443)	$ 380,363
Vehicles	1,079,716	100,881	(14,035)	1,166,562
Shop equipment	52,522	1,950	(4,551)	49,921
Field equipment	990,282	70,198	(8,815)	1,051,665
Radio equipment	48,894	2,377	-	51,271
Water meters	845,193	187,812	(129,250)	903,755
Sewer system	19,329,748	1,008,464	-	20,338,212
Pollution control facility	26,535,386	2,390,392	-	28,925,778
Structures and parking lots	1,261,179	82,245	-	1,343,424
Software hosting	27,500	94,900	-	122,400
Contributed sewer system	10,136,542	955,893	-	11,092,435
	$ 60,933,383	$ 4,972,497	$ (480,094)	$ 65,425,786

Rogers Water Utilities Sewer Department
A Component Unit of the City of Rogers, Arkansas

Schedule of Fixed Assets
Year ended June 30, 2020

Fixed Assets

	Balance June 30, 2020	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2021
Land	$ 663,254	$ -	$ -	$ 663,254
Office equipment	714,686	45,560	(10,875)	749,371
Vehicles	1,370,542	56,606	(54,923)	1,372,225
Shop equipment	61,750	2,844	(6,689)	57,905
Field equipment	1,220,046	91,844	(57,622)	1,254,268
Radio equipment	57,013	-	(520)	56,493
Water meters	3,243,944	410,897	(191,007)	3,463,834
Sewer system	50,586,509	801,527	-	51,388,036
Pollution control facility	56,836,196	9,192,915	(511,759)	65,517,352
Structures and parking lots	2,123,671	-	-	2,123,671
Easements	1,141,899	-	-	1,141,899
Software hosting	-	90,000	-	90,000
Contributed sewer system	41,157,919	5,669,889	-	46,827,808
	159,177,429	16,362,082	(833,395)	174,706,116
Construction in progress	9,825,920	3,573,070	(9,658,851)	3,740,139
	$ 169,003,349	$ 19,935,152	$ (10,492,246)	$ 178,446,255

Accumulated Depreciation and Amortization

	Balance June 30, 2020	Transfers/ Additions	Transfers/ Disposals	Balance June 30, 2021
Office equipment	$ 579,754	$ 57,541	$ (10,874)	$ 626,421
Vehicles	1,039,116	95,523	(54,923)	1,079,716
Shop equipment	57,259	1,952	(6,689)	52,522
Field equipment	997,196	50,709	(57,623)	990,282
Radio equipment	46,693	2,721	(520)	48,894
Water meters	821,142	215,059	(191,008)	845,193
Sewer system	18,334,566	995,182	-	19,329,748
Pollution control facility	25,030,088	2,017,056	(511,758)	26,535,386
Structures and parking lots	1,178,865	82,314	-	1,261,179
Software hosting	-	27,500		27,500
Contributed sewer system	9,241,628	894,914	-	10,136,542
	$ 57,326,307	$ 4,440,471	$ (833,395)	$ 60,933,383

See Independent Auditor's Report.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedule of Sewer System Rates
June 30, 2022 and 2021

In November 2019, the City Council approved a 5-year rate increase schedule with the first increase effective April 1, 2020. The subsequent rate increases will occur each July 1, 2021-2025. The rates in place prior to 4/1/2020, new rates effective 4/1/2020 and the rates effective 7/1/2021 are shown below.

Monthly Sewer Rates For Customers	Inside the City		
	Prior to 7/1/2021	**Effective 7/1/2021**	**Effective 7/1/2022**
Flat rate of	$12.43	$13.92	$15.18
In addition to (up to 100,000)	$4.32 / thousand	$4.84 / thousand	$5.28 / thousand
All over 100,000	$4.27 / thousand	$4.78 / thousand	$5.21 / thousand

Monthly Sewer Rates For Customers	Outside the City		
	Prior to 7/1/2021	**Effective 7/1/2021**	**Effective 7/1/2022**
Flat rate of	$16.24	$18.19	$19.83
In addition to (up to 100,000)	$5.63 / thousand	$6.31 / thousand	$6.88 / thousand
All over 100,000	$5.63 / thousand	$6.31 / thousand	$6.88 / thousand

Monthly Sewer Rates For Customers	City of Lowell, Arkansas		
	Prior to 7/1/2021	**Effective 7/1/2021**	**Effective 7/1/2022**
Flat rate of	$14.91	$16.71	$18.21
In addition to (up to 100,000)	$5.18 / thousand	$5.81 / thousand	$6.33 / thousand
All over 100,000	$5.12 / thousand	$5.73 / thousand	$6.25 / thousand

See Independent Auditor's Report.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Sewer Customers
June 30, 2022 and 2021

SEWER CUSTOMER CLASSIFICATIONS	NUMBER OF CUSTOMERS 2022	2021
Residential customers	23,123	22,732
Commercial customers	2,006	1,973
Industrial customers	32	32
Total	25,161	24,737

See Independent Auditor's Report.

Rogers Water Utilities Sewer Department

A Component Unit of the City of Rogers, Arkansas

Schedules of Billable Gallons
Years ended June 30, 2022 and 2021

BILLABLE GALLONS CLASSIFICATIONS	NUMBER OF BILLABLE GALLONS 2022	2021
Residential customers	1,074,880,400	1,122,943,600
Commercial customers	548,923,600	490,790,800
Industrial customers	470,576,600	436,990,900
Total	2,094,380,600	2,050,725,300

See Independent Auditor's Report.

LANDMARK
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Waterworks and Sewer Commission
Rogers Water Utilities Sewer Department
Rogers, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Rogers Water Utilities Sewer Department** (the Sewer Department), a component unit of the City of Rogers, Arkansas, which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 5, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sewer Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sewer Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sewer Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Sewer Department's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sewer Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sewer Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sewer Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Landmark PLC

Rogers, Arkansas
October 5, 2022

October 25, 2022

To: The Rogers Water and Sewer Commission

From: Jennifer Lattin, Controller

Re: September 2022 Financial Information

Water Department

- Billed revenue for the month of September 2022 is up 6.21% from September 2021.
- Water consumption is down 4.94% from August 2021.
- The Water Department reported a profit of $598,000 for September 2022. A profit of $628,000 was reported for September 2021. The difference is due to an overall increase in revenues ($20,000) with an increase in expenses ($50,000).
- Fiscal year to date collections of access and impact fee revenue for FY 23 are $209,000. This compares to year-to-date access and impact fee revenue of $313,000 in FY 22 and $373,000 in FY 21.
- Year to date profit is more than the prior year and ahead of budget.

Sewer Department

- Billed revenue for the month of September 2022 is up 3.23% from September 2021.
- Sewer consumption is down 4.28% from September 2021.
- The Sewer Department reported a profit of $573,000 for September 2022. A profit of $564,000 was reported for September 2021. The difference is due to an overall increase in revenues ($69,000) with an increase in expenses ($60,000).
- Fiscal year to date collections of access and impact fee revenue for FY 23 are $355,000. This compares to year-to-date access and impact fee revenue of $538,000 in FY 22 and $759,000 in FY 21.
- Year to date profit is more than the prior year and ahead of budget.

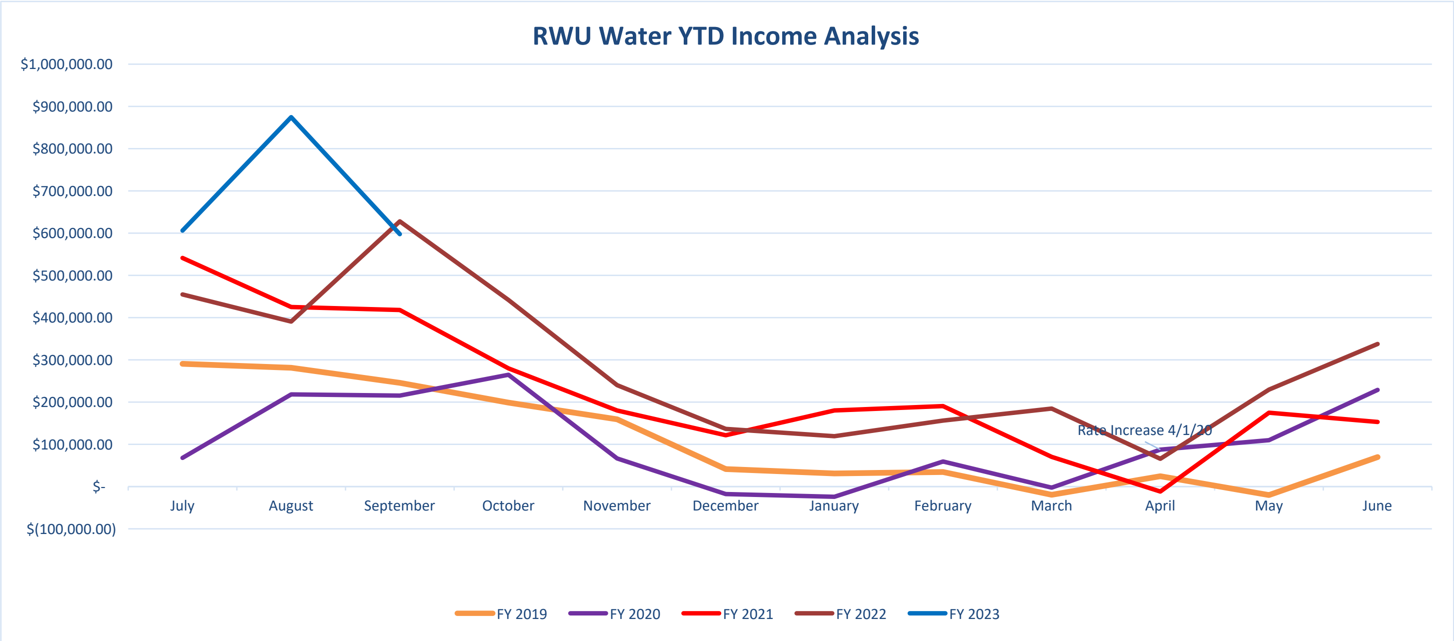
Other Financial Reporting Items

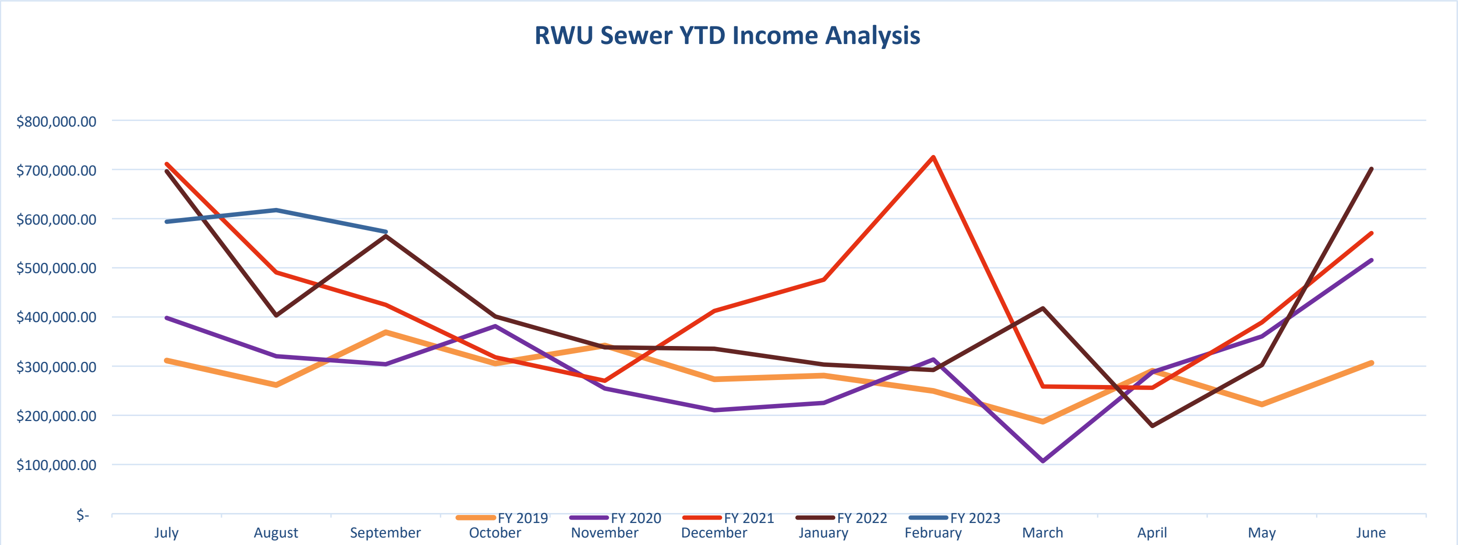
- Total restricted and unrestricted funds are $45.5 million for September 2022. This is an overall increase of $2.2 million from September 2021.
    - Water funds increased by approximately $357,000 and Sewer funds increased by $1.9 million.
    - $7.7 million of the $45.5 million total funds is restricted for specific use such as debt service, meter deposits, access and impact fees, and depreciation.

Rogers Water Utilities
Monthly Income (Loss) comparisions

WATER	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023		
July	$ 290,624.33	$ 67,942.45	$ 541,237.37	$ 454,860.39	$ 606,058.75		
August	$ 281,270.03	$ 218,202.22	$ 425,096.75	$ 390,617.95	$ 874,535.33		
September	$ 245,594.35	$ 215,407.80	$ 418,050.13	$ 627,942.89	$ 597,646.67		
October	$ 198,756.49	$ 264,699.00	$ 279,870.37	$ 441,784.79			
November	$ 159,271.94	$ 66,632.11	$ 180,158.06	$ 240,127.46			
December	$ 41,435.70	$ (17,714.79)	$ 121,537.90	$ 136,549.32			
January	$ 31,081.88	$ (24,131.21)	$ 180,239.50	$ 119,263.06			
February	$ 34,474.80	$ 59,398.57	$ 190,514.70	$ 156,254.78			
March	$ (19,411.36)	$ (2,521.91)	$ 70,327.68	$ 184,685.89			
April	$ 24,500.39	$ 87,454.59	$ (11,743.18)	$ 65,761.31			
May	$ (20,066.58)	$ 109,845.99	$ 174,894.19	$ 229,534.70			
June	$ 69,833.07	$ 228,880.37	$ 153,001.57	$ 337,611.80			
YTD Income (Loss)	**$ 1,337,365.04**	**$ 1,274,095.19**	**$ 2,723,185.04**	**$ 3,384,994.34**	**$ 2,078,240.75**	$ 604,819.52	Change From Same Period Last Year
Income (Loss) Before APERS Pension Adjustment	$ 1,337,365.04	$ 1,274,095.19	$ 2,723,185.04	$ 3,384,994.34	$ 2,078,240.75		
APERS Pension Adjustment	*$ (98,788.44)*	*$ (140,186.49)*	*$ (180,687.98)*	*$ 260,620.21*	*$ -*		
Income per Audited Financial Stmts	$ 1,238,576.60	$ 1,133,908.70	$ 2,542,497.06	$ 3,645,614.55	$ 2,078,240.75		
Annual Budget	**$ 1,185,000.00**	**$ 840,000.00**	**$ 1,390,000.00**	**$ 2,675,000.00**	**$ 3,415,000.00**		

SEWER	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023		
July	$ 311,400.74	$ 398,073.34	$ 711,184.94	$ 696,353.90	$ 593,693.29		
August	$ 261,571.66	$ 320,157.10	$ 490,628.78	$ 403,049.30	$ 617,369.21		
September	$ 368,965.92	$ 303,886.14	$ 424,686.61	$ 564,331.31	$ 573,278.83		
October	$ 305,380.22	$ 381,315.31	$ 318,029.39	$ 401,011.64			
November	$ 341,929.24	$ 254,557.18	$ 270,245.00	$ 338,228.02			
December	$ 273,317.22	$ 210,337.78	$ 412,230.13	$ 335,382.96			
January	$ 280,808.92	$ 225,259.50	$ 475,875.60	$ 303,246.65			
February	$ 249,518.51	$ 313,533.41	$ 725,106.18	$ 292,158.17			
March	$ 186,994.97	$ 106,724.51	$ 258,586.89	$ 417,621.45			
April	$ 290,639.28	$ 287,897.69	$ 256,048.98	$ 178,311.71			
May	$ 222,095.65	$ 360,527.55	$ 389,060.34	$ 302,311.30			
June	$ 306,611.99	$ 515,655.80	$ 570,612.24	$ 701,261.24			
YTD Income (Loss)	**$ 3,399,234.32**	**$ 3,677,925.31**	**$ 5,302,295.08**	**$ 4,933,267.65**	**$ 1,784,341.33**	$ 120,606.82	Change From Same Period Last Year
FY Income (Loss) Before APERS Pension Adjustment	$ 3,399,234.32	$ 3,677,925.31	$ 5,302,295.08	$ 4,933,267.65	$ 1,784,341.33		
APERS Pension Adjustment	*$ (166,877.96)*	*$ (249,434.81)*	*$ (289,911.50)*	*$ 426,833.24*	*$ -*		
Income per Audited Financial Stmts	$ 3,232,356.36	$ 3,428,490.50	$ 5,012,383.58	$ 5,360,100.89	$ 1,784,341.33		
Annual Budget	**$ 2,865,000.00**	**$ 2,470,000.00**	**$ 3,025,000.00**	**$ 3,960,000.00**	**$ 4,620,000.00**		


RWU Water YTD Income Analysis
$1,000,000.00
$900,000.00
$800,000.00
$700,000.00
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$100,000.00
$-
$(100,000.00)
July
August
September
October
November
December
January
February
March
April
May
June
Rate Increase 4/1/20
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023


RWU Sewer YTD Income Analysis
$800,000.00
$700,000.00
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$100,000.00
$-
July
August
September
October
November
December
January
February
March
April
May
June
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023

WATER CASH RECEIPTS
SEPTEMBER 2022

CASH RECEIPTS	$1,467,220.27	
ACCTS RECEIVABLE OTHER	$7,768.99	
METER DEPOSITS	$8,100.00	*
SERVICE CHARGES	$3,010.17	
FEES	$91,675.00	
MISCELLANEOUS/UNAPPLIED	$241,249.88	
TRASH	$289,122.45	
DEPRECIATION	$65,740.60	
TOTAL	$2,173,887.36	

REVENUE BILLED SEPTEMBER 2022		CUSTOMERS	CONSUMPTION
RESIDENTIAL	$747,120.06	27,461	144,972,400
RESIDENTIAL IRRIG	$282,195.49	4,247	60,821,823
COMMERCIAL	$510,012.84	2,986	111,552,400
INDUSTRIAL	$155,220.03	51	47,891,500
HYDRANTS	$1,220.00		
FIRE LINES	$10,640.00	34,745	365,238,123
PENALTY	$0.00		
SERVICE CHARGE	$0.00		
NEW CUSTOMER FEES			
TOTAL	$1,706,408.42		
REVENUE BILLED SEPTEMBER 2021			
RESIDENTIAL	$689,498.16	26,798	149,305,700
RESIDENTIAL IRRIG	$298,429.65	4,705	73,743,500
COMMERCIAL	$445,444.16	3,058	112,713,500
INDUSTRIAL	$145,549.33	46	48,449,400
HYDRANTS	$1,195.00		
FIRE LINES	$10,220.00	34,607	384,212,100
PENALTY	$8,390.42		
SERVICE CHARGE	$7,937.00		
NEW CUSTOMER FEES			
TOTAL	$1,606,663.72		
INCREASE (DECREASE)	$99,744.70	138	-18,973,977
CHANGE FROM 2021	6.21%	0.40%	-4.94%

PURCHASE FROM BEAVER WATER DISTRICT		
SEPTEMBER, 2022	$ 550,726.26	390,586,000
SEPTEMBER, 2021	$ 560,187.54	405,933,000

SEWER CASH RECEIPTS
SEPTEMBER 2021

CASH RECEIPTS	$900,099.27
FEES	$0.00
MISCELLANEOUS	$135,060.00
ACCOUNTS RECEIVABLE OTHER	$15,024.06
DEPRECIATION	$43,757.64
	$1,093,940.97
O&M	$1,050,183.33
DEPRECIATION	$43,757.64
	$1,093,940.97

REVENUE BILLED SEPTEMBER, 2021		CUSTOMERS	CONSUMPTION
RESIDENTIAL	$879,103.01	23,420	103,999,118
COMMERCIAL	$292,333.57	2,049	49,588,300
INDUSTRIAL	$225,603.76	35	43,183,600
PENALTY	$0.00		
OTHER CHARGES	$0.00		
NEW CUSTOMER FEES		25,504	196,771,018
TOTAL	$1,397,040.34		
REVENUE BILLED SEPTEMBER, 2020			
RESIDENTIAL	$851,540.88	22,892	108,665,500
COMMERCIAL	$261,896.63	1,981	50,623,300
INDUSTRIAL	$221,841.82	32	46,290,900
PENALTY/SURCHARGES	$11,156.40		
NEW CUSTOMER FEES	$6,834.23	24,905	205,579,700
TOTAL	$1,353,269.96		
INCREASE (DECREASE)	$43,770.38	599	-8,808,682
CHANGE FROM 2020	3.23%	2.41%	-4.28%

ROGERS WATER UTILITIES
SCHEDULE OF FUNDS
SEPTEMBER 2022

		RESTRICTED						September 2021			
	UNRE-STRICTED	Meter Deposits	Debt Reserve	Access/ Impact Fees	Depreci-ation	TOTAL RESTRIC-TED	GRAND TOTAL	UNRE-STRICTED	TOTAL RESTRIC-TED	GRAND TOTAL	
WATER											
Petty Cash	$ 1,725					$ -	$ 1,725	$ 1,725	-	$ 1,725	
Checking - O&M	135,925					-	135,925	65,803	-	65,803	
Checking-Bank of Rogers	314,625					-	314,625	264,699	-	264,699	
Savings-Utility Money Fund	1,798,153					-	1,798,153	2,099,104	-	2,099,104	
Savings-Depr Money Fund					103,298	103,298	103,298		337,137	337,137	
Savings-O&M Money Fund	2,267,854					-	2,267,854	2,004,266	-	2,004,266	
Access/Impact Fees-Simmons				483,185		483,185	483,185		662,081	662,081	
										-	
Investments-CD's	11,615,519	1,083,281			2,479,662	3,562,943	15,178,462	10,978,252	3,550,342	14,528,594	
										-	
Checking-Meter Deposits		328,854				328,854	328,854		327,423	327,423	
										-	
Regions Bank-2012 Bonds			443,736			443,736	443,736		430,069	430,069	
Regions Bank-2016 Bonds			370,508			370,508	370,508		348,721	348,721	
TOTAL WATER	16,133,801	1,412,135	814,244	483,185	2,582,960	5,292,524	21,426,325	15,413,849	5,655,773	21,069,622	356,703
							(2,400,000)				
SEWER											
Petty Cash	150					$ -	$ 150	150	-	$ 150	
Savings-Depr Money Fund					484,493	484,493	484,493		315,537	315,537	
Savings-O&M Money Fund	3,567,871					-	3,567,871	3,679,349	-	3,679,349	
Access/Impact Fees-Simmons				872,958		872,958	872,958		1,163,767	1,163,767	
										-	
Investments-CD's	18,096,930					-	18,096,930	16,028,486	-	16,028,486	
										-	
Regions Bank-2010 Bonds			-			-	-		-	-	
Regions Bank-2016 Bonds			1,089,009			1,089,009	1,089,009		1,048,690	1,048,690	
TOTAL SEWER	21,664,951	-	1,089,009	872,958	484,493	2,446,459	24,111,410	19,707,985	2,527,994	22,235,979	1,875,431
							-2,900,000				
GRAND TOTAL	$ 37,798,752	$ 1,412,135	$ 1,903,252	$ 1,356,143	$ 3,067,453	$ 7,738,983	$ 45,537,736	$ 35,121,834	$ 8,183,768	$ 43,305,602	2,232,134

Rogers Water Utilities, AR

Balance Sheet
Account Summary
As Of 09/30/2022

	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
Fund: 1 - WATER			
Assets			
**** ASSETS & DEFERRED OUTFLOWS****			
010 - CASH-DEMAND DEPOSITS	5,104,765.20	5,434,815.98	-330,050.78
020 - INVESTMENTS	15,178,462.34	14,528,593.56	649,868.78
030 - ACCOUNTS RECEIVABLE	3,127,316.84	2,662,464.70	464,852.14
035 - DUE FROM OTHER FUNDS	6,437,218.41	0.00	6,437,218.41
040 - OTHER CURRENT ASSETS	100,821.62	88,101.96	12,719.66
050 - RESTRICTED FUNDS	1,143,097.60	1,106,212.76	36,884.84
060 - INVENTORY	633,378.15	392,641.02	240,737.13
080 - PROPERTY PLANT & EQUIPMENT	98,158,859.10	93,458,098.39	4,700,760.71
081 - INTANGIBLE ASSETS	281,285.00	117,985.00	163,300.00
090 - DEFERRED OUTFLOWS/PENSION ASSETS	322,491.27	556,560.06	-234,068.79
Total ** ASSETS & DEFERRED OUTFLOWS:**	**130,487,695.53**	**118,345,473.43**	**12,142,222.10**
Total Assets:	**130,487,695.53**	**118,345,473.43**	**12,142,222.10**
Liability			
**** LIABILITIES & DEFERRED INFLOWS ****			
100 - ACCOUNTS PAYABLE	2,482,191.60	2,291,883.91	-190,307.69
120 - ACCRUED LIABILITIES	18,663,081.25	19,359,148.72	696,067.47
130 - OTHER LIABILITIES	1,417,960.00	1,388,412.00	-29,548.00
135 - DUE TO OTHER FUNDS	6,599,115.57	0.00	-6,599,115.57
140 - DEFERRED INFLOWS/PENSION LIABILITIES	1,521,676.42	2,016,365.42	494,689.00
Total ** LIABILITIES & DEFERRED INFLOWS **:	**30,684,024.84**	**25,055,810.05**	**-5,628,214.79**
Total Liability:	**30,684,024.84**	**25,055,810.05**	**-5,628,214.79**
Equity			
**** EQUITY ****			
200 - FUND BALANCE	97,725,429.94	91,816,242.15	5,909,187.79
Total ** EQUITY **:	**97,725,429.94**	**91,816,242.15**	**5,909,187.79**
Total Beginning Equity:	**97,725,429.94**	**91,816,242.15**	**5,909,187.79**
Total Revenue	5,847,356.99	4,972,482.43	874,874.56
Total Expense	3,769,116.24	3,499,061.20	-270,055.04
Revenues Over/(Under) Expenses	**2,078,240.75**	**1,473,421.23**	**604,819.52**
Total Equity and Current Surplus (Deficit):	**99,803,670.69**	**93,289,663.38**	**6,514,007.31**
Total Liabilities, Equity and Current Surplus (Deficit):	**130,487,695.53**	**118,345,473.43**	**12,142,222.10**

	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
Fund: 2 - SEWER			
Assets			
**** ASSETS & DEFERRED OUTFLOWS****			
010 - CASH-DEMAND DEPOSITS	4,925,472.28	5,158,803.81	-233,331.53
020 - INVESTMENTS	18,096,929.53	16,028,485.67	2,068,443.86
030 - ACCOUNTS RECEIVABLE	2,334,799.97	1,807,468.54	527,331.43
035 - DUE FROM OTHER FUNDS	6,599,115.57	0.00	6,599,115.57
040 - OTHER CURRENT ASSETS	158,609.40	129,852.95	28,756.45
060 - INVENTORY	155,892.51	65,554.40	90,338.11
070 - RESTRICTED FUNDS	1,089,008.55	1,048,689.82	40,318.73
080 - PROPERTY PLANT & EQUIPMENT	120,223,978.46	117,311,423.03	2,912,555.43
081 - INTANGIBLE ASSETS	281,285.00	117,985.00	163,300.00
090 - DEFERRED OUTFLOWS/PENSION ASSETS	487,936.96	863,876.37	-375,939.41
Total ** ASSETS & DEFERRED OUTFLOWS:**	**154,353,028.23**	**142,532,139.59**	**11,820,888.64**
Total Assets:	**154,353,028.23**	**142,532,139.59**	**11,820,888.64**
Liability			
**** LIABILITIES & DEFERRED INFLOWS ****			
100 - ACCOUNTS PAYABLE	78,446.01	-207,207.33	-285,653.34
120 - ACCRUED LIABILITIES	9,780,239.29	10,962,379.32	1,182,140.03
130 - OTHER LIABILITIES	135,002.31	142,950.00	7,947.69
135 - DUE TO OTHER FUNDS	6,437,218.41	0.00	-6,437,218.41
140 - DEFERRED INFLOWS/PENSION LIABILITIES	2,419,176.88	3,221,949.53	802,772.65
Total ** LIABILITIES & DEFERRED INFLOWS **:	**18,850,082.90**	**14,120,071.52**	**-4,730,011.38**
Total Liability:	**18,850,082.90**	**14,120,071.52**	**-4,730,011.38**
Equity			
**** EQUITY ****			
200 - FUND BALANCE	133,718,604.00	126,748,333.56	6,970,270.44
Total ** EQUITY **:	**133,718,604.00**	**126,748,333.56**	**6,970,270.44**
Total Beginning Equity:	**133,718,604.00**	**126,748,333.56**	**6,970,270.44**
Total Revenue	4,866,744.06	4,520,533.93	346,210.13
Total Expense	3,082,402.73	2,856,789.00	-225,613.73
Revenues Over/(Under) Expenses	**1,784,341.33**	**1,663,744.93**	**120,596.40**
Total Equity and Current Surplus (Deficit):	**135,502,945.33**	**128,412,078.49**	**7,090,866.84**
Total Liabilities, Equity and Current Surplus (Deficit):	**154,353,028.23**	**142,532,150.01**	**11,820,878.22**

Balance Sheet
Account Summary
As Of 09/30/2022

Rogers Water Utilities, AR

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
Fund: 1 - WATER				
Assets				
**** ASSETS & DEFERRED OUTFLOWS****				
GLCategory: 010 - CASH-DEMAND DEPOSITS				
1-0100.00	PETTY CASH AND CHANGE FUNDS	1,725.00	1,725.00	0.00
1-0100.09	CHECKING-O&M ACCOUNT	135,924.74	65,803.47	70,121.27
1-0100.11	CHECKING-FNBANK OF ROGERS	314,625.14	264,698.85	49,926.29
1-0111.05	SAVINGS-UTILITY MONEY FUND	1,798,153.11	2,099,104.37	-300,951.26
1-0111.08	SAVINGS-DEPR MONEY FUND	103,298.03	337,137.43	-233,839.40
1-0111.09	SAVINGS-O & M MONEY FUND	2,267,854.26	2,004,265.57	263,588.69
1-0120.00	ACCESS/IMPACT FEES-SIMMONS	483,184.92	662,081.29	-178,896.37
	Total GLCategory 010 - CASH-DEMAND DEPOSITS:	**5,104,765.20**	**5,434,815.98**	**-330,050.78**
GLCategory: 020 - INVESTMENTS				
1-0215.00	INVESTMENT-O&M	1,020,712.63	1,018,033.66	2,678.97
1-0215.01	INVESTMENT-O&M	756,518.16	755,155.69	1,362.47
1-0215.02	INVESTMENT-O&M	1,058,553.34	1,057,021.79	1,531.55
1-0215.03	INVESTMENT-METER DEPOSITS	545,379.08	544,219.48	1,159.60
1-0215.05	INVESTMENT-METER DEPOSITS	537,902.29	536,080.67	1,821.62
1-0215.07	INVESTMENT-O&M	541,928.52	538,416.04	3,512.48
1-0215.08	INVESTMENT-DEPRECIATION	537,214.20	535,804.21	1,409.99
1-0215.10	INVESTMENT-O&M	1,062,750.09	1,056,867.26	5,882.83
1-0215.11	INVESTMENT-DEPRECIATION	539,589.22	538,734.81	854.41
1-0215.12	INVESTMENT-O&M	0.00	502,171.74	-502,171.74
1-0215.15	INVESTMENT-O&M	541,043.50	538,570.03	2,473.47
1-0215.16	INVESTMENT-DEPRECIATION	874,732.80	868,712.86	6,019.94
1-0215.17	INVESTMENT-O&M	1,071,529.80	1,068,452.75	3,077.05
1-0215.19	INVESTMENT-O&M	1,106,177.98	0.00	1,106,177.98
1-0215.21	INVESTMENT-O&M	1,053,595.02	1,046,918.60	6,676.42
1-0215.22	INVESTMENT-O&M	1,074,641.47	1,071,882.45	2,759.02
1-0215.23	INVESTMENT-DEPRECIATION	528,125.76	526,789.98	1,335.78
1-0215.24	INVESTMENT-O&M	1,102,857.17	1,100,928.72	1,928.45
1-0215.25	INVESTMENT-O&M	525,211.31	523,832.82	1,378.49
1-0215.26	INVESTMENT-O&M	700,000.00	700,000.00	0.00
	Total GLCategory 020 - INVESTMENTS:	**15,178,462.34**	**14,528,593.56**	**649,868.78**
GLCategory: 030 - ACCOUNTS RECEIVABLE				
1-0300.00	ACCTS REC-CUSTOMERS	2,582,415.70	2,116,347.25	466,068.45
1-0300.01	UNAPPLIED CREDITS	-36,631.41	0.00	-36,631.41
1-0300.05	ACCTS REC-OTHER	-39,967.45	75,117.45	-115,084.90
1-0300.15	ACCTS REC-UNBILLED REVENUE	740,000.00	615,000.00	125,000.00
1-0300.20	ALLOWANCE FOR BAD DEBTS	-118,500.00	-144,000.00	25,500.00
	Total GLCategory 030 - ACCOUNTS RECEIVABLE:	**3,127,316.84**	**2,662,464.70**	**464,852.14**
GLCategory: 035 - DUE FROM OTHER FUNDS				
1-0350.02	DUE FROM SEWER	6,437,218.41	0.00	6,437,218.41
	Total GLCategory 035 - DUE FROM OTHER FUNDS:	**6,437,218.41**	**0.00**	**6,437,218.41**
GLCategory: 040 - OTHER CURRENT ASSETS				
1-0400.00	ACCRUED INTEREST	2,775.87	717.32	2,058.55
1-0400.01	PREPAID PROFESSIONAL FEES	-3,279.57	6,075.01	-9,354.58
1-0400.05	PREPAID-WORKMANS COMP	8,822.05	8,128.89	693.16
1-0400.10	PREPAID-INSURANCE	26,592.32	23,410.58	3,181.74
1-0400.15	PREPAID-MAINT CONTRACT	65,910.95	49,770.16	16,140.79
	Total GLCategory 040 - OTHER CURRENT ASSETS:	**100,821.62**	**88,101.96**	**12,719.66**

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
GLCategory: 050 - RESTRICTED FUNDS				
1-0500.00	CHECKING-METER DEPOSITS	328,853.93	327,422.57	1,431.36
1-0512.14	REGIONS BANK - DEBT - 2012	443,735.90	430,068.90	13,667.00
1-0516.14	REGIONS BANK - DEBT - 2016	370,507.77	348,721.29	21,786.48
	Total GLCategory 050 - RESTRICTED FUNDS:	**1,143,097.60**	**1,106,212.76**	**36,884.84**
GLCategory: 060 - INVENTORY				
1-0600.00	INVENTORY	633,378.15	392,641.02	240,737.13
	Total GLCategory 060 - INVENTORY:	**633,378.15**	**392,641.02**	**240,737.13**
GLCategory: 080 - PROPERTY PLANT & EQUIPMENT				
1-0800.00	OFFICE EQUIPMENT	552,416.18	481,731.86	70,684.32
1-0800.01	VEHICLES	623,991.09	588,580.53	35,410.56
1-0800.02	SHOP EQUIPMENT & TOOLS	46,900.46	49,801.30	-2,900.84
1-0800.03	FIELD EQUIPMENT	838,714.23	824,624.19	14,090.04
1-0800.04	COMMUNICATION EQUIPMENT	32,401.94	29,386.54	3,015.40
1-0800.05	PUMPING EQUIPMENT	90,978.84	78,287.29	12,691.55
1-0800.08	WATER METERS	3,823,473.58	3,504,611.32	318,862.26
1-0800.09	WATER SERVICES	1,378,630.38	1,378,630.38	0.00
1-0800.10	WATER TOWERS	13,498,650.00	12,095,259.25	1,403,390.75
1-0800.11	MAIN LINE	57,175,519.77	54,114,906.15	3,060,613.62
1-0800.13	STRUCTURES & PARKING LOT	1,748,694.00	1,744,205.15	4,488.85
1-0800.14	LAND	273,619.89	273,619.89	0.00
1-0800.15	EASEMENTS	460,360.70	460,360.70	0.00
1-0800.20	CONTRIBUTED MAIN LINE	55,962,362.45	53,850,782.07	2,111,580.38
1-0800.25	CONSTRUCTION IN PROGRESS	4,306,717.93	3,851,615.12	455,102.81
1-0800.50	ACCM DEPR-OFFICE EQUIPMENT	-399,135.25	-358,178.35	-40,956.90
1-0800.51	ACCM DEPR-VEHICLES	-464,808.05	-435,229.67	-29,578.38
1-0800.52	ACCM DEPR-SHOP EQUIP/TOOLS	-46,571.40	-48,954.82	2,383.42
1-0800.53	ACCM DEPR-FIELD EQUIPMENT	-575,226.04	-547,041.32	-28,184.72
1-0800.54	ACCM DEPR-COMMUNICATION EQUIPMENT	-23,952.77	-21,527.17	-2,425.60
1-0800.55	ACCM DEPR-PUMPING EQUIP	-57,540.67	-49,554.27	-7,986.40
1-0800.58	ACCM DEPR-WATER METERS	-944,760.57	-797,522.05	-147,238.52
1-0800.59	ACCM DEPR-WATER SERVICE	-1,334,253.28	-1,315,507.83	-18,745.45
1-0800.60	ACCM DEPR-WATER TOWERS	-5,183,411.64	-4,924,951.01	-258,460.63
1-0800.61	ACCM DEPR-MAINLINE	-20,034,915.01	-18,940,934.80	-1,093,980.21
1-0800.63	ACCM DEPR-STRUCTURE/PARK	-1,254,984.69	-1,192,479.69	-62,505.00
1-0800.80	ACCM DEPR-CONTRIBUTED MAIN LINE	-12,335,012.97	-11,236,422.37	-1,098,590.60
	Total GLCategory 080 - PROPERTY PLANT & EQUIPMENT:	**98,158,859.10**	**93,458,098.39**	**4,700,760.71**
GLCategory: 081 - INTANGIBLE ASSETS				
1-0810.00	SOFTWARE HOSTING ARRANGEMENTS	414,500.00	156,300.00	258,200.00
1-0810.50	ACCM AMORT-SOFTWARE HOSTING ARRAN	-133,215.00	-38,315.00	-94,900.00
	Total GLCategory 081 - INTANGIBLE ASSETS:	**281,285.00**	**117,985.00**	**163,300.00**
GLCategory: 090 - DEFERRED OUTFLOWS/PENSION ASSETS				
1-0900.14	DEFERRED OUTFLOWS/PENSIONS	322,491.27	556,560.06	-234,068.79
	Total GLCategory 090 - DEFERRED OUTFLOWS/PENSION ASSETS:	**322,491.27**	**556,560.06**	**-234,068.79**
	Total ** ASSETS & DEFERRED OUTFLOWS:**	**130,487,695.53**	**118,345,473.43**	**12,142,222.10**
	Total Assets:	**130,487,695.53**	**118,345,473.43**	**12,142,222.10**

Liability

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
**** LIABILITIES & DEFERRED INFLOWS ****				
GLCategory: 100 - ACCOUNTS PAYABLE				
1-1100.00	ACCOUNTS PAYABLE-TRADE	1,443,787.16	840,068.86	-603,718.30
1-1100.02	ACCOUNTS PAYABLE-ORION WASTE SOLUTI	918,027.19	867,065.94	-50,961.25
1-1100.04	ACCOUNTS PAYABLE-SEWER	0.00	474,323.84	474,323.84
1-1100.06	CONTRACTOR CASH BONDS PAYABLE	15,000.00	15,000.00	0.00
1-1100.10	ACCOUNTS PAYABLE-H20 PROGRAM	88.00	502.00	414.00
1-1100.20	FEDERAL INC TAX WITHHELD	0.00	-256.10	-256.10
1-1100.21	FICA W/HELD	0.00	-519.22	-519.22

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
1-1100.51	SALES/USE TAX PAYABLE	104,735.69	96,102.74	-8,632.95
1-1109.01	MISC PAYROLL DEDUCTIONS	97.22	-42.40	-139.62
1-1109.02	DENTAL & SUPPLEMENTAL INS WITHHELD	456.34	-361.75	-818.09
	Total GLCategory 100 - ACCOUNTS PAYABLE:	**2,482,191.60**	**2,291,883.91**	**-190,307.69**
GLCategory: 120 - ACCRUED LIABILITIES				
1-1200.60	WAGES PAYABLE	33,698.89	84,175.90	50,477.01
1-1200.65	ACCRUED VAC/SICK LEAVE	316,126.83	289,647.58	-26,479.25
1-1200.80	SOFTWARE HOSTING ARRANGEMENT-CITYV	187,576.86	40,000.00	-147,576.86
1-1200.81	SOFTWARE HOSTING ARRANGEMENT-TYLEF	40,238.55	66,300.00	26,061.45
1-1258.12	2012 BOND PREMIUM	16,940.25	19,331.97	2,391.72
1-1258.16	2016 BOND PREMIUM	376,502.07	404,220.03	27,717.96
1-1278.12	2012/2004 DEF. REFUNDING COSTS	-343,034.63	-391,463.27	-48,428.64
1-1278.16	2016/2006 DEF. REFUNDING COSTS	-98,656.43	-105,919.55	-7,263.12
1-1279.16	2016 PREPAID BOND INSURANCE	-11,311.14	-12,143.94	-832.80
1-1280.12	LONG-TERM BONDS - 2012	6,195,000.00	6,650,000.00	455,000.00
1-1280.16	LONG-TERM BONDS - 2016	11,950,000.00	12,315,000.00	365,000.00
	Total GLCategory 120 - ACCRUED LIABILITIES:	**18,663,081.25**	**19,359,148.72**	**696,067.47**
GLCategory: 130 - OTHER LIABILITIES				
1-1300.00	METER DEPOSITS	1,326,285.00	1,295,917.00	-30,368.00
1-1300.01	ACCESS/IMPACT FEES-SIMMONS	91,675.00	92,495.00	820.00
	Total GLCategory 130 - OTHER LIABILITIES:	**1,417,960.00**	**1,388,412.00**	**-29,548.00**
GLCategory: 135 - DUE TO OTHER FUNDS				
1-1350.02	DUE TO SEWER	6,599,115.57	0.00	-6,599,115.57
	Total GLCategory 135 - DUE TO OTHER FUNDS:	**6,599,115.57**	**0.00**	**-6,599,115.57**
GLCategory: 140 - DEFERRED INFLOWS/PENSION LIABILITIES				
1-1400.00	NET PENSION LIABILITY	532,927.95	1,952,891.83	1,419,963.88
1-1400.14	DEFERRED INFLOWS/PENSIONS	988,748.47	63,473.59	-925,274.88
	Total GLCategory 140 - DEFERRED INFLOWS/PENSION LIABILITIES:	**1,521,676.42**	**2,016,365.42**	**494,689.00**
	Total ** LIABILITIES & DEFERRED INFLOWS **:	**30,684,024.84**	**25,055,810.05**	**-5,628,214.79**
	Total Liability:	**30,684,024.84**	**25,055,810.05**	**-5,628,214.79**
Equity				
**** EQUITY ****				
GLCategory: 200 - FUND BALANCE				
1-1900.00	CONTRIBUTED SURPLUS	62,793,038.99	60,529,465.75	2,263,573.24
1-1900.05	EARNED SURPLUS	31,286,776.40	31,286,776.40	0.00
1-2000.00	FUND BALANCE	3,645,614.55	0.00	3,645,614.55
	Total GLCategory 200 - FUND BALANCE:	**97,725,429.94**	**91,816,242.15**	**5,909,187.79**
	Total ** EQUITY **:	**97,725,429.94**	**91,816,242.15**	**5,909,187.79**
	Total Beginning Equity:	**97,725,429.94**	**91,816,242.15**	**5,909,187.79**
Total Revenue		5,847,356.99	4,972,482.43	874,874.56
Total Expense		3,769,116.24	3,499,061.20	-270,055.04
Revenues Over/(Under) Expenses		**2,078,240.75**	**1,473,421.23**	**604,819.52**
	Total Equity and Current Surplus (Deficit):	**99,803,670.69**	**93,289,663.38**	**6,514,007.31**
	Total Liabilities, Equity and Current Surplus (Deficit):	**130,487,695.53**	**118,345,473.43**	**12,142,222.10**

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
Fund: 2 - SEWER				
Assets				
**** ASSETS & DEFERRED OUTFLOWS****				
GLCategory: 010 - CASH-DEMAND DEPOSITS				
2-0100.00	PETTY CASH	150.00	150.00	0.00
2-0111.08	SAVINGS-DEPR MONEY FUND	484,492.92	315,537.00	168,955.92
2-0111.09	SAVINGS-O & M MONEY FUND	3,567,871.35	3,679,349.34	-111,477.99
2-0120.00	ACCESS/IMPACT FEES-SIMMONS	872,958.01	1,163,767.47	-290,809.46
	Total GLCategory 010 - CASH-DEMAND DEPOSITS:	**4,925,472.28**	**5,158,803.81**	**-233,331.53**
GLCategory: 020 - INVESTMENTS				
2-0215.00	INVESTMENT-O&M	1,023,469.48	1,113,642.74	-90,173.26
2-0215.01	INVESTMENT-O&M	651,541.37	650,509.69	1,031.68
2-0215.02	INVESTMENT-O&M	1,518,061.54	1,509,978.66	8,082.88
2-0215.03	INVESTMENT-O&M	1,071,529.80	1,068,452.72	3,077.08
2-0215.04	INVESTMENT-O&M	533,317.63	531,373.27	1,944.36
2-0215.05	INVESTMENT-O&M	1,037,509.61	1,031,818.76	5,690.85
2-0215.06	INVESTMENT-O&M	1,081,165.06	1,075,367.77	5,797.29
2-0215.08	INVESTMENT-O&M	541,928.50	538,416.04	3,512.46
2-0215.09	INVESTMENT-O&M	533,126.13	531,767.55	1,358.58
2-0215.10	INVESTMENT-O&M	1,064,626.52	1,058,779.55	5,846.97
2-0215.11	INVESTMENT-O&M	1,058,553.28	1,057,021.74	1,531.54
2-0215.12	INVESTMENT-O&M	1,503,896.12	1,501,266.43	2,629.69
2-0215.16	INVESTMENT-O&M	1,031,899.04	1,029,190.70	2,708.34
2-0215.17	INVESTMENT-O&M	557,010.01	553,427.64	3,582.37
2-0215.18	INVESTMENT-O&M	1,030,546.31	1,026,821.15	3,725.16
2-0215.19	INVESTMENT-O&M	995,697.72	900,651.26	95,046.46
2-0215.23	INVESTMENT-O&M	850,000.00	850,000.00	0.00
2-0215.30	INVESTMENT-O&M	1,257,020.43	0.00	1,257,020.43
2-0215.31	INVESTMENT-O&M	756,030.98	0.00	756,030.98
	Total GLCategory 020 - INVESTMENTS:	**18,096,929.53**	**16,028,485.67**	**2,068,443.86**
GLCategory: 030 - ACCOUNTS RECEIVABLE				
2-0300.00	ACCTS REC-CUSTOMERS	1,715,759.29	1,334,052.33	381,706.96
2-0300.05	ACCTS REC-OTHER	14,040.68	2,416.21	11,624.47
2-0300.15	ACCTS REC-UNBILLED REVENUE	745,000.00	650,000.00	95,000.00
2-0300.20	ALLOWANCE FOR BAD DEBTS	-140,000.00	-179,000.00	39,000.00
	Total GLCategory 030 - ACCOUNTS RECEIVABLE:	**2,334,799.97**	**1,807,468.54**	**527,331.43**
GLCategory: 035 - DUE FROM OTHER FUNDS				
2-0350.01	DUE FROM WATER	6,599,115.57	0.00	6,599,115.57
	Total GLCategory 035 - DUE FROM OTHER FUNDS:	**6,599,115.57**	**0.00**	**6,599,115.57**
GLCategory: 040 - OTHER CURRENT ASSETS				
2-0400.00	ACCRUED INTEREST	2,014.47	809.05	1,205.42
2-0400.01	PREPAID PROFESSIONAL FEES	-3,279.57	6,075.01	-9,354.58
2-0400.05	PREPAID-WORKMANS COMP	11,876.64	12,163.86	-287.22
2-0400.10	PREPAID-INSURANCE	46,214.55	37,845.13	8,369.42
2-0400.15	PREPAID-MAINT CONTRACT	101,783.31	72,959.90	28,823.41
	Total GLCategory 040 - OTHER CURRENT ASSETS:	**158,609.40**	**129,852.95**	**28,756.45**
GLCategory: 060 - INVENTORY				
2-0600.00	INVENTORY	155,892.51	65,554.40	90,338.11
	Total GLCategory 060 - INVENTORY:	**155,892.51**	**65,554.40**	**90,338.11**
GLCategory: 070 - RESTRICTED FUNDS				
2-0716.14	REGIONS BANK - DEBT - 2016	1,089,008.55	1,048,689.82	40,318.73
	Total GLCategory 070 - RESTRICTED FUNDS:	**1,089,008.55**	**1,048,689.82**	**40,318.73**
GLCategory: 080 - PROPERTY PLANT & EQUIPMENT				
2-0800.00	OFFICE EQUIPMENT	541,851.47	477,795.69	64,055.78
2-0800.01	VEHICLES	1,690,681.16	1,400,236.45	290,444.71
2-0800.02	SHOP EQUIPMENT & TOOLS	53,354.26	57,905.34	-4,551.08
2-0800.03	FIELD EQUIPMENT	1,586,999.18	1,272,839.10	314,160.08

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
2-0800.04	COMMUNICATION EQUIPMENT	59,508.33	56,492.93	3,015.40
2-0800.08	WATER METERS	3,800,374.11	3,462,420.54	337,953.57
2-0800.12	EASEMENTS	1,141,899.28	1,141,899.28	0.00
2-0800.13	STRUCTURES & PARKING LOT	2,116,974.25	2,112,485.40	4,488.85
2-0800.14	LAND	663,254.36	663,254.36	0.00
2-0800.16	SEWER SYSTEM	45,699,546.32	45,114,056.93	585,489.39
2-0800.17	BUILDING 2ND AND PECAN	11,186.38	11,186.38	0.00
2-0800.18	POLLUTION CONTROL FAC.	70,749,068.41	65,517,351.95	5,231,716.46
2-0800.19	SEWER REHAB.	6,346,850.21	6,327,956.87	18,893.34
2-0800.20	CONTRIBUTED SEWER SYSTEM	48,916,234.56	47,319,352.54	1,596,882.02
2-0800.25	CONSTRUCTION IN PROGRESS	3,363,404.51	4,160,809.01	-797,404.50
2-0800.50	ACCM DEPR-OFFICE EQUIPMENT	-404,942.04	-374,639.06	-30,302.98
2-0800.51	ACCM DEPR-VEHICLES	-1,181,562.17	-1,091,885.68	-89,676.49
2-0800.52	ACCM DEPR-SHOP EQUIP/TOOLS	-50,370.69	-52,971.88	2,601.19
2-0800.53	ACCM DEPR-FIELD EQUIPMENT	-1,069,665.09	-1,008,282.24	-61,382.85
2-0800.54	ACCM DEPR-COMMUNICATION EQUIPMENT	-52,921.51	-50,543.53	-2,377.98
2-0800.58	ACCM DEPR-WATER METERS	-932,748.09	-775,942.37	-156,805.72
2-0800.63	ACCM DEPR-STRUCTURE/PARK	-1,353,238.76	-1,271,367.35	-81,871.41
2-0800.66	ACCM DEPR-SEWER SYSTEM	-19,309,980.62	-18,465,629.62	-844,351.00
2-0800.69	ACCM DEPR-BLDG 2ND PECAN	-11,185.20	-10,812.36	-372.84
2-0800.70	ACCM DEPR-POLL. CONTROL	-29,543,278.04	-27,156,885.69	-2,386,392.35
2-0800.71	ACCM DEPR-SEWER REHAB	-1,244,881.18	-1,119,118.29	-125,762.89
2-0800.80	ACCM DEPR-CONTRIBUTED SEWER SYSTEM	-11,362,434.94	-10,406,541.67	-955,893.27
	Total GLCategory 080 - PROPERTY PLANT & EQUIPMENT:	**120,223,978.46**	**117,311,423.03**	**2,912,555.43**
GLCategory: 081 - INTANGIBLE ASSETS				
2-0810.00	SOFTWARE HOSTING ARRANGEMENTS	414,500.00	156,300.00	258,200.00
2-0810.50	ACCM AMORT-SOFTWARE HOSTING ARRAN	-133,215.00	-38,315.00	-94,900.00
	Total GLCategory 081 - INTANGIBLE ASSETS:	**281,285.00**	**117,985.00**	**163,300.00**
GLCategory: 090 - DEFERRED OUTFLOWS/PENSION ASSETS				
2-0900.14	DEFERRED OUTFLOWS/PENSION	487,936.96	863,876.37	-375,939.41
	Total GLCategory 090 - DEFERRED OUTFLOWS/PENSION ASSETS:	**487,936.96**	**863,876.37**	**-375,939.41**
	Total ** ASSETS & DEFERRED OUTFLOWS:**	**154,353,028.23**	**142,532,139.59**	**11,820,888.64**
	Total Assets:	**154,353,028.23**	**142,532,139.59**	**11,820,888.64**

Liability

**** LIABILITIES & DEFERRED INFLOWS ****

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
GLCategory: 100 - ACCOUNTS PAYABLE				
2-1100.00	ACCOUNTS PAYABLE-TRADE	79,230.52	267,526.80	188,296.28
2-1100.05	ACCOUNT PAYABLE-WATER	0.00	-474,323.84	-474,323.84
2-1100.10	ACCOUNTS PAYABLE-H20 PROGRAM	100.00	0.00	-100.00
2-1100.20	FEDERAL INC TAX WITHHELD	-584.97	0.00	584.97
2-1100.21	FICA W/HELD	-1,401.44	0.00	1,401.44
2-1109.01	MISC PAYROLL DEDUCTIONS	1,228.81	113.46	-1,115.35
2-1109.02	DENTAL & SUPPLEMENTAL INS WITHHELD	-126.91	-523.75	-396.84
	Total GLCategory 100 - ACCOUNTS PAYABLE:	**78,446.01**	**-207,207.33**	**-285,653.34**
GLCategory: 120 - ACCRUED LIABILITIES				
2-1200.60	WAGES PAYABLE	49,163.16	125,484.49	76,321.33
2-1200.65	ACCRUED VAC/SICK LEAVE	403,356.80	351,059.98	-52,296.82
2-1200.80	SOFTWARE HOSTING ARRANGEMENT-CITYV	185,576.89	40,000.00	-145,576.89
2-1200.81	SOFTWARE HOSTING ARRANGEMENT-TYLEF	40,238.55	66,300.00	26,061.45
2-1258.16	2016 BOND PREMIUM	728,083.02	838,677.90	110,594.88
2-1278.16	2016/2007 DEF. REFUNDING GAIN	254,209.96	292,824.28	38,614.32
2-1279.16	2016 PREPAID BOND INSURANCE	-10,389.09	-11,967.33	-1,578.24
2-1280.16	LONG-TERM BONDS - 2016	8,130,000.00	9,260,000.00	1,130,000.00
	Total GLCategory 120 - ACCRUED LIABILITIES:	**9,780,239.29**	**10,962,379.32**	**1,182,140.03**
GLCategory: 130 - OTHER LIABILITIES				
2-1101.02	FSA WITHHOLDING	-57.69	0.00	57.69

Account	Name	Current Year Balance	Prior Year Balance	Variance Favorable / (Unfavorable)
2-1300.01	ACCESS/IMPACT FEES-SIMMONS	135,060.00	142,950.00	7,890.00
	Total GLCategory 130 - OTHER LIABILITIES:	**135,002.31**	**142,950.00**	**7,947.69**
GLCategory: 135 - DUE TO OTHER FUNDS				
2-1350.01	DUE TO WATER	6,437,218.41	0.00	-6,437,218.41
	Total GLCategory 135 - DUE TO OTHER FUNDS:	**6,437,218.41**	**0.00**	**-6,437,218.41**
GLCategory: 140 - DEFERRED INFLOWS/PENSION LIABILITIES				
2-1400.00	NET PENSION LIABILITY	847,254.35	3,120,525.12	2,273,270.77
2-1400.14	DEFERRED INFLOWS/PENSION	1,571,922.53	101,424.41	-1,470,498.12
	Total GLCategory 140 - DEFERRED INFLOWS/PENSION LIABILITIES:	**2,419,176.88**	**3,221,949.53**	**802,772.65**
	Total ** LIABILITIES & DEFERRED INFLOWS **:	**18,850,082.90**	**14,120,071.52**	**-4,730,011.38**
	Total Liability:	**18,850,082.90**	**14,120,071.52**	**-4,730,011.38**
Equity				
**** EQUITY ****				
GLCategory: 200 - FUND BALANCE				
2-1900.00	CONTRIBUTED SURPLUS	55,905,681.51	54,295,511.96	1,610,169.55
2-1900.05	EARNED SURPLUS	72,452,821.60	72,452,821.60	0.00
2-2000.00	FUND BALANCE	5,360,100.89	0.00	5,360,100.89
	Total GLCategory 200 - FUND BALANCE:	**133,718,604.00**	**126,748,333.56**	**6,970,270.44**
	Total ** EQUITY **:	**133,718,604.00**	**126,748,333.56**	**6,970,270.44**
	Total Beginning Equity:	**133,718,604.00**	**126,748,333.56**	**6,970,270.44**
Total Revenue		4,866,744.06	4,520,533.93	346,210.13
Total Expense		3,082,402.73	2,856,789.00	-225,613.73
Revenues Over/(Under) Expenses		**1,784,341.33**	**1,663,744.93**	**120,596.40**
	Total Equity and Current Surplus (Deficit):	**135,502,945.33**	**128,412,078.49**	**7,090,866.84**
	Total Liabilities, Equity and Current Surplus (Deficit):	**154,353,028.23**	**142,532,150.01**	**11,820,878.22**

Prior-Year Comparative Income Statement

Account Summary

For the Period Ending 09/30/2022

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
Fund: 1 - WATER									
Revenue									
1-4440.00	RESIDENTIAL WATER	981,659.69	974,027.98	7,631.71	0.78%	3,311,318.18	2,661,194.22	650,123.96	24.43%
1-4450.00	COMMERCIAL WATER	508,670.55	444,550.16	64,120.39	14.42%	1,536,508.79	1,210,353.79	326,155.00	26.95%
1-4460.00	INDUSTRIAL WATER	155,778.83	146,205.96	9,572.87	6.55%	488,692.73	418,568.34	70,124.39	16.75%
1-4470.00	HYDRANTS	1,220.00	1,195.00	25.00	2.09%	3,620.00	3,555.00	65.00	1.83%
1-4470.01	FIRE LINES	10,640.00	10,220.00	420.00	4.11%	31,740.00	30,500.00	1,240.00	4.07%
1-4470.02	LABOR SALES	0.00	14,930.47	-14,930.47	-100.00%	7,762.80	34,430.00	-26,667.20	-77.45%
1-4470.03	AR DEPT OF HEALTH FEE	11,855.81	11,657.60	198.21	1.70%	35,405.81	34,856.80	549.01	1.58%
1-4470.04	LARGE TAP FEES	0.00	1,700.00	-1,700.00	-100.00%	7,150.00	6,625.00	525.00	7.92%
1-4470.05	MACHINE TIME SALES	0.00	3,012.50	-3,012.50	-100.00%	6,068.09	7,294.37	-1,226.28	-16.81%
1-4470.06	HYDRANT METER RENTALS	0.00	5,425.00	-5,425.00	-100.00%	10,339.00	13,475.00	-3,136.00	-23.27%
1-4470.07	MISC. WATER SALES	0.00	7,516.90	-7,516.90	-100.00%	20,656.65	17,119.46	3,537.19	20.66%
1-4471.00	SERVICE CHG. INCOME	4,239.99	39,784.96	-35,544.97	-89.34%	78,354.97	130,845.26	-52,490.29	-40.12%
1-4471.05	PENALTY	5,651.25	8,390.42	-2,739.17	-32.65%	27,470.59	27,881.97	-411.38	-1.48%
1-4472.00	INTEREST INCOME-INVESTMNTS	10,020.99	3,013.62	7,007.37	232.52%	27,156.01	9,037.40	18,118.61	200.48%
1-4472.01	INTEREST INCOME-BANK ACCTS	927.65	831.87	95.78	11.51%	2,506.88	2,718.52	-211.64	-7.79%
1-4472.98	INTEREST INCOME-BOND FUNDS	1,319.47	18.17	1,301.30	7,161.81%	2,089.00	33.54	2,055.46	6,128.38%
1-4475.00	RENT INCOME	1,195.00	3,417.33	-2,222.33	-65.03%	3,589.00	10,251.99	-6,662.99	-64.99%
1-4476.00	NEW CUSTOMER FEES	1,725.00	6,495.00	-4,770.00	-73.44%	16,425.00	21,945.00	-5,520.00	-25.15%
1-4476.10	ACCESS FEES	55,500.00	39,600.00	15,900.00	40.15%	72,900.00	120,900.00	-48,000.00	-39.70%
1-4476.20	IMPACT FEES	36,300.00	46,400.00	-10,100.00	-21.77%	136,400.00	192,200.00	-55,800.00	-29.03%
1-4482.00	INLAND BILLING REVENUE	3,485.00	5,400.50	-1,915.50	-35.47%	14,348.75	16,176.50	-1,827.75	-11.30%
1-4485.00	MISCELLANEOUS INCOME	3,655.60	409.70	3,245.90	792.26%	6,854.74	2,520.27	4,334.47	171.98%
	Revenue Total:	**1,793,844.83**	**1,774,203.14**	**19,641.69**	**1.11%**	**5,847,356.99**	**4,972,482.43**	**874,874.56**	**17.59%**
Expense									
Department: 555 - GENERAL EXPENSES									
1-555-5252	TRAINING EXPENSE	0.00	0.00	0.00	0.00%	286.57	172.12	-114.45	-66.49%
1-555-5300	SECURITY ALARM FEES	0.00	10.95	10.95	100.00%	10.95	32.85	21.90	66.67%
1-555-5301	NEWSPAPER, RADIO, PUBLICATIONS	0.00	0.00	0.00	0.00%	39.00	30.00	-9.00	-30.00%
1-555-5302	JANITORIAL EXPENSE	2,016.00	1,627.80	-388.20	-23.85%	5,451.88	5,361.58	-90.30	-1.68%
1-555-5305	MISCELLANEOUS	6,349.49	1,295.15	-5,054.34	-390.25%	6,832.39	3,693.41	-3,138.98	-84.99%
1-555-5350	UTILITIES	2,120.49	1,800.02	-320.47	-17.80%	7,002.48	5,523.85	-1,478.63	-26.77%
1-555-5400	ARKANSAS PUBLIC WATER FEE	11,730.40	11,545.60	-184.80	-1.60%	35,191.20	34,636.80	-554.40	-1.60%
1-555-5500	WATER PURCHASES	550,726.26	560,187.54	9,461.28	1.69%	1,881,529.38	1,702,071.30	-179,458.08	-10.54%
1-555-5580	EQUIP. MAINT. FEES	1,245.01	298.55	-946.46	-317.02%	1,439.38	895.65	-543.73	-60.71%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
1-555-5581	SOFTWARE MAINTENANCE FEES	14,897.78	8,115.72	-6,782.06	-83.57%	36,793.39	23,440.61	-13,352.78	-56.96%
1-555-5600	INSURANCE	1,703.97	1,257.24	-446.73	-35.53%	5,100.29	3,524.92	-1,575.37	-44.69%
1-555-5650	ACCOUNTING/LEGAL EXPENSE	1,135.60	1,628.61	493.01	30.27%	3,279.57	3,545.27	265.70	7.49%
1-555-5651	ATTORNEY RETAINER FEES	2,970.00	3,230.00	260.00	8.05%	7,810.00	10,595.48	2,785.48	26.29%
1-555-5701	2016 BOND INTEREST	947.45	35,661.98	34,714.53	97.34%	103,334.97	106,985.94	3,650.97	3.41%
1-555-5702	AMORTIZATION-2016 BONDS	-2,309.83	-2,309.83	0.00	0.00%	-6,929.49	-6,929.49	0.00	0.00%
1-555-5703	2012 BOND INTEREST	50,246.31	17,696.35	-32,549.96	-183.94%	50,246.31	53,089.05	2,842.74	5.35%
1-555-5704	2012 BOND REFUNDING COSTS	4,035.72	4,035.72	0.00	0.00%	12,107.16	12,107.16	0.00	0.00%
1-555-5705	AMORTIZATION-2012 BONDS	-199.31	-199.31	0.00	0.00%	-597.93	-597.93	0.00	0.00%
1-555-5706	2016 BOND REFUNDING COSTS	605.26	605.26	0.00	0.00%	1,815.78	1,815.78	0.00	0.00%
1-555-5707	2016 BOND INSURANCE	69.40	69.40	0.00	0.00%	208.20	208.20	0.00	0.00%
1-555-5800	DEPRECIATION	242,480.01	245,500.00	3,019.99	1.23%	727,440.03	736,500.00	9,059.97	1.23%
1-555-5801	AMORIZATION OF SOFTWARE HOSTING…	2,500.00	2,500.00	0.00	0.00%	7,500.00	7,500.00	0.00	0.00%
1-555-5802	AMORTIZATION OF SOFTWARE HOSTIN…	1,105.00	3,315.00	2,210.00	66.67%	3,315.00	3,315.00	0.00	0.00%
1-555-5850	BAD DEBTS	2,928.66	2,284.83	-643.83	-28.18%	7,363.18	6,399.14	-964.04	-15.07%
	Department 555 - GENERAL EXPENSES Total:	**897,303.67**	**900,156.58**	**2,852.91**	**0.32%**	**2,896,569.69**	**2,713,916.69**	**-182,653.00**	**-6.73%**
Department: 560 - ENGINEERING									
1-560-5100	SALARIES ENGINEERING	29,212.98	26,840.31	-2,372.67	-8.84%	91,396.21	80,775.33	-10,620.88	-13.15%
1-560-5102	CAPITALIZED COSTS	-16,565.88	-13,492.50	3,073.38	22.78%	-58,065.88	-41,387.50	16,678.38	40.30%
1-560-5104	PERS-ENGINEERING	4,062.90	4,059.70	-3.20	-0.08%	14,591.32	11,615.44	-2,975.88	-25.62%
1-560-5105	HEALTH INSURANCE	4,973.21	5,073.08	99.87	1.97%	15,358.43	15,579.56	221.13	1.42%
1-560-5106	LIFE INSURANCE	108.12	109.40	1.28	1.17%	310.32	328.65	18.33	5.58%
1-560-5107	DISABILITY INSURANCE	33.62	33.13	-0.49	-1.48%	95.33	99.39	4.06	4.08%
1-560-5111	FICA	1,949.91	1,948.81	-1.10	-0.06%	7,017.21	5,604.99	-1,412.22	-25.20%
1-560-5251	TRAVEL EXPENSE	0.00	0.00	0.00	0.00%	589.75	0.00	-589.75	0.00%
1-560-5252	TRAINING EXPENSE	0.00	137.50	137.50	100.00%	0.00	137.50	137.50	100.00%
1-560-5305	MISCELLANEOUS	0.00	0.00	0.00	0.00%	0.00	75.00	75.00	100.00%
1-560-5306	SUPPLIES	1,573.43	220.64	-1,352.79	-613.12%	2,794.19	700.75	-2,093.44	-298.74%
1-560-5307	OUTSIDE SERVICES	923.38	324.86	-598.52	-184.24%	3,213.66	1,331.83	-1,881.83	-141.30%
1-560-5308	ASSOCIATION DUES & EXPENSE	385.50	0.00	-385.50	0.00%	385.50	0.00	-385.50	0.00%
1-560-5551	VEHICLE EXPENSE	516.61	639.38	122.77	19.20%	2,124.16	1,522.20	-601.96	-39.55%
1-560-5581	SOFTWARE MAINTENANCE	869.04	694.39	-174.65	-25.15%	2,607.12	2,266.50	-340.62	-15.03%
1-560-5601	WORKMANS COMPENSATION	533.86	604.89	71.03	11.74%	1,601.58	1,814.67	213.09	11.74%
1-560-5602	INSURANCE-BLDGS & IMPROVEMENTS	27.89	19.95	-7.94	-39.80%	82.91	69.95	-12.96	-18.53%
1-560-5603	INSURANCE-VEHICLES	44.77	34.23	-10.54	-30.79%	134.31	102.69	-31.62	-30.79%
1-560-5800	DEPRECIATION	2,166.66	2,160.00	-6.66	-0.31%	6,499.98	6,480.00	-19.98	-0.31%
1-560-5950	TRANSFER ADMIN COSTS/SEWER	-4,200.00	-4,200.00	0.00	0.00%	-12,600.00	-12,600.00	0.00	0.00%
	Department 560 - ENGINEERING Total:	**26,616.00**	**25,207.77**	**-1,408.23**	**-5.59%**	**78,136.10**	**74,516.95**	**-3,619.15**	**-4.86%**
Department: 565 - FIELD									
1-565-5100	FIELD SALARIES	68,060.08	50,917.11	-17,142.97	-33.67%	203,293.58	150,515.53	-52,778.05	-35.06%
1-565-5102	CAPITALIZED COSTS	0.00	-975.00	-975.00	-100.00%	0.00	-1,875.00	-1,875.00	-100.00%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
1-565-5104	PERS-FIELD	9,551.89	7,006.67	-2,545.22	-36.33%	32,775.60	20,474.94	-12,300.66	-60.08%
1-565-5105	HEALTH INSURANCE	11,628.34	12,613.40	985.06	7.81%	36,798.56	35,093.75	-1,704.81	-4.86%
1-565-5106	LIFE INSURANCE	265.69	237.02	-28.67	-12.10%	910.64	712.04	-198.60	-27.89%
1-565-5107	DISABILITY INSURANCE	0.00	71.78	71.78	100.00%	209.41	215.34	5.93	2.75%
1-565-5110	UNIFORMS	239.74	557.93	318.19	57.03%	564.86	1,417.49	852.63	60.15%
1-565-5111	FICA	4,614.83	3,317.04	-1,297.79	-39.12%	15,812.86	9,762.28	-6,050.58	-61.98%
1-565-5251	TRAVEL AND TRAINING	800.00	502.00	-298.00	-59.36%	1,736.30	2,804.50	1,068.20	38.09%
1-565-5304	SAFETY EQUIPMENT	235.42	0.00	-235.42	0.00%	250.77	942.71	691.94	73.40%
1-565-5305	MISCELLANEOUS	0.00	62.37	62.37	100.00%	0.00	249.33	249.33	100.00%
1-565-5306	OFFICE SUPPLIES	654.89	149.34	-505.55	-338.52%	1,050.82	1,594.44	543.62	34.09%
1-565-5307	OUTSIDE SERVICES	1,211.64	484.16	-727.48	-150.26%	2,448.95	3,127.77	678.82	21.70%
1-565-5308	DUES, SUBSCR, LICENSE	0.00	0.00	0.00	0.00%	498.00	52.00	-446.00	-857.69%
1-565-5315	CUSTOMER DAMAGE PAYMENTS	0.00	0.00	0.00	0.00%	575.70	0.00	-575.70	0.00%
1-565-5350	UTILITIES	7,047.38	3,876.43	-3,170.95	-81.80%	19,755.92	11,913.21	-7,842.71	-65.83%
1-565-5551	VEHICLE MAINT.	4,568.99	2,301.63	-2,267.36	-98.51%	10,861.72	10,457.74	-403.98	-3.86%
1-565-5552	FIELD REPAIR AND MAINT.	42,451.59	28,852.11	-13,599.48	-47.14%	110,108.74	121,238.97	11,130.23	9.18%
1-565-5555	SCADA HAND TOOLS	87.29	0.00	-87.29	0.00%	87.29	143.71	56.42	39.26%
1-565-5557	EQUIPMENT MAINT.	4,015.41	0.00	-4,015.41	0.00%	6,035.72	649.99	-5,385.73	-828.59%
1-565-5558	SUPPLIES, HAND TOOLS	5,176.82	2,512.49	-2,664.33	-106.04%	14,416.74	9,422.56	-4,994.18	-53.00%
1-565-5559	GAS AND OIL	4,713.13	3,602.88	-1,110.25	-30.82%	16,502.71	10,555.30	-5,947.41	-56.35%
1-565-5560	GENERATOR MAINTENANCE	0.00	0.00	0.00	0.00%	1,982.50	0.00	-1,982.50	0.00%
1-565-5561	BUILDING MAINT.	2,754.42	579.82	-2,174.60	-375.05%	7,275.76	1,558.35	-5,717.41	-366.89%
1-565-5563	WATER TOWER MAINT	2,848.89	2,015.38	-833.51	-41.36%	4,714.01	7,390.27	2,676.26	36.21%
1-565-5570	MAINTENANCE AND FUEL	-411.98	0.00	411.98	0.00%	0.00	0.00	0.00	0.00%
1-565-5571	METER HAND TOOLS	0.00	0.00	0.00	0.00%	59.54	0.00	-59.54	0.00%
1-565-5601	WORKMANS COMPENSATION	2,349.35	1,924.21	-425.14	-22.09%	7,048.05	5,772.63	-1,275.42	-22.09%
1-565-5602	INS.-VEHICLES & BLDGS.	1,772.89	1,270.03	-502.86	-39.59%	5,239.60	4,046.63	-1,192.97	-29.48%
1-565-5800	DEPRECIATION	9,166.66	8,330.00	-836.66	-10.04%	27,499.98	24,990.00	-2,509.98	-10.04%
	Department 565 - FIELD Total:	**183,803.36**	**130,208.80**	**-53,594.56**	**-41.16%**	**528,514.33**	**433,226.48**	**-95,287.85**	**-21.99%**
Department: 570 - OFFICE									
1-570-5100	OFFICE SALARIES	52,434.65	47,666.29	-4,768.36	-10.00%	156,575.52	143,122.44	-13,453.08	-9.40%
1-570-5104	PERS-OFFICE	7,274.40	6,620.90	-653.50	-9.87%	25,219.92	19,793.55	-5,426.37	-27.41%
1-570-5105	HEALTH INSURANCE	6,655.14	6,764.10	108.96	1.61%	20,550.50	20,845.34	294.84	1.41%
1-570-5106	LIFE INSURANCE	144.16	164.10	19.94	12.15%	439.07	492.96	53.89	10.93%
1-570-5107	DISABILITY INSURANCE	44.83	49.70	4.87	9.80%	134.67	149.11	14.44	9.68%
1-570-5110	UNIFORMS	857.34	0.00	-857.34	0.00%	2,029.80	0.00	-2,029.80	0.00%
1-570-5111	FICA	3,468.02	3,131.24	-336.78	-10.76%	12,012.26	9,393.34	-2,618.92	-27.88%
1-570-5251	TRAVEL EXPENSE	0.00	150.00	150.00	100.00%	433.68	381.84	-51.84	-13.58%
1-570-5252	TRAINING EXPENSE	0.00	0.00	0.00	0.00%	470.00	198.00	-272.00	-137.37%
1-570-5305	MISCELLANEOUS	290.21	52.34	-237.87	-454.47%	942.85	150.00	-792.85	-528.57%
1-570-5306	OFFICE SUPPLIES	1,233.31	951.57	-281.74	-29.61%	1,771.08	3,456.08	1,685.00	48.75%
1-570-5307	OUTSIDE SERVICES	215.94	0.00	-215.94	0.00%	431.88	79.53	-352.35	-443.04%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
1-570-5308	ASSOC. DUES & EXPENSES	-20.00	-80.00	-60.00	-75.00%	229.50	147.50	-82.00	-55.59%
1-570-5309	POSTAGE/MAILING	12,777.31	7,321.71	-5,455.60	-74.51%	37,981.86	31,145.40	-6,836.46	-21.95%
1-570-5311	PUBLIC RELATIONS	53.38	21.34	-32.04	-150.14%	413.71	205.39	-208.32	-101.43%
1-570-5312	ARKANSAS ONE CALL	649.92	756.80	106.88	14.12%	2,048.57	2,347.82	299.25	12.75%
1-570-5313	CASH LONG/SHORT	94.63	-45.92	-140.55	-306.08%	101.75	-21.92	-123.67	-564.19%
1-570-5320	COMPUTER EXPENSE	1,619.40	449.56	-1,169.84	-260.22%	2,062.03	1,798.85	-263.18	-14.63%
1-570-5601	WORKMANS COMPENSATION	57.49	57.29	-0.20	-0.35%	172.47	171.87	-0.60	-0.35%
1-570-5950	TRANSFER ADMIN COSTS/SEWER	625.00	625.00	0.00	0.00%	1,875.00	1,875.00	0.00	0.00%
	Department 570 - OFFICE Total:	**88,475.13**	**74,656.02**	**-13,819.11**	**-18.51%**	**265,896.12**	**235,732.10**	**-30,164.02**	**-12.80%**
Department: 580 - METER READING									
1-580-5100	SALARIES	0.00	8,587.33	8,587.33	100.00%	0.00	24,924.14	24,924.14	100.00%
1-580-5104	PERS-METER READING	0.00	1,129.11	1,129.11	100.00%	0.00	3,354.34	3,354.34	100.00%
1-580-5105	HEALTH INSURANCE	0.00	3,214.11	3,214.11	100.00%	0.00	6,716.27	6,716.27	100.00%
1-580-5106	LIFE INSURANCE	0.00	36.47	36.47	100.00%	0.00	109.56	109.56	100.00%
1-580-5107	DISABILITY INSURANCE	0.00	11.04	11.04	100.00%	0.00	33.12	33.12	100.00%
1-580-5110	UNIFORMS	0.00	100.17	100.17	100.00%	0.00	417.07	417.07	100.00%
1-580-5111	FICA	0.00	555.70	555.70	100.00%	0.00	1,650.62	1,650.62	100.00%
1-580-5570	MAINTENANCE AND FUEL	0.00	2,353.22	2,353.22	100.00%	0.00	4,297.09	4,297.09	100.00%
1-580-5571	METER HAND TOOLS	0.00	0.00	0.00	0.00%	0.00	34.98	34.98	100.00%
1-580-5601	WORKMANS COMPENSATION	0.00	123.26	123.26	100.00%	0.00	369.78	369.78	100.00%
1-580-5603	INSURANCE-VEHICLES	0.00	15.67	15.67	100.00%	0.00	47.01	47.01	100.00%
1-580-5800	DEPRECIATION	0.00	830.00	830.00	100.00%	0.00	2,490.00	2,490.00	100.00%
1-580-5950	TRANSFER MR COSTS/SEWER	0.00	-925.00	-925.00	-100.00%	0.00	-2,775.00	-2,775.00	-100.00%
	Department 580 - METER READING Total:	**0.00**	**16,031.08**	**16,031.08**	**100.00%**	**0.00**	**41,668.98**	**41,668.98**	**100.00%**
	Expense Total:	**1,196,198.16**	**1,146,260.25**	**-49,937.91**	**-4.36%**	**3,769,116.24**	**3,499,061.20**	**-270,055.04**	**-7.72%**
	Fund 1 Surplus (Deficit):	**597,646.67**	**627,942.89**	**-30,296.22**	**-4.82%**	**2,078,240.75**	**1,473,421.23**	**604,819.52**	**41.05%**

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
Fund: 2 - SEWER									
Revenue									
2-4440.00	RESIDENTIAL SEWER	877,543.09	851,540.88	26,002.21	3.05%	2,750,861.11	2,459,428.18	291,432.93	11.85%
2-4450.00	COMMERCIAL SEWER	291,094.95	261,896.63	29,198.32	11.15%	877,352.98	758,489.92	118,863.06	15.67%
2-4460.00	INDUSTRIAL SEWER	225,603.76	221,841.82	3,761.94	1.70%	718,888.75	649,424.98	69,463.77	10.70%
2-4470.02	LABOR SALES	0.00	75.00	-75.00	-100.00%	2,042.32	866.70	1,175.62	135.64%
2-4470.03	MACHINE TIME SALES	0.00	300.00	-300.00	-100.00%	675.00	500.00	175.00	35.00%
2-4471.05	PENALTY	6,118.59	11,156.40	-5,037.81	-45.16%	32,260.94	36,795.70	-4,534.76	-12.32%
2-4472.00	INTEREST INCOME-INVESTMNTS	18,406.83	2,516.64	15,890.19	631.40%	44,729.25	9,544.56	35,184.69	368.64%
2-4472.01	INTEREST INCOME-BANK ACCTS	1,054.87	974.55	80.32	8.24%	3,174.59	2,838.74	335.85	11.83%
2-4472.98	INTEREST INCOME-BOND FUNDS	1,553.84	21.57	1,532.27	7,103.71%	2,479.91	40.29	2,439.62	6,055.15%
2-4475.00	RENT INCOME	600.00	600.00	0.00	0.00%	1,800.00	1,800.00	0.00	0.00%
2-4476.00	NEW CUSTOMER FEES	1,920.00	7,050.00	-5,130.00	-72.77%	18,150.00	23,980.00	-5,830.00	-24.31%
2-4476.10	ACCESS FEES	54,900.00	38,100.00	16,800.00	44.09%	70,230.00	115,500.00	-45,270.00	-39.19%
2-4476.20	IMPACT FEES	78,000.00	97,800.00	-19,800.00	-20.25%	285,200.00	422,600.00	-137,400.00	-32.51%
2-4482.00	INLAND BILLING REVENUE	3,485.00	5,400.50	-1,915.50	-35.47%	14,348.75	16,176.50	-1,827.75	-11.30%
2-4485.00	MISCELLANEOUS INCOME	15,214.55	7,419.23	7,795.32	105.07%	44,550.46	22,548.36	22,002.10	97.58%
	Revenue Total:	**1,575,495.48**	**1,506,693.22**	**68,802.26**	**4.57%**	**4,866,744.06**	**4,520,533.93**	**346,210.13**	**7.66%**
Expense									
Department: 555 - GENERAL EXPENSES									
2-555-5252	TRAINING EXPENSE	0.00	0.00	0.00	0.00%	286.57	172.12	-114.45	-66.49%
2-555-5300	SECURITY ALARM FEES	0.00	10.95	10.95	100.00%	10.95	32.85	21.90	66.67%
2-555-5301	NEWSPAPER, RADIO, PUBLICATIONS	0.00	0.00	0.00	0.00%	39.00	30.00	-9.00	-30.00%
2-555-5302	JANITORIAL EXPENSE	2,015.99	1,628.79	-387.20	-23.77%	5,451.86	5,362.56	-89.30	-1.67%
2-555-5305	MISCELLANEOUS	6,230.61	2,181.84	-4,048.77	-185.57%	6,882.39	4,584.27	-2,298.12	-50.13%
2-555-5331	IWG/USGS	0.00	5,172.00	5,172.00	100.00%	0.00	5,172.00	5,172.00	100.00%
2-555-5350	UTILITIES	2,107.55	1,789.44	-318.11	-17.78%	6,963.51	5,492.30	-1,471.21	-26.79%
2-555-5401	CITY FRANCHISE FEES	0.00	46,703.40	46,703.40	100.00%	102,477.04	134,332.22	31,855.18	23.71%
2-555-5580	EQUIP. MAINT. FEES	1,245.01	298.55	-946.46	-317.02%	1,439.38	895.65	-543.73	-60.71%
2-555-5581	SOFTWARE MAINTENANCE FEES	14,897.78	8,404.71	-6,493.07	-77.26%	36,793.39	23,729.60	-13,063.79	-55.05%
2-555-5600	INSURANCE	854.64	638.73	-215.91	-33.80%	2,560.75	1,956.41	-604.34	-30.89%
2-555-5650	ACCOUNTING/LEGAL EXPENSE	1,135.60	1,628.61	493.01	30.27%	3,279.57	3,545.27	265.70	7.49%
2-555-5651	ATTORNEY RETAINER FEES	3,550.00	4,490.00	940.00	20.94%	8,490.00	11,555.47	3,065.47	26.53%
2-555-5800	DEPRECIATION	186,916.66	202,166.67	15,250.01	7.54%	570,749.98	606,500.01	35,750.03	5.89%
2-555-5801	AMORIZATION OF SOFTWARE HOSTING...	2,500.00	2,500.00	0.00	0.00%	7,500.00	7,500.00	0.00	0.00%
2-555-5802	AMORTIZATION OF SOFTWARE HOSTIN...	1,105.00	3,315.00	2,210.00	66.67%	3,315.00	3,315.00	0.00	0.00%
2-555-5850	BAD DEBTS	3,000.00	3,042.38	42.38	1.39%	9,317.70	9,067.23	-250.47	-2.76%
	Department 555 - GENERAL EXPENSES Total:	**225,558.84**	**283,971.07**	**58,412.23**	**20.57%**	**765,557.09**	**823,242.96**	**57,685.87**	**7.01%**
Department: 560 - ENGINEERING									
2-560-5100	SALARIES ENGINEERING	25,711.84	23,799.84	-1,912.00	-8.03%	77,091.45	72,636.48	-4,454.97	-6.13%
2-560-5102	CAPITALIZED COSTS	-14,340.88	-17,440.00	-3,099.12	-17.77%	-42,782.13	-47,240.00	-4,457.87	-9.44%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
2-560-5104	PERS-ENGINEERING	3,580.96	3,004.53	-576.43	-19.19%	12,465.84	9,512.84	-2,953.00	-31.04%
2-560-5105	HEALTH INSURANCE	2,486.60	2,536.54	49.94	1.97%	7,679.20	7,789.77	110.57	1.42%
2-560-5106	LIFE INSURANCE	55.74	105.97	50.23	47.40%	171.76	219.78	48.02	21.85%
2-560-5107	DISABILITY INSURANCE	16.58	16.84	0.26	1.54%	51.05	50.47	-0.58	-1.15%
2-560-5111	FICA	1,705.08	1,426.61	-278.47	-19.52%	5,934.06	4,499.92	-1,434.14	-31.87%
2-560-5251	TRAVEL EXPENSE	0.00	0.00	0.00	0.00%	1,053.27	0.00	-1,053.27	0.00%
2-560-5252	TRAINING EXPENSE	0.00	137.50	137.50	100.00%	0.00	137.50	137.50	100.00%
2-560-5305	MISCELLANEOUS	0.00	0.00	0.00	0.00%	0.00	75.00	75.00	100.00%
2-560-5306	SUPPLIES	590.96	220.63	-370.33	-167.85%	1,282.26	318.56	-963.70	-302.52%
2-560-5307	OUTSIDE SERVICES	193.90	200.71	6.81	3.39%	644.62	844.31	199.69	23.65%
2-560-5308	ASSOCIATION DUES & EXPENSE	137.50	0.00	-137.50	0.00%	137.50	0.00	-137.50	0.00%
2-560-5551	VEHICLE EXPENSE	122.25	151.22	28.97	19.16%	583.48	439.09	-144.39	-32.88%
2-560-5582	SOFTWARE MAINTENANCE	273.12	261.48	-11.64	-4.45%	819.36	784.44	-34.92	-4.45%
2-560-5601	WORKMANS COMPENSATION	352.28	366.46	14.18	3.87%	1,056.84	1,099.38	42.54	3.87%
2-560-5602	INSURANCE-BLDGS & IMPROVEMENTS	24.63	19.95	-4.68	-23.46%	76.39	69.95	-6.44	-9.21%
2-560-5603	INSURANCE-VEHICLES	18.19	18.19	0.00	0.00%	54.57	54.57	0.00	0.00%
2-560-5800	DEPRECIATION	2,166.66	2,160.00	-6.66	-0.31%	6,499.98	6,480.00	-19.98	-0.31%
2-560-5950	TRANSFER ADMIN COSTS/WATER	4,200.00	4,200.00	0.00	0.00%	12,600.00	12,600.00	0.00	0.00%
	Department 560 - ENGINEERING Total:	**27,295.41**	**21,186.47**	**-6,108.94**	**-28.83%**	**85,419.50**	**70,372.06**	**-15,047.44**	**-21.38%**
Department: 565 - FIELD									
2-565-5100	FIELD SALARIES	70,121.03	50,677.98	-19,443.05	-38.37%	208,825.87	143,426.34	-65,399.53	-45.60%
2-565-5104	PERS-FIELD	9,709.42	7,055.19	-2,654.23	-37.62%	33,287.19	20,236.75	-13,050.44	-64.49%
2-565-5105	HEALTH INSURANCE	13,261.88	10,146.16	-3,115.72	-30.71%	36,628.64	32,028.45	-4,600.19	-14.36%
2-565-5106	LIFE INSURANCE	290.06	494.51	204.45	41.34%	993.14	1,025.64	32.50	3.17%
2-565-5107	DISABILITY INSURANCE	170.65	78.60	-92.05	-117.11%	379.21	235.59	-143.62	-60.96%
2-565-5110	UNIFORMS	316.37	698.49	382.12	54.71%	740.10	1,611.93	871.83	54.09%
2-565-5111	FICA	4,594.30	3,322.44	-1,271.86	-38.28%	15,803.00	9,504.88	-6,298.12	-66.26%
2-565-5251	TRAVEL AND TRAINING	1,155.00	952.00	-203.00	-21.32%	2,470.00	3,124.50	654.50	20.95%
2-565-5304	SAFETY EQUIPMENT	235.43	0.00	-235.43	0.00%	286.39	942.71	656.32	69.62%
2-565-5305	MISCELLANEOUS	60.02	0.00	-60.02	0.00%	60.02	166.18	106.16	63.88%
2-565-5306	OFFICE SUPPLIES	794.25	149.34	-644.91	-431.84%	1,190.17	1,594.45	404.28	25.36%
2-565-5307	OUTSIDE SERVICES	1,211.64	1,089.22	-122.42	-11.24%	2,393.11	3,223.11	830.00	25.75%
2-565-5308	DUES, SUBSCR, LICENSE	52.00	0.00	-52.00	0.00%	52.00	32.00	-20.00	-62.50%
2-565-5350	UTILITIES	6,401.75	6,176.63	-225.12	-3.64%	19,599.41	18,372.37	-1,227.04	-6.68%
2-565-5351	UTIL-GRIND STA-SW ATALANTA	586.30	524.03	-62.27	-11.88%	1,739.87	1,598.72	-141.15	-8.83%
2-565-5551	VEHICLE MAINT.	3,788.89	1,228.65	-2,560.24	-208.38%	7,616.43	6,319.68	-1,296.75	-20.52%
2-565-5552	FIELD REPAIR AND MAINT.	1,361.60	11,372.28	10,010.68	88.03%	6,048.32	14,896.74	8,848.42	59.40%
2-565-5553	BACKHOE	0.00	0.00	0.00	0.00%	-9.89	0.00	9.89	0.00%
2-565-5554	CAMERA	0.00	2,709.76	2,709.76	100.00%	2,941.26	8,992.68	6,051.42	67.29%
2-565-5555	SCADA HAND TOOLS	87.31	0.00	-87.31	0.00%	87.31	143.70	56.39	39.24%
2-565-5556	FLUSHTRUCKS	2,254.55	110.21	-2,144.34	-1,945.69%	2,837.10	2,241.90	-595.20	-26.55%
2-565-5557	EQUIPMENT MAINT.	1,647.33	208.50	-1,438.83	-690.09%	1,832.32	1,486.36	-345.96	-23.28%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
2-565-5558	SUPPLIES, HAND TOOLS	591.21	1,944.40	1,353.19	69.59%	5,600.66	3,871.13	-1,729.53	-44.68%
2-565-5559	GAS AND OIL	6,183.42	4,222.67	-1,960.75	-46.43%	19,575.77	10,587.64	-8,988.13	-84.89%
2-565-5560	GENERATOR MAINTENANCE	2.14	0.00	-2.14	0.00%	1,765.14	173.41	-1,591.73	-917.90%
2-565-5561	BUILDING MAINT.	2,711.79	579.83	-2,131.96	-367.69%	7,233.16	1,558.36	-5,674.80	-364.15%
2-565-5563	LIFT STATION MAINT	2,295.98	2,447.82	151.84	6.20%	6,878.50	7,020.16	141.66	2.02%
2-565-5570	MAINTENANCE AND FUEL	-411.98	0.00	411.98	0.00%	0.00	0.00	0.00	0.00%
2-565-5580	CUES SOFTWARE	169.17	169.17	0.00	0.00%	507.51	507.51	0.00	0.00%
2-565-5601	WORKMANS COMPENSATION	2,347.17	2,480.98	133.81	5.39%	7,041.51	7,442.94	401.43	5.39%
2-565-5602	INS.-VEHICLES & BLDGS.	2,274.64	1,301.30	-973.34	-74.80%	4,713.83	3,596.34	-1,117.49	-31.07%
2-565-5800	DEPRECIATION	17,500.00	16,600.00	-900.00	-5.42%	52,500.00	49,800.00	-2,700.00	-5.42%
	Department 565 - FIELD Total:	**151,763.32**	**126,740.16**	**-25,023.16**	**-19.74%**	**451,617.05**	**355,762.17**	**-95,854.88**	**-26.94%**
Department: 570 - OFFICE									
2-570-5100	OFFICE SALARIES	50,167.26	47,660.07	-2,507.19	-5.26%	159,215.42	142,326.53	-16,888.89	-11.87%
2-570-5104	PERS-OFFICE	7,185.16	6,629.13	-556.03	-8.39%	25,909.61	19,276.54	-6,633.07	-34.41%
2-570-5105	HEALTH INSURANCE	7,484.00	7,609.61	125.61	1.65%	23,110.22	23,441.92	331.70	1.41%
2-570-5106	LIFE INSURANCE	167.22	317.90	150.68	47.40%	534.41	659.33	124.92	18.95%
2-570-5107	DISABILITY INSURANCE	49.74	50.53	0.79	1.56%	158.84	151.44	-7.40	-4.89%
2-570-5110	UNIFORMS	1,059.66	0.00	-1,059.66	0.00%	2,487.51	0.00	-2,487.51	0.00%
2-570-5111	FICA	3,503.74	3,181.13	-322.61	-10.14%	12,473.95	9,244.48	-3,229.47	-34.93%
2-570-5251	TRAVEL EXPENSE	0.00	150.00	150.00	100.00%	0.00	150.00	150.00	100.00%
2-570-5252	TRAINING EXPENSE	0.00	0.00	0.00	0.00%	0.00	198.00	198.00	100.00%
2-570-5305	MISCELLANEOUS	290.23	52.32	-237.91	-454.72%	942.89	149.99	-792.90	-528.64%
2-570-5306	OFFICE SUPPLIES	1,233.30	951.54	-281.76	-29.61%	1,771.08	3,359.25	1,588.17	47.28%
2-570-5307	OUTSIDE SERVICES	215.94	0.00	-215.94	0.00%	431.88	79.53	-352.35	-443.04%
2-570-5308	ASSOC. DUES & EXPENSES	-20.00	-80.00	-60.00	-75.00%	229.50	147.50	-82.00	-55.59%
2-570-5309	POSTAGE/MAILING	12,777.31	7,321.70	-5,455.61	-74.51%	37,981.85	31,145.41	-6,836.44	-21.95%
2-570-5311	PUBLIC RELATIONS	53.39	21.35	-32.04	-150.07%	584.01	205.40	-378.61	-184.33%
2-570-5312	ARKANSAS ONE CALL	649.93	756.80	106.87	14.12%	2,048.58	2,347.83	299.25	12.75%
2-570-5320	COMPUTER EXPENSE	1,619.43	449.57	-1,169.86	-260.22%	2,062.13	1,798.89	-263.24	-14.63%
2-570-5601	WORKMANS COMPENSATION	57.23	43.48	-13.75	-31.62%	171.69	130.44	-41.25	-31.62%
2-570-5950	TRANSFER ADMIN COSTS/WATER	-625.00	-625.00	0.00	0.00%	-1,875.00	-1,875.00	0.00	0.00%
	Department 570 - OFFICE Total:	**85,868.54**	**74,490.13**	**-11,378.41**	**-15.28%**	**268,238.57**	**232,937.48**	**-35,301.09**	**-15.15%**
Department: 580 - METER READING									
2-580-5100	SALARIES	0.00	5,326.60	5,326.60	100.00%	0.00	16,144.36	16,144.36	100.00%
2-580-5102	CAPITALIZED COSTS	0.00	0.00	0.00	0.00%	0.00	-345.00	-345.00	-100.00%
2-580-5104	PERS-METER READING	0.00	754.48	754.48	100.00%	0.00	2,250.57	2,250.57	100.00%
2-580-5105	HEALTH INSURANCE	0.00	167.95	167.95	100.00%	0.00	3,670.11	3,670.11	100.00%
2-580-5106	LIFE INSURANCE	0.00	70.64	70.64	100.00%	0.00	146.51	146.51	100.00%
2-580-5107	DISABILITY INSURANCE	0.00	11.23	11.23	100.00%	0.00	33.65	33.65	100.00%
2-580-5110	UNIFORMS	0.00	100.16	100.16	100.00%	0.00	267.10	267.10	100.00%
2-580-5111	FICA	0.00	365.36	365.36	100.00%	0.00	1,089.64	1,089.64	100.00%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
2-580-5570	MAINTENANCE AND FUEL	0.00	778.93	778.93	100.00%	0.00	3,247.67	3,247.67	100.00%
2-580-5571	METER HAND TOOLS	0.00	32.04	32.04	100.00%	0.00	72.47	72.47	100.00%
2-580-5601	WORKMANS COMPENSATION	0.00	97.46	97.46	100.00%	0.00	292.38	292.38	100.00%
2-580-5603	INSURANCE-VEHICLES	0.00	47.54	47.54	100.00%	0.00	142.62	142.62	100.00%
2-580-5800	DEPRECIATION	0.00	830.00	830.00	100.00%	0.00	2,490.00	2,490.00	100.00%
2-580-5950	TRANSFER MR COSTS/WATER	0.00	925.00	925.00	100.00%	0.00	2,775.00	2,775.00	100.00%
	Department 580 - METER READING Total:	**0.00**	**9,507.39**	**9,507.39**	**100.00%**	**0.00**	**32,277.08**	**32,277.08**	**100.00%**
Department: 591 - PCF ADMIN									
2-591-5100	SALARIES AND WAGES	75,825.55	68,517.61	-7,307.94	-10.67%	225,250.43	204,162.94	-21,087.49	-10.33%
2-591-5102	CAPITALIZED COSTS	-763.75	-495.00	268.75	54.29%	-3,282.50	-1,567.50	1,715.00	109.41%
2-591-5104	PERS-RPCF	10,549.97	9,526.55	-1,023.42	-10.74%	36,193.14	28,096.41	-8,096.73	-28.82%
2-591-5105	HEALTH INSURANCE	12,433.02	13,528.21	1,095.19	8.10%	36,665.22	39,794.43	3,129.21	7.86%
2-591-5106	LIFE & DISABILITY INSURANCE	350.78	614.04	263.26	42.87%	1,128.58	1,351.31	222.73	16.48%
2-591-5110	UNIFORMS	569.68	503.09	-66.59	-13.24%	1,850.20	1,267.48	-582.72	-45.97%
2-591-5111	FICA	4,971.98	4,465.91	-506.07	-11.33%	17,052.96	13,184.11	-3,868.85	-29.34%
2-591-5251	TRAVEL AND TRAINING	550.00	0.00	-550.00	0.00%	4,332.05	1,335.29	-2,996.76	-224.43%
2-591-5304	PERSONNEL SAFETY EQUIP.	979.22	2,886.22	1,907.00	66.07%	2,238.46	3,730.37	1,491.91	39.99%
2-591-5305	MISCELLANEOUS	0.00	0.00	0.00	0.00%	0.00	23.21	23.21	100.00%
2-591-5306	OFFICE SUPPLIES & POSTAGE	0.00	151.24	151.24	100.00%	1,071.12	1,746.52	675.40	38.67%
2-591-5307	OUTSIDE SERVICES	544.00	350.00	-194.00	-55.43%	2,586.01	2,450.50	-135.51	-5.53%
2-591-5308	PUBLICATIONS AND DUES	255.00	330.79	75.79	22.91%	10,585.00	10,780.79	195.79	1.82%
2-591-5350	TELEPHONE EXPENSE	1,187.71	804.14	-383.57	-47.70%	3,563.34	3,312.32	-251.02	-7.58%
2-591-5583	COMPUTER EXPENSE	1,337.46	1,552.83	215.37	13.87%	4,317.90	4,612.05	294.15	6.38%
2-591-5601	WORKMANS COMPENSATION	1,202.21	1,066.22	-135.99	-12.75%	3,606.63	3,198.66	-407.97	-12.75%
2-591-5602	INSURANCE-BLDGS & VEHICLES	4,350.87	2,823.16	-1,527.71	-54.11%	12,906.25	8,726.56	-4,179.69	-47.90%
2-591-5800	DEPRECIATION-WWTP	205,833.33	207,166.67	1,333.34	0.64%	617,499.99	621,500.01	4,000.02	0.64%
2-591-9112	2016 BOND INTEREST	27,100.00	30,866.66	3,766.66	12.20%	81,300.00	92,599.98	11,299.98	12.20%
2-591-9113	AMORTIZATION 2016 BONDS	-9,216.24	-9,216.24	0.00	0.00%	-27,648.72	-27,648.72	0.00	0.00%
2-591-9114	2016 BOND REFUNDING COSTS	-3,217.86	-3,217.86	0.00	0.00%	-9,653.58	-9,653.58	0.00	0.00%
2-591-9115	BOND INSURANCE	131.52	131.52	0.00	0.00%	394.56	394.56	0.00	0.00%
	Department 591 - PCF ADMIN Total:	**334,974.45**	**332,355.76**	**-2,618.69**	**-0.79%**	**1,021,957.04**	**1,003,397.70**	**-18,559.34**	**-1.85%**
Department: 592 - PCF ENVIRONMENTAL									
2-592-5251	TRAVEL & TRAINING	0.00	40.00	40.00	100.00%	1,049.42	80.00	-969.42	-1,211.78%
2-592-5306	LABORATORY SUPPLIES	1,075.85	227.81	-848.04	-372.26%	1,664.22	781.80	-882.42	-112.87%
2-592-5307	OUTSIDE SERVICES	1,681.05	1,888.71	207.66	10.99%	2,928.02	2,254.22	-673.80	-29.89%
2-592-5314	PLANT RESEARCH	420.00	41.40	-378.60	-914.49%	755.00	1,295.44	540.44	41.72%
2-592-5557	EQUIPMENT MAINT.	754.46	0.00	-754.46	0.00%	754.46	0.00	-754.46	0.00%
2-592-5970	CHEMICALS	0.00	188.00	188.00	100.00%	0.00	1,507.71	1,507.71	100.00%
	Department 592 - PCF ENVIRONMENTAL Total:	**3,931.36**	**2,385.92**	**-1,545.44**	**-64.77%**	**7,151.12**	**5,919.17**	**-1,231.95**	**-20.81%**
Department: 593 - PCF OPS									
2-593-5251	TRAVEL & TRAINING	312.50	42.80	-269.70	-630.14%	355.30	182.80	-172.50	-94.37%

		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
2-593-5305	MISCELLANEOUS	0.00	0.00	0.00	0.00%	0.00	18.02	18.02	100.00%
2-593-5307	OUTSIDE SERVICES	0.00	0.00	0.00	0.00%	2,186.85	1,480.00	-706.85	-47.76%
2-593-5350	UTILITIES	64,979.81	38,397.37	-26,582.44	-69.23%	184,056.69	130,863.36	-53,193.33	-40.65%
2-593-5558	MINOR EQUIPMENT	0.00	0.00	0.00	0.00%	359.00	2,334.46	1,975.46	84.62%
2-593-5970	CHEMICALS	14,521.21	707.28	-13,813.93	-1,953.11%	31,262.17	15,986.48	-15,275.69	-95.55%
	Department 593 - PCF OPS Total:	**79,813.52**	**39,147.45**	**-40,666.07**	**-103.88%**	**218,220.01**	**150,865.12**	**-67,354.89**	**-44.65%**
Department: 594 - PCF MAINTENANCE									
2-594-5251	TRAVEL & TRAINING	40.00	0.00	-40.00	0.00%	40.00	1,695.00	1,655.00	97.64%
2-594-5305	MISCELLANEOUS	0.00	170.92	170.92	100.00%	0.00	170.92	170.92	100.00%
2-594-5306	CLEANING SUPPLIES	0.00	0.00	0.00	0.00%	0.00	295.65	295.65	100.00%
2-594-5307	OUTSIDE SERVICES	981.72	16,689.16	15,707.44	94.12%	10,014.92	26,100.42	16,085.50	61.63%
2-594-5551	VEHICLE EXPENSE	0.00	2,497.84	2,497.84	100.00%	10.90	3,434.58	3,423.68	99.68%
2-594-5557	EQUIPMENT MAINT.	34,435.96	9,920.84	-24,515.12	-247.11%	88,950.67	43,489.01	-45,461.66	-104.54%
2-594-5560	EQUIPMENT RENTAL	54.36	0.00	-54.36	0.00%	107.14	117.92	10.78	9.14%
2-594-5561	BLDGS. & GROUNDS MAINT.	1,186.88	795.19	-391.69	-49.26%	5,296.31	4,935.29	-361.02	-7.32%
2-594-5562	MAINTENANCE SUPPLIES	621.98	493.36	-128.62	-26.07%	3,395.27	1,012.79	-2,382.48	-235.24%
	Department 594 - PCF MAINTENANCE Total:	**37,320.90**	**30,567.31**	**-6,753.59**	**-22.09%**	**107,815.21**	**81,251.58**	**-26,563.63**	**-32.69%**
Department: 595 - PCF SMS DISPOSAL EXPENSE									
2-595-5307	OUTSIDE SERVICES	7,020.00	40.17	-6,979.83	-17,375.73%	7,229.08	471.57	-6,757.51	-1,432.98%
2-595-5970	CHEMICALS	0.00	0.00	0.00	0.00%	13,062.44	0.00	-13,062.44	0.00%
2-595-5980	SLUDGE DISPOSAL COSTS	52,837.03	21,970.08	-30,866.95	-140.50%	140,302.34	100,292.11	-40,010.23	-39.89%
2-595-5981	SLUDGE DISPOSAL REVENUE	-4,166.72	0.00	4,166.72	0.00%	-4,166.72	0.00	4,166.72	0.00%
	Department 595 - PCF SMS DISPOSAL EXPENSE Total:	**55,690.31**	**22,010.25**	**-33,680.06**	**-153.02%**	**156,427.14**	**100,763.68**	**-55,663.46**	**-55.24%**
	Expense Total:	**1,002,216.65**	**942,361.91**	**-59,854.74**	**-6.35%**	**3,082,402.73**	**2,856,789.00**	**-225,613.73**	**-7.90%**
	Fund 2 Surplus (Deficit):	**573,278.83**	**564,331.31**	**8,947.52**	**1.59%**	**1,784,341.33**	**1,663,744.93**	**120,596.40**	**7.25%**
	Total Surplus (Deficit):	**1,170,925.50**	**1,192,274.20**	**-21,348.70**	**-1.79%**	**3,862,582.08**	**3,137,166.16**	**725,415.92**	**23.12%**

Group Summary

Departmen...	2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
Fund: 1 - WATER								
Revenue								
	1,793,844.83	1,774,203.14	19,641.69	1.11%	5,847,356.99	4,972,482.43	874,874.56	17.59%
Revenue Total:	**1,793,844.83**	**1,774,203.14**	**19,641.69**	**1.11%**	**5,847,356.99**	**4,972,482.43**	**874,874.56**	**17.59%**
Expense								
555 - GENERAL EXPENSES	897,303.67	900,156.58	2,852.91	0.32%	2,896,569.69	2,713,916.69	-182,653.00	-6.73%
560 - ENGINEERING	26,616.00	25,207.77	-1,408.23	-5.59%	78,136.10	74,516.95	-3,619.15	-4.86%
565 - FIELD	183,803.36	130,208.80	-53,594.56	-41.16%	528,514.33	433,226.48	-95,287.85	-21.99%
570 - OFFICE	88,475.13	74,656.02	-13,819.11	-18.51%	265,896.12	235,732.10	-30,164.02	-12.80%
580 - METER READING	0.00	16,031.08	16,031.08	100.00%	0.00	41,668.98	41,668.98	100.00%
Expense Total:	**1,196,198.16**	**1,146,260.25**	**-49,937.91**	**-4.36%**	**3,769,116.24**	**3,499,061.20**	**-270,055.04**	**-7.72%**
Fund 1 Surplus (Deficit):	**597,646.67**	**627,942.89**	**-30,296.22**	**-4.82%**	**2,078,240.75**	**1,473,421.23**	**604,819.52**	**41.05%**

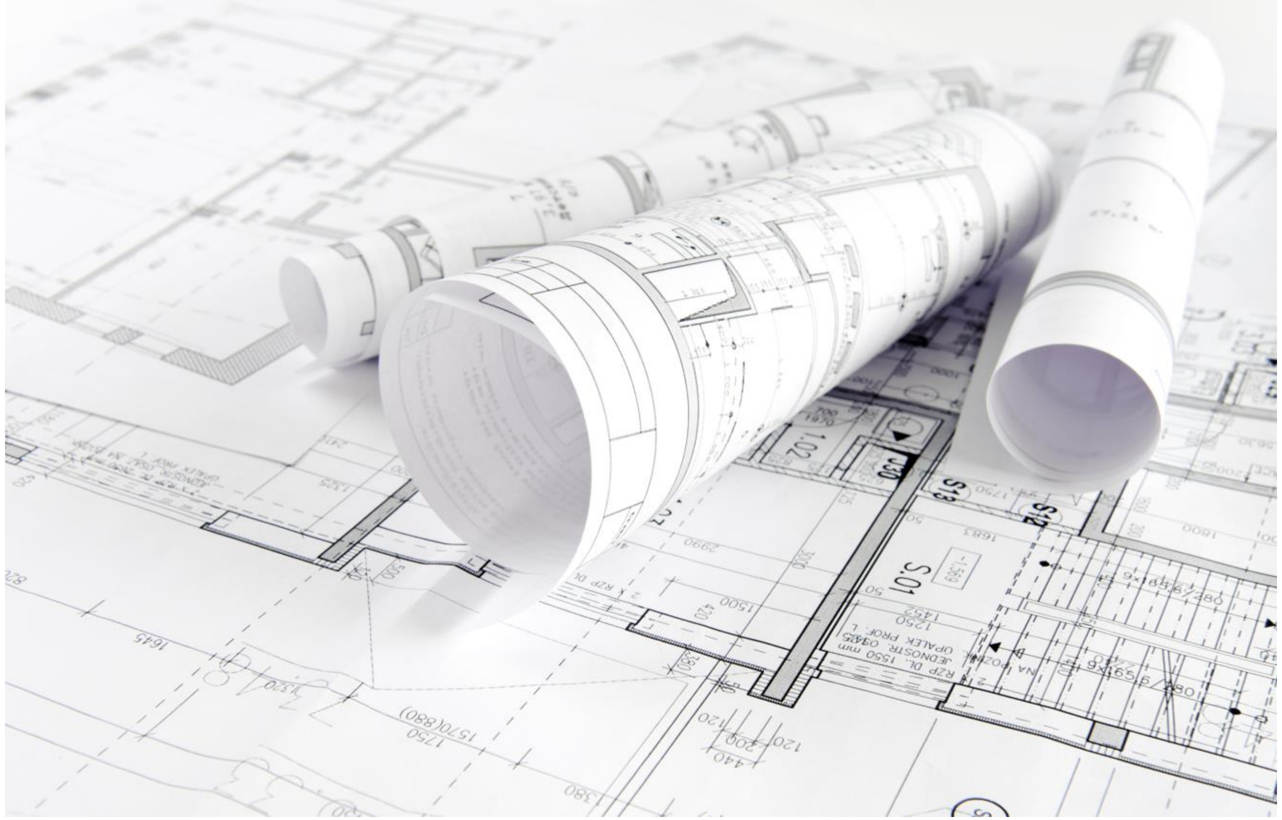
Departmen…		2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
Fund: 2 - SEWER									
Revenue									
		1,575,495.48	1,506,693.22	68,802.26	4.57%	4,866,744.06	4,520,533.93	346,210.13	7.66%
	Revenue Total:	**1,575,495.48**	**1,506,693.22**	**68,802.26**	**4.57%**	**4,866,744.06**	**4,520,533.93**	**346,210.13**	**7.66%**
Expense									
555 - GENERAL EXPENSES		225,558.84	283,971.07	58,412.23	20.57%	765,557.09	823,242.96	57,685.87	7.01%
560 - ENGINEERING		27,295.41	21,186.47	-6,108.94	-28.83%	85,419.50	70,372.06	-15,047.44	-21.38%
565 - FIELD		151,763.32	126,740.16	-25,023.16	-19.74%	451,617.05	355,762.17	-95,854.88	-26.94%
570 - OFFICE		85,868.54	74,490.13	-11,378.41	-15.28%	268,238.57	232,937.48	-35,301.09	-15.15%
580 - METER READING		0.00	9,507.39	9,507.39	100.00%	0.00	32,277.08	32,277.08	100.00%
591 - PCF ADMIN		334,974.45	332,355.76	-2,618.69	-0.79%	1,021,957.04	1,003,397.70	-18,559.34	-1.85%
592 - PCF ENVIRONMENTAL		3,931.36	2,385.92	-1,545.44	-64.77%	7,151.12	5,919.17	-1,231.95	-20.81%
593 - PCF OPS		79,813.52	39,147.45	-40,666.07	-103.88%	218,220.01	150,865.12	-67,354.89	-44.65%
594 - PCF MAINTENANCE		37,320.90	30,567.31	-6,753.59	-22.09%	107,815.21	81,251.58	-26,563.63	-32.69%
595 - PCF SMS DISPOSAL EXPENSE		55,690.31	22,010.25	-33,680.06	-153.02%	156,427.14	100,763.68	-55,663.46	-55.24%
	Expense Total:	**1,002,216.65**	**942,361.91**	**-59,854.74**	**-6.35%**	**3,082,402.73**	**2,856,789.00**	**-225,613.73**	**-7.90%**
	Fund 2 Surplus (Deficit):	**573,278.83**	**564,331.31**	**8,947.52**	**1.59%**	**1,784,341.33**	**1,663,744.93**	**120,596.40**	**7.25%**
	Total Surplus (Deficit):	**1,170,925.50**	**1,192,274.20**	**-21,348.70**	**-1.79%**	**3,862,582.08**	**3,137,166.16**	**725,415.92**	**23.12%**

Fund Summary

Fund	2022-2023 Sept. Activity	2021-2022 Sept. Activity	Sept. Variance Favorable / (Unfavorable)	Variance %	2022-2023 YTD Activity	2021-2022 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
1 - WATER	597,646.67	627,942.89	-30,296.22	-4.82%	2,078,240.75	1,473,421.23	604,819.52	41.05%
2 - SEWER	573,278.83	564,331.31	8,947.52	1.59%	1,784,341.33	1,663,744.93	120,596.40	7.25%
Total Surplus (Deficit):	**1,170,925.50**	**1,192,274.20**	**-21,348.70**	**-1.79%**	**3,862,582.08**	**3,137,166.16**	**725,415.92**	**23.12%**

Engineering Report

Brian Sartain, Utility Engineer
11/21/22



Sep/Oct Development Plan Review

Project Reviews Summary

CCC Review

Project Name	Submittal #	Reviewed	Business Type
Wellington's	1st Review	9/6/2022	Restaurant
Marsoul's	1st Review	9/7/2022	Restaurant
Tidal Wave Auto Spa	1st Review	9/8/2022	Car Wash
District Mixed Use Building 1	1st Review	9/9/2022	Multi-Use
District Mixed Use Building 5	1st Review	9/9/2022	Multi-Use
Confident Coffee Roasters-Ste 112	1st Review	9/14/2022	Restaurant
Bellview Urban Center II	1st Review	9/16/2022	Business
Walnut Retail Alteration (3704 W Walnut)	1st Review	9/16/2022	Retail Store
Texas de Brazil	1st Review	9/19/2022	Restaurant
AMC Mortgage	1st Review	9/22/2022	Business
SOHO- Bldg 4	1st Review	9/22/2022	Mixed Use
SOHO- Bldg 3	1st Review	9/22/2022	Business
Beaty Office Park - Lot 3	1st Review	9/22/2022	Professional Offices
Landers Admin Offices	1st Review	9/23/2022	Business
District Mixed Use Building 1	2nd Review	9/23/2022	Multi-Use
District Mixed Use Building 5	2nd Review	9/23/2022	Multi-Use
Rogers Elementary School #17	1st Review	9/23/2022	School
Harding University- ABSN Renovation	1st Review	9/23/2022	Business
Beaty Office Park - Lot 3	2nd Review	9/30/2022	Professional Offices
The Plaza-Suite 102	1st Review	9/30/2022	Mixed Use
Freeman Family Rentals	1st Review	9/30/2022	Leased Commercial
NWA Food Bank	2nd Review	9/30/2022	Non-profit Organization

Civil Review

Project Name	Submittal #	Reviewed	Business Type
2nd Street RV Storage	5th Review	9/2/2022	Business
Champions Dr. Sewer Improvements	1st Review	9/2/2022	City Project
MK Properties of NWA	1st Rev TR	9/2/2022	Office & Storage
8th and Hudson	2nd Review	9/6/2022	Business
Hwy 112 Lift Station	1st Review	9/6/2022	Mixed Use
Pinnacle Springs-SJ Collins	1st Rev TR	9/6/2022	Commercial Mixed Use
Evening Star Subdivision	6th Review	9/7/2022	Residential Subdivision
Hounds Lounge	1st Rev TR	9/7/2022	Dog Grooming
ATRE 28th Street	2nd Review	9/8/2022	Apartments/Leased Comme
First Western Bank Expansion	1st Rev TR	9/12/2022	Bank
Pointe @ Rogers	3rd Review	9/13/2022	Multi-Use Development
ORVC & Renew Aesthetics Bldgs	1st Rev TR	9/13/2022	Business
Bellview Urban Center II	2nd Review	9/14/2022	Business
Armor Bank	3rd Review	9/14/2022	Bank
Hudson Road Wholesale	2nd Review	9/14/2022	Warehouse
Ironwood Homes	1st Review	9/15/2022	Townhomes
Girenko Water Main Extension	1st Review	9/15/2022	Water Main Extension
Reserve on Dixieland	7th Review	9/16/2022	Apartments/Leased Comme

Cottages at Bellview	2nd Review	9/16/2022	Condominium
Janacek Remodeling Building 2022	2nd Review	9/19/2022	Business
Rogers 1st	3rd Review	9/19/2022	Mixed Use
Hudson Steel Place Sewer Alternate	1st Review	9/19/2022	Sewer Main Extension
6th Street Sewer Extension	1st Review	9/19/2022	Sewer Main Extension
Reserve on Dixieland	8th Review	9/20/2022	Apartments/Leased Comme
Sequoyah Heights	1st Rev TR	9/20/2022	Residential Subdivision
Plaza at Pinnacle Hills - NE	4th Review	9/20/2022	Mixed Use
Plaza at Pinnacle Hills - NW	4th Review	9/20/2022	Leased Retail Space
Tidal Wave Auto Spa	3rd Review	9/21/2022	Car Wash
Grotto at Osage Creek	3rd Review	9/23/2022	Apartments/Leased Comme
Kum & Go 2422 - Walnut & 28th	1st Rev TR	9/23/2022	Convenience Store
Water Tower Road Phase 2	1st Review	9/26/2022	Sewer Main Extension
Rogers 1st	4th Review	9/29/2022	Mixed Use
Evening Star Amenity Area	1st Review	9/30/2022	Residential Subdivision

Fire Sprinkler Review

Project Name	Submittal #	Reviewed	Business Type
Pinnacle Springs Retirement Community - 2021	1st Review	9/1/2022	Apartments/Leased Comme
Jim Brown Development	1st Review	9/23/2022	Leased Retail Space

Project Reviews Summary

CCC Review

Iame	Submittal #	Reviewed	Business Type
Pizza at New Hope & 1st	2nd Review	10/5/2022	Restaurant
ice Park - Lot 3	3rd Review	10/10/2022	Professional Offices
Jniversity- ABSN Renovation	2nd Review	10/10/2022	Business
Admin Offices	2nd Review	10/12/2022	Business
bble Tea- 4600 S Pinnacle Hills	1st Review	10/28/2022	Restaurant

Civil Review

Iame	Submittal #	Reviewed	Business Type
own	2nd Review	10/3/2022	Residential Subdivision
perties	2nd Review	10/5/2022	Business
Vorld Global Office Addition	1st Rev TR	10/5/2022	Business
Woods (Laurel & Concord Sub)	5th Review	10/7/2022	Residential Subdivision
ve Auto Spa	4th Review	10/7/2022	Car Wash
entures	3rd Review	10/7/2022	Animal Boarding
of Scottsdale Ph. 2 (south)	4th Review	10/7/2022	Multi-Family
Pinnacle - Lot 2 Mixed Use	2nd Review	10/7/2022	Leased Commercial
hop Building	1st Review	10/11/2022	Auto Repair Shop
Starbucks	1st Rev TR	10/11/2022	Restaurant
ck Improvements	1st Review	10/12/2022	Business
erties of NWA	2nd Review	10/12/2022	Office & Storage
rooke V	4th Review	10/14/2022	Apartments/Leased Comme
eek Apartments 2022	2nd Review	10/14/2022	Apartments/Leased Comme
Pinnacle Hills (Cottages @ Pinn. Hills)	2nd Review	10/14/2022	Residential Subdivision
hop Building	2nd Review	10/26/2022	Auto Repair Shop
o 2422 - Walnut & 28th	2nd Review	10/27/2022	Convenience Store
Springs-SJ Collins	1st Review	10/28/2022	Commercial Mixed Use
m Townhomes	6th Review	10/28/2022	Apartments/Leased Comme
Iudson	3rd Review	10/28/2022	Business

Fire Sprinkler Review

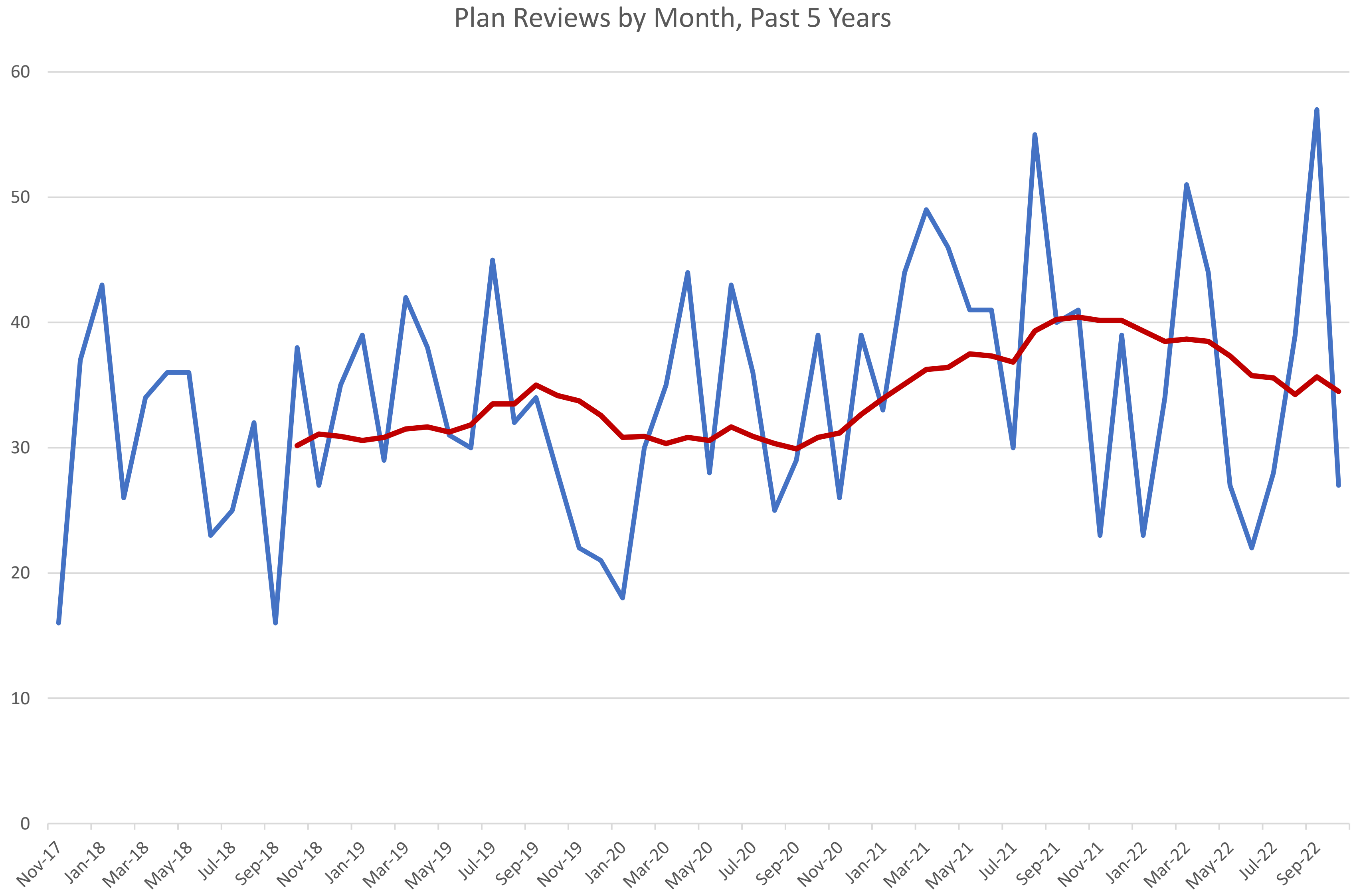
Iame	Submittal #	Reviewed	Business Type
n Development	2nd Review	10/21/2022	Leased Retail Space
n Development	3rd Review	10/28/2022	Leased Retail Space

RWU ROGERS WATER UTILITIES

Sep/Oct Development Plan Review

- 84 Total Plan Reviews (Plumbing, Civil, Easement, and Fire Sprinkler Reviews)
- 15 New Civil Projects:
  - Storage World Global Add. (Business)
  - Sparks Shop Building (Auto Repair)
  - Gateway Starbucks (Restaurant)
  - Truck Dock Improvements (Business)
  - Pinnacle Springs – SJ Collins (Comm Mixed Use)
  - Champions Dr. Sewer (Infrastructure)
  - MK Properties of NWA (Office/Storage)
  - Hwy 112 Lift Station (Infrastructure)
  - Hounds Lounge (Pet Grooming)
  - 1st Western Bank Expansion (Bank)
  - O.R. Vein Clinic Buildings (Medical Office)
  - Ironwood Homes (Townhomes)
  - Girenko Water Main Extension (Subdivision)
  - Hudson Steel Place Sewer (Infrastructure)
  - 6th St. Sewer Extension (Infrastructure)
  - Sequoyah Heights (Residential Sub)
  - Kum & Go #2422 – Walnut & 28th (Convenience Store
  - Water Tower Rd. Ph.II (Infrastructure)
  - Evening Star Amenity Area (Residential Sub.)

Plan Review Trend



Blue line indicates total monthly plan reviews completed over the past 5 years.

Red line indicates the 12-month moving average

RWU ROGERS WATER UTILITIES

Project Status

Under Construction (8)

- Arkansas St. (Pine to Chestnut)
- Centennial Park
- Mt. Hebron & Garrett Rd. Improvements
- JB Hunt Dr.
- Uptown & Oak St. Overpasses
- Banz Addition Sewer Replacement
- Mills Sewer/ 2nd St. Water & Sewer / Saltgrass Waterline
- Sewer Maintenance Contract

Pre-Design / Concept (7)

- Hwy 12 E Waterline Replacement
- Blossom Way Sewer Improvements
- Blossom Way Trib 2 Sewer Improvements
- RPCF Capacity Improvement Project
- 4th St. Water & Sewer Replacements – Olrich to Oak
- 11th St. & Will Rogers Water & Sewer Replacement
- Water Transmission Corridor / Emergency Connections Study

In Design (12)

- RPCF Solids Handling Facility, Ph. II
- Pinnacle & Champions Sewer Improvements
- 2022 Waterline Replacements
- Hwy 112 Lift Station
- E. Pine St. (added to Arkansas St. project)
- Sanitary Sewer Improvements – Chateau Dr. to 24th
- Arkansas St. (Chestnut to Union)
- Walnut St. Widening (8th to Dixieland)
- W. Poplar St. (7th to 1st)
- Poplar & 13th Roundabout
- Bent Tree & Berry Farm Lift Station Decommissioning
- Sewer Repairs (Blossom Way, 24th & Olive, Dixieland & Town West)

Field Operations Report

Johnny Lunsford, Construction & Maintenance Manager
11/21/22

October 2022 Field Operations

RWU ROGERS WATER UTILITIES

Sewer

- Lift Station Cleaning: 8 hrs
- Manhole repair/adjustments: 0
- Manhole Inspections: 131
- Smoke Testing: 0 feet
- TV Inspection: 9,678 ft
- Sewer Line Flushing: 44,900 ft
- Sewer Point Repairs: 0
- New Sewer Taps: 0
- Overflows 1
- Leak Detection: 7
- Leak Logging: 240 loggers put out and picked up
- Work Orders Completed; 82

Water

- Fire Hydrant Repair: 10
- Water Main Breaks: 6
- Service line Repairs: 8
- Water Taps: 4
- Meter Box Repairs: 10
- Water Services Rebuild: 27
- Valve Maintenance: 22
- Locates: 1019
- Valve Exercising: 0
- Valve Box Locates: 0
- Exposing: 0
- Sample Stations: 2
- Installed 240 feet of 2” inch

Rogers Pollution Control DMR Summary

2022

	Limits	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Phosphorus Mo Avg lbs/day	117	9.80	12.43	23.23	58.06	35.98	8.22	7.84	9.74	11.69	5.03		
Phosphorus 30 Day Mo Avg mg/l	1	0.14	0.16	0.41	0.67	0.38	0.12	0.12	0.12	0.21	0.08		
Phosphorus Max 7 day Avg mg/l	2	0.15	0.22	0.59	0.78	0.68	0.25	0.15	0.15	0.50	0.15		
May - Oct	Limits												
Total Suspended Solids lbs/day Mo Avg	1,751					515.7	64.8	62.1	<54.1	<37.8	31.2		
Total Suspended Solids Mo Avg	15					6.0	0.9	1.0	<.7	<.6	0.5		
Total Suspended Solids 7 day Avg	23					13.5	1.6	1.1	0.8	<.6	1.2		
Nov- April													
Total Suspended Solids lbs/day Mo Avg	2,335	76.7	125.4	255.6	503.1								
Total Suspended Solids Mo Avg	20	1.1	1.5	3.7	5.4								
Total Suspended Solids 7 day Avg	30	1.4	2.9	7.5	7.0								
April	Limits												
Ammonia lbs/day Mo Avg	234				171.8								
Ammonia Mo Avg mg/l	2.0				1.73								
Ammonia max 7 day Avg mg/l	4.5				3.30								
May- Oct	Limits												
Ammonia lbs/day Mo Avg	175					94.45	5.51	51.66	8.54	<26.07	<16.26		
Ammonia Mo Avg mg/l	1.5					0.94	0.08	0.81	0.10	<.4	<.25		
Ammonia max 7 day Avg mg/l	2.3					2.12	0.10	2.25	0.08	<.62	<.25		
Nov- March	Limits												
Ammonia lbs/day Mo Avg	350	24.54	133.38	64.09									
Ammonia Mo Avg mg/l	3.0	0.35	1.56	0.95									
Ammonia max 7 day Avg mg/l	4.5	0.53	2.96	1.01									
May - Oct	Limits												
CBOD Mo Avg lbs/day	1,168					<500.1	<114.6	91.3	106.5	81.0	71.7		
CBOD Mo Avg mg/l	10					<5.0	<1.6	1.50	1.30	1.30	1.10		
CBOD Max 7 day Avg. mg/l	15					<6.7	<3.5	1.90	1.60	1.60	1.40		
Nov- April	Limits												
CBOD Mo Avg lbs/day	1,751	114.0	208.1	204.9	<527.9								
CBOD Mo Avg mg/l	15	1.6	2.5	2.9	<5.3								
CBOD Max 7 day Avg. mg/l	23	1.8	4.0	3.5	<5.7								

RWU ROGERS WATER UTILITIES

Monthly Summary of Industrial Pretreatment Activities **October** 2022

# of industrial control monitoring activities:	4
Industries control monitored:	SE Poultry, Ozark Mt Poultry, Tyson Chick'N Quick, Tyson of Rogers
# of self monitoring reports processed:	10
# of industrial inspection activities:	0
Industries inspected:	n/a
# of short site visits:	0
Industries visited:	n/a
# of Notices of Violation:	0
Notices of Violation:	n/a

Surcharges September 2022 issued in October 2022

User Name	Monthly Flow MG	TSS ppm	TSS $ Charge	CBOD ppm	CBOD $ Charge	NH3N ppm	NH3N $ Charge	TPhos ppm	TPhos $ Charge	Total $ Charge
Ozark Mt Poultry	3.523154	78.9	0.00	596.1	1,512.91	88.80	1,517.93	15.35	1,694.17	4,725.01
SE Poultry	2.374302	33.3	0.00	461.3	672.72	22.58	105.03	2.33	0.00	777.75
Tyson CNQ	5.574550	63.5	0.00	405.3	1,240.52	2.09	0.00	2.53	0.00	1,240.52
Tyson of Rogers	5.931620	36.9	0.00	392.7	1,239.07	137.7	4,247.81	4.37	93.74	5,580.62
WestRock	0.062400	7.0	0.00	1560.0	92.01	20.60	2.04	0.20	0.00	94.05
									Sum $	**12,417.95**

Surcharge thresholds in mg/L and cost per pound of loading

Pollutant	TSS	CBOD	NH3N	TPhos
mg/L threshold	200	200	15.00	4.00
$ per pound	0.14	0.13	0.70	5.08

The amount surcharged for results submitted during the 2022 – 2023 budget year is $ $35,888.35 (User data submitted for three months).

Bekaert was inspected in the middle of September. The inspection noted that:

- Production currently averages 144 metric tons per day.
- Noted that two of the five ISC lines are labeled as "Turbo" since they have larger furnaces. They also include a sodium hydroxide pickling bath after a quench bath and prior to a hydrochloric acid pickling bath.
- Water consumption in million gallons per month during last 12 months:
    - Average = was 6.965 now 7.027
    - Max = was 11.070 now 9.530
    - Min = was 3.561 now 5.074
- Average daily wastewater treatment effluent flow in million gallons during last 12 months:
    - Average = was 0.019355 now 0.019841
    - Currently the ALAR effluent per day is 0.002600

- The ALAR lube system treatment effluent will soon be routed back to the wastewater effluent discharge. It will not be necessary to test this wastestream for pollutants. Analysis of the combined wastestreams will still occur.
- A bulk lime storage and mixer will be added to the ALAR treatment area.
- Central baths now has a catwalk to enable maintenance on the upper portions of the tanks.
- The sludge filter press will be overhauled with new parts. The filter press produces about 5 to 8 tons each week.
- The floor of the outside tank farm, SE of the wastewater building, will be resurfaced with the same acid resistant coating as before.
- The pretreatment area now stores drums of waste sodium hydroxide sludge until it can be hauled off.

Report prepared by Paul Burns, Pretreatment Coordinator

FOG Inspection Report
Monthly Summary for
October 2022

- 51 known places were pumped in October. A list of serviced establishments can be generated upon request.
- Homewood Suites had their new interceptor fully installed by October 17th.
- Shadow Valley Country Club, Andy's (off Walnut) and Popeye's all had lid issues. All three places had lids that were not properly secured. Popeye's may have to add another riser to fix theirs. Shadow Valley was able to clear all the dirt and mulch away from the lid/riser and properly secure it a few days later. While Andy's need new screws. Their current screws were all rusted
- I found an old used cooking oil receptacle that was open and filled with water and trash. I reported it to the property management team. They called the company, listed on the side, and had them come pick it up.
- I also inspected newly installed interceptors at Bellview Urban Center II, Confident Coffee Roasters and the remodeled building off Elm Street in Downtown Rogers.
- A few King Burrito locations have changed names to BM Tacos Burritos and More. These locations still have the same owners, so I went in to make sure they updated their information with the pumpers.

  .

  The rest of the inspections were routine with nothing major to report.

- I collected the monthly Oil and Grease samples. I also set up and took off samples at Southeast Poultry and Ozark Mountain Poultry.
- Paul Burns and I collected samples the next week at Tyson of Rogers and Tyson Chick-N-Quick.

- I continue to help with plan reviews and have been involved in pre-construction meetings with Risk Reduction and RWU when grease interceptors/oil water separators are involved.

Amber Owens
F.O.G. Inspector
Rogers Pollution Control Facility
(479) 273-7378 Ext. 301

Pollution Control Facility Significant Events

October 2022

1. We now have all of our bidders under contract and hauling solids.
2. Jake Rooney, Zach Smith, Joleen Verkest, and Marco Segura attended class 3 training.
3. We had one of our big aerators on train 4 develop a short to ground. We had to pull new wire and send the motor for inspection. It took us 2.5 days to get it back into operation. We were able to meet permit even with the minor bobble without diverting flow to other trains.
4. We took delivery of our new tractor. It is so nice to be able do our maintenance with a machine capable of the task. Thank you for approving that expenditure.
5. We advertised for the new solids handling manager and expect to begin interviews soon.
6. We treated 269.7 MG in October. 31 X 8.5 MGD = 263.5 MG. That means we treated approximately 6.2 MG from I and I. These flows included .4.72" of rain over 7 events. The historical average rainfall for October is 4.0".

ARPA Funding Applications

ARPA Funding Guidelines

- $5M Available for each, Water and Sewer
- 50% cost share for Rogers (based on Median Household Income)
- Water Projects scored based on conservation, water quality, utility consolidation, disadvantaged communities, cost effectiveness, project readiness, and modernization.
- Sewer Projects scored based on water quality, nutrient reduction, watershed protection, utility consolidation, disadvantaged communities, cost effectiveness, project readiness, and modernization.

Sewer Projects Submitted (2 applications)

• RPCF Solids Handling Ph.II	$2,527,260
• RPCF Bardenpho Treatment Basins Rehab & Repair	$2,472,738
Total Sewer Funding Request:	**$4,999,998**

Water Projects Submitted (7 applications)

• Oak St. & Uptown Overpasses	$585,599
• Mt. Hebron Emergency Connection	$684,135
• I-49 18” Water Main Extension	$272,170
• Hwy 12 E Water Main Replacement	$1,661,739
• 2021 Waterline Replacements	$614,675
• 11th St. Water Rank Rehab / Repaint	$707,695
• 2022 Misc. Water Main Replacements	$1,294,750
Total Water Funding Requests:	**$5,820,763**

Sec. 54-233. Discharge of unpolluted water, discharge of sewage and polluted waters generally.

(a) It shall be unlawful to discharge or cause to be discharged any stormwater, surface water, groundwater, roof runoff or subsurface drainage to any sanitary sewer. However, stormwater and all other unpolluted drainage may be discharged to such sewers as are specifically designated as storm sewers.

(b) It shall be unlawful to discharge to any natural outlet within the city, or in the sanitary sewer or any of the sewage works, or in any area under the jurisdiction of the city, any sewage or other polluted waters, except where suitable treatment has been provided and where a valid national pollutant discharge elimination system permit, and a wastewater discharge permit, if required, has been issued for such discharge.

(Code 1982, § 16-136; Code 1997, § 118-206)

Sec. 54-43. Definitions.

Building sewer means the privately controlled and maintained extension from the building drain to the wye fitting or manhole penetration at a public sewer or private sewer disposal system.

Private sewer disposal system means any septic tank or other privately maintained facilities intended for the disposal of sanitary sewage other than via the public sanitary sewer and treatment works. In various places in this Code, *a private sewer disposal system* is also referred to as a "*private sewage disposal system*" or "*private onsite wastewater system.*"

Public sewer means all pipes, manholes and fittings of the sanitary sewer, except those defined as a *Building Sewer*, in which all owners of abutting properties have equal rights, and which is controlled and maintained by public authority.

Sec. 54-233. Unlawful Inflow Connections, discharge of sewage and polluted waters generally.

(a) ***Definitions***. As used in this Section:

Inflow means the release or discharge of stormwater, surface water, groundwater, roof runoff or subsurface drainage into the sanitary sewer system.

Superintendent means the Superintendent of the Rogers Water Utilities.

Unlawful inflow connection means any piping, drain, cross connection, channel, defect, or other connection that causes or allows the release or discharge of any stormwater, surface water, groundwater, roof runoff or subsurface drainage into the sanitary sewer system.

(b) ***Inflow Prohibited***. It shall be unlawful for any person to release or discharge or cause to be released or discharged any stormwater, surface water, groundwater, roof runoff or subsurface drainage into the sanitary sewer system.

(c) ***Prohibition Against Unlawful Inflow Connections***. It shall be unlawful for any person to construct, use, maintain, or allow to exist on any property in the City any *unlawful inflow connection*. This prohibition expressly includes, without limitation, *unlawful inflow connections* made in the past, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.

(d) ***Enforcement***. The Superintendent may enforce this Section as provided in Sections 54-49, 54-50, and 54-51 of this Code, and by invoking the remedies therein, and may further take actions as stated herein below.

(f) ***Order to Remove Unlawful Inflow Connection***. In the event an *unlawful inflow connection* is discovered on any premises, the Superintendent may issue an order to the owner or occupant of the premises to remove such *unlawful inflow connection* within thirty (30) days of the date of the Order ("the initial thirty (30) day period"). Upon application of the owner or occupant, the Superintendent may extend this period if the owner or occupant has, within the initial thirty (30) day period, made substantial efforts to remove the unlawful inflow connection, but is unable to complete the removal within the initial thirty (30) day period.

(g) ***Remedies for Failure to Remove Unlawful Inflow Connection***. If the owner or occupant fails to remove the *unlawful inflow connection* within thirty (30) days of the date of the Order, or within any extension of the thirty (30) day period granted by the Superintendent, the Rogers Water Utilities, at the direction of the Superintendent, may take any, or all, or any combination of, as applicable, the following actions:

(i) discontinue water service to the premises; discontinue sewer service to the premises; or both, as applicable, until the *unlawful inflow connection* is removed;

(ii) enter upon the premises and remove the *unlawful inflow connection* and charge the cost of the work, at the standard employee and equipment rates of the Rogers Water Utilities, to the owner or occupant of the premises;

(iii) employ a third-party contractor to enter upon the premises and remove the *unlawful inflow connection* and charge the cost of the work, at the employee and equipment rates agreed upon by RWU, to the owner or occupant of the premises;

(iv) invoke any other remedy available to the Rogers Water Utilities under this Code, or otherwise available to the Rogers Water Utilities at law or in equity, all said remedies being cumulative.

(h) ***Right of Entry to Inspect Premises or Remove Unlawful Inflow Connection****.* Whenever the Superintendent has cause to believe that there exists, or potentially exists, in or upon any premises any *unlawful inflow connection*, the Superintendent, or the Superintendent's designated representatives, shall have the right to enter the premises at any reasonable time to determine if an *unlawful inflow connection* exists. Likewise, if the owner or occupant fails to remove the *unlawful inflow connection* as ordered under subsection (f) of this Section, the Superintendent, or the Superintendent's designated representatives, shall have the right to enter the premises at any reasonable time to remove the *unlawful inflow connection*. In the event that the owner or occupant refuses entry after a request to enter has been made, the Rogers Water Utilities may seek assistance from a court of competent jurisdiction in obtaining such entry.

(i) ***Storm Sewers***. Stormwater and all other uncontaminated drainage may be discharged to such sewers as are specifically designated as storm sewers in accordance with other applicable provisions of this Code, including, without limitation, Chapter 14, Article VII.

(j]) ***Unlawful Discharge of Sewage and Polluted Waters***. It shall be unlawful to discharge to any natural outlet within the city, or in the sanitary sewer or any of the sewage works, or in any area under the jurisdiction of the city, any sewage or other polluted waters, except where suitable treatment has been provided and where a valid national pollutant discharge elimination system permit, and a wastewater discharge permit, if required, has been issued for such discharge.

Sec. 54-328. Separate sewer required for each building, exceptions.

(a) Except as listed in subparagraph (b) below, a separate and independent building sewer shall be provided for every building.

(b) Exceptions. A separate and independent building sewer shall not be required when:

a. one building stands at the rear of another on an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, court, yard or driveway (in such a case, the building sewer from the front building may be extended to the rear building and the whole considered as one building sewer or);

b. buildings comprise a commonly owned, leased unit development or;

c. building drains from individually owned buildings or living units are situated on "common" property that is maintained by a homeowner's association or other governing body and building drains are identified as a common element of the property.

(Code 1982, § 16-79; Code 1997, § 118-328)

<u>RESOLUTION NO. 22-</u>

A RESOLUTION RECOMMENDING AMENDMENT OF CERTAIN PORTIONS OF CHAPTER 54 OF THE CODE OF ORDINANCES OF THE CITY OF ROGERS; AND FOR OTHER PURPOSES.

WHEREAS the Rogers Waterworks and Sewer Commission ("The Commission") has been empowered by the Rogers City Council to oversee efficient operation of the Rogers Water Utilities ("RWU"); and

WHEREAS amendment is needed to certain portions of Chapter 54, Utilities, of the Code of Ordinances of the City of Rogers, Arkansas; and

WHEREAS the management of RWU recommends adoption of the proposed amendments as shown on the attached Exhibit 1.; and

WHEREAS, after due consideration, the Commission believes adopting the proposed amendments is in the best interest of RWU, the Commission, and the City of Rogers.

NOW THEREFORE, BE IT RESOLVED BY THE ROGERS WATERWORKS AND SEWER COMMISSION OF THE CITY OF ROGERS, ARKANSAS:

<u>Section 1.</u> The Rogers Waterworks and Sewer Commission hereby recommends to the Rogers City Council that it, by duly passed ordinance, amend the following provisions of Chapter 54, Utilities, of the Code of Ordinances of the City of Rogers, Arkansas as follows:

A. Amend the definition of "Building Sewer" in Section 54-43 of the Code of Ordinances of the City of Rogers, Arkansas to read as shown on the attached Exhibit 1.

B. Amend the definition of "Public Sewer" in Section 54-43 of the Code of Ordinances of the City of Rogers, Arkansas to read as shown on the attached Exhibit 1.

C. Add a definition of "Private Sewer Disposal System" to Section 54-43 of the Code of Ordinances of the City of Rogers, Arkansas to read as shown on the attached Exhibit 1.

E. Amend Section 54-233 of the Code of Ordinances of the City of Rogers, Arkansas to read as shown on the attached Exhibit 1.

D. Amend Section 54-328 of the Code of Ordinances of the City of Rogers, Arkansas to read as shown on the attached Exhibit 1.

Section 2. The management of the Rogers Water Utilities is authorized to propose said amendments to the City of Rogers, to coordinate with appropriate Departments of the City of Rogers for review of the proposed amendments, to correct any typographical or other errors, or make other needed revisions in the attached Exhibit 1, to prepare a proposed ordinance adopting the proposed amendments, and to present the proposed amendments to the Rogers City Council for approval.

Section 3. **Severability Provision-** In the event that any section, paragraph, subdivision, clause, phrase, or other provision or portion of this Resolution shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this Resolution as a whole, or any part or provision, other than the part so decided to be invalid or unconstitutional, and the remaining provisions of this Resolution shall be construed as if such invalid, unenforceable or unconstitutional provision or provisions had never been contained herein.

Section 4. **Repeal of Conflicting Resolutions-** All resolutions of the Rogers Waterworks and Sewer Commission, or parts of resolutions of the Rogers Waterworks and Sewer Commission, in conflict herewith are hereby repealed to the extent of such conflict.

PASSED AND APPROVED this 21st day of November 2022.

____
Michael Watkins, Chairman

ATTEST:

____
Brent Dobler, Acting Secretary

Motion to Approve 2022 Invitation for Printing and Mailing Services

- RWU advertised for Print & Mail Services
- Bids Opened 11/15/2022 via live web meeting
- Two bids received: Level One (current provider) and Data Forms, Inc (previous provider).
- RWU Staff (4) reviewed and scored bids based on requirements listed in the Invitation to Bid (IFB) document.

SCORING MATRIX

Bidder	Criteria/Qualification	Points Available	Total
	Bid Price: Print and Mail Monthly Bills	35 (lowest bid receives 35 points; second lowest 34, and so on)	
	Bid Price: Print and Mail Special Notices	10 (lowest bid receives 10 points; second lowest 9, and so on)	
	Bid Price: Perform Daily Mail Pickup	10 (lowest bid receives 10 points; second lowest 9, and so on)	
	Business Qualifications, Stability and Longevity	15	
	Capacity and Resources to Perform Printing and Mailing Services	15	
	Reputation/references provided	15	
		100	

- RWU Staff recommends Level One, with 396 cumulative points vs DFI with 391 cumulative points.

Bid for Print & Mail Services
Staff Rankings
11/17/2022

	Level One	Data Forms, Inc
RWU Staff #1	99	98
RWU Staff #2	99	98
RWU Staff #3	99	97
RWU Staff #4	99	98
	396	391

Total Possible Score: 100 each, 400 total

- Total Annual Projected Costs of Print & Mailing BServices is $240,000

<u>RESOLUTION NO. 22-</u>

A RESOLUTION APPROVING REPAIR OF A VACCON TRUCK WITHOUT SOLICITING BIDS; AND FOR OTHER PURPOSES.

WHEREAS the Rogers Waterworks and Sewer Commission ("the Commission") has been empowered by the Rogers City Council to oversee efficient operation of the Rogers Water Utilities ("RWU"), and has full authority to set policies and procedures for RWU in a manner consistent with existing law and public policy; and

WHEREAS it has been necessary for RWU to have a Vaccon truck repaired and the costs of the repair exceed the statutory bid limit; and

WHEREAS Ark Code. Ann. § 14-58-104 (6) allows purchase of "replacement parts and labor for repairs of machinery and equipment" without soliciting bids if such purchase is approved by Commission Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE ROGERS WATERWORKS AND SEWER COMMISSION OF THE CITY OF ROGERS, ARKANSAS:

<u>Section 1.</u> The Rogers Waterworks and Sewer Commission hereby approves the repair of the Vaccon truck by TLG Peterbilt-NW Arkansas without soliciting bids and authorizes the expenditure of $42,837.98, plus any applicable taxes, or related charges for the repairs.

<u>Section 2</u>. **Severability Provision-** In the event that any section, paragraph, subdivision, clause, phrase, or other provision or portion of this Resolution shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this Resolution as a whole, or any part or provision, other than the part so decided to be invalid or unconstitutional, and the remaining provisions of this Resolution shall be construed as if such invalid, unenforceable or unconstitutional provision or provisions had never been contained herein.

<u>Section3.</u> **Repeal of Conflicting Resolutions-** All resolutions of the Rogers Waterworks and Sewer Commission, or parts of resolutions of the Rogers Waterworks and Sewer Commission, in conflict herewith are hereby repealed to the extent of such conflict.

PASSED AND APPROVED this 21st day of November 2022.

____
Michael Watkins, Chairman

ATTEST:

____
Brent Dobler, Acting Secretary

Rogers Water Utilities

DRAFT Capital Improvement Cost Estimate — Date: August 2, 2022

Construction Project Number: 2 — Phase: Short

Project Name: Decommissioning Berry Farm LS and Bent Tree LS; 12-inch Sewer Line

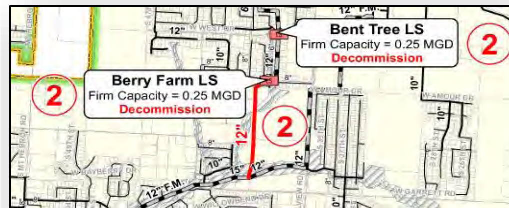
Project Description:

The Berry Farm LS and Bent Tree LS will be decommissioned to convey flow by gravity to the Garrett LS. The proposed 12-inch wastewater line begins at the Berry Farm LS and goes south until slightly north of West Garrett Road where it connects with the 15-inch gravity line along Cross Creek.

Project Drivers:

The decommissioning of the Berry Farm and Bent Tree LSs and the proposed 12-inch wastewater line will address proposed additional flow towards the Garrett LS.

Vicinity Map



Opinion of Probable Construction Cost

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
1	Decommission Lift Station	2	LS	$ 500,000	$ 1,000,000
2	12" Pipe and Appurtenances 8- 16 feet deep	3,000	LF	$ 360	$ 1,080,000
				SUBTOTAL:	**$ 2,080,000**
		CONTINGENCY		30%	$ 624,000
				SUBTOTAL:	**$ 2,704,000**
		ENG/SURVEY		20%	$ 540,800
				SUBTOTAL:	**$ 3,244,800**
				Estimated Project Total:	**$ 3,244,800**

Comments: FNI OPCC does not include any factors to account for the ongoing COVID-19 government enforced closures worldwide which could potentially impact material, equipment, and/or labor costs on the project. In addition, the impact on construction schedules due to the COVID-19 pandemic is unknown.

	Cost Opinion for Reimbursement of Additional Sewer Pipe Diameter for Meadow Brooke Subdivision Phase 1 Rogers, Arkansas 11/10/2022					
Item No.	**Description**	**Unit**	**Quantity**	**Unit Cost**	**Total Cost**	
	Sewer System Improvements					
1	8” PVC Sanitary Sewer (SDR-26)	LF	2,617	$ 75.00	$ 196,275.00	
2	12” PVC Sanitary Sewer (SDR-26)	LF	2,617	$ 105.00	$ 274,785.00	
					Cost for Additional Pipe Diameter =	**$ 78,510.00**

The Utility (RWU) agrees to reimburse the Applicant for a portion of the cost of the constructed 12-inch sewer main. Reimbursement will be for additional pipe diameter (as opposed to the minimum required 8” diameter) as depicted on the approved plans prepared by Halff. The amount will not exceed the cost presented by applicant of $78,510.00 unless a change order is approved by The Utility. The Utility will reimburse the Applicant once the sewer main is completed and accepted by the Utility for operation.

Staff recommends approval of the proposed Special Conditions to the Facilities Extension Contract with GBS Development, Inc. for the development known as "Meadow Brook Subdivision Ph.1", and to reimburse the applicant in an amount not to exceed $78,510 for the installation of increased pipe diameter. Staff further requests the authority to negotiate the final form and content of the Contract.

ROGERS WATER UTILITIES
FACILITIES EXTENSION CONTRACT

This Facilities Extension Contract ("this Contract") is entered into by the Rogers Water Utilities of the City of Rogers, Arkansas, ("Rogers Water Utilities" or "RWU"), and GBS Development, Inc. __________, ("Applicant").

Recitals

WHEREAS the Rogers Water Utilities is the municipal water and sewer utility of the City of Rogers, Arkansas, consisting of the water department and the sewer department, operated under common management, and being supervised by the Rogers Waterworks and Sewer Commission of the City of Rogers, Arkansas ("the Commission"), a combined waterworks and sewer commission established by City of Rogers Ordinance No. 86-10, codified at Section 54-1 *et seq.* of the Code of Ordinances of the City of Rogers, Arkansas; and

WHEREAS the Rogers Water Utilities operates a municipal water system and a municipal sewer system in the City of Rogers, Arkansas and certain surrounding areas; and

WHEREAS Applicant is a Incorporation __________;
[Example: a natural person, partnership, Arkansas limited liability company, etc.]

as evidenced by the certificate of good standing from the Arkansas Secretary of State attached hereto as Exhibit [1].

[if Applicant is a foreign entity, attach certificate of good standing from home state and Arkansas Secretary of State registration]

WHEREAS Applicant is the Owner of certain real property in Benton County Arkansas as evidenced by that certain deed recorded with the Benton County Circuit Clerk as Instrument No. __________ **or** in the L2021 Deed Book at Page 24656 ; ("the Property"); and service lines, the private portion of any sewer service lines, or any other infrastructure installed on the property that is intended to be, or by its nature is, private property.

Property means the real property to which Applicant requests that facilities be extended.

Public Portion (of water service lines) means any portion of water service lines constructed pursuant to this Contract that is intended to become, upon dedication by Applicant and acceptance by RWU, public property and will be part of the "Utility System" as defined in Section 54-82 of the Code of Ordinances of the City of Rogers, Arkansas. The public portion (of water service lines) does not include any portion of the "Customer System" as defined in Section 54-82.

Public Portion (of sewer service lines) means any portion of sewer service lines constructed pursuant to this Contract that is intended to become, upon dedication by Applicant and acceptance by RWU, public property and will be part of the public sewer system. The point of demarcation between the public portion of the sewer system and the customer's system is the sewer wye or the manhole where the sewer service line connects to the public sewer collection system.

Rogers City Code means the most recent edition or revision of the Code of Ordinances of the City of Rogers, Arkansas.

Standard Specifications means the most recent edition or revision of the *Standard Specifications for Construction of Public Water and Sewer Improvements in the City of Rogers and Areas Under the Jurisdiction of the Rogers Waterworks and Sewer Commission* published by the Rogers Water Utilities.

3. **Facilities Requested**. Applicant requests installation of facilities as shown on the plans for water facilities, sewer facilities (or both) which are attached hereto as Exhibit [3] and incorporated into this Contract by reference. The estimated total construction costs of the facilities (water and sewer only) is $ 1,715,676.00.

4. **Applicant Responsible for Cost of Facilities**. Applicant shall furnish all labor and materials and bear the entire cost of constructing the facilities. If RWU has agreed to reimburse Applicant for any costs of *excess capacity*, then such agreement will be contained in a separate *Excess Capacity Addendum* which will be attached to this Contract and made part hereof. **If no Addendum is signed by the parties and attached to this Contract, then RWU has not agreed to make any reimbursement for excess capacity**. Applicant must pay for all costs and complete construction of all facilities prior to receiving water service or any reimbursement for *excess capacity*. Moreover, reimbursement for *excess capacity* will not occur unless and until the facilities are accepted by RWU.

5. **Special Conditions.** This Contract is subject to and incorporates the following special conditions:

See attached Additional Sewer Pipe Diameter Cost Share Agreement

[Describe Special Conditions]

[Example: See Horizontal Property Regime Development Agreement attached hereto and incorporated herein by reference as Exhibit [3]

6. **Plans and Specifications.** Applicant shall cause to be prepared detailed plans and specifications for the facilities, which incorporate the material requirements, installation requirements, and all other requirements of the *Standard Specifications*. No work may be commenced until the plans and specifications are approved by RWU in writing. After approval, the plans and specifications become a part of this Contract and applicant agrees to perform the work in strict adherence therewith. RWU will not accept any facilities that do not comply with the plans and specifications, *Standard Specifications*, or which do not otherwise comply with the requirements of this Contract.

7. **Engineer**. All plans and specifications shall be prepared under the direct supervision of an Engineer licensed to practice in the State of Arkansas (hereinafter called Engineer). The construction work shall be continuously supervised or inspected by the Engineer or by individuals who are under the Engineer's direct supervision and who are competent to supervise or inspect the work being performed. The Engineer shall submit written inspection reports to RWU and the Applicant during the process of the construction of the Facilities. Applicant shall hire the Engineer and bear all engineering costs and the costs of all other professional services required for construction of the facilities. Nothing herein shall preclude RWU, at its discretion, from inspecting the work periodically.

8. **Applicant's Engineer**. Applicant designates Patrick Foy, PE of Halff Associates, Inc. as Engineer, who will provide the engineering services described herein above.

9. **Planning Agency Review**. Applicant shall give notice of Applicant's proposed facilities by submitting the plans for facilities which have been approved by RWU to the appropriate planning agency for review as follows: (1) the City of Rogers Planning Commission if any part of the project is located within the territorial jurisdiction of said Planning Commission; (2) the Benton County Planning Commission if any part of the facilities are to be located outside of the territorial jurisdictions of the Rogers Planning Commission or any other municipality's planning commission; (3) the Rogers City Council if facilities are to be located outside of the

Rogers city limits. Applicant shall not commence construction of the facilities prior to review and approval by any and all planning agencies having jurisdiction.

10. **Government Agency Review.** In addition to conformance to RWU's requirements, all plans and specifications for the facilities shall conform to the requirements of the Arkansas Department of Health and any other federal, state, county, or local government agencies having jurisdiction over any part of the work covered herein, including those agencies having jurisdiction over construction within the right-of-way of public roads, streets and highways. Applicant is responsible for complying with the requirements of all such government agencies and for the submittal of plans and specifications to all such agencies for review, and paying the cost of all fees and other expenses in connection therewith. Applicant shall not commence construction of facilities prior to approval of the plans and specifications by the aforesaid agencies and furnishing RWU with written evidence of such approval. Applicant shall construct the facilities in such a manner that will not interfere with any proposed future street, highway or drainage improvements.

11. **Permitting**. Applicant shall obtain or cause to be obtained all permits required in connection with the construction of facilities except those permits specifically requiring that RWU be designated as permittee, in which case the Applicant shall prepare and submit to RWU all documents necessary for such permits. Applicant shall pay the cost of all fees, bonds and other expenses in connection with obtaining permits, shall be responsible for conforming with all provisions thereof, and shall coordinate all post-construction inspections required by the issuer of permits.

12. **Grading Prior to Trenching and Facilities Installation.** Prior to construction of the facilities, streets and easements where the facilities are to be constructed shall be graded by Applicant to within 6" of final grade. Property lines adjacent to the location for the facilities shall be staked by Applicant prior to commencing construction of the facilities.

13. **Rights of Way and Easements Required**. If rights-of-way or easements not now in existence are required for the facilities, dedication documents thereof, in a form acceptable to RWU, shall be acquired by the Applicant and conveyed to RWU, the Commission, and the City of Rogers, Arkansas for the use and benefit of RWU. Permanent water service will not be established until Applicant has constructed paved streets, drives and/or parking areas adjacent to the facilities.

14. **Access Fees Required**. Water Access Fees **will be required** in accordance with Section 54-113 of the Code of Ordinances of the City of Rogers. Sewer Access Fees **will be required** in accordance with Section 54-212 of the Code of Ordinances of the City of Rogers. The total access fee applicable to this development on Applicant's property is $51,000.00 based upon 85 living units and 0 commercial lot(s) ($300.00

WHEREAS Applicant requests that the public water system, public sewer system, or both, be extended to the Property in connection with a project or development to be known as Meadow Brooke Subdivision Ph. 1 and requests installation of certain water mains and appurtenances, sewer mains and appurtenances, or both ("facilities") as shown herein below; and

WHEREAS Applicant is willing to pay for the costs of the facilities and is willing to dedicate the facilities to the Rogers Water Utilities, the Rogers Waterworks and Sewer Commission, and the City of Rogers, Arkansas upon acceptance of the facilities in accordance with the terms of this Contract; and

WHEREAS Brandon Sewell [insert name of person(s) signing for Applicant] is [are] duly authorized to enter into this Contract on behalf of the Applicant and to bind the Applicant to this Contract as evidenced by the Arkansas Secretary of State [certificate of authority, corporate resolution, other acceptable document showing authority] attached hereto as Exhibit [2].

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties Agree as follows:

1. **Recitals Incorporated**. The above recitals are substantive and incorporated herein and made part of this Contract.

2. **Definitions**.

As used herein, the following terms have the meanings listed below.

Development means the construction project to which Applicant requests that facilities be extended.

Excess Capacity means a water main and appurtenances, sewer main and appurtenances (or both) in a size and having a capacity greater than the size and capacity required by the *Standard Specifications* (or other applicable law, regulation, or standard) for the Applicant's Development or project.

Facilities means (a) water mains and appurtenances including the public portion of any water service lines; (b) sewer mains and appurtenances including the public portion of any sewer service lines, and (c) any other infrastructure installed pursuant to this Contract that is intended to become, upon dedication by Applicant, and acceptance by RWU, part of the public water system or public sewer system. The term "facilities" does not include the private portion of any water

water & $300.00 sewer) as depicted on the approved plans. The total amount of access fees for this phase of development must be delivered to RWU before the first service will be established.

15. **Development Impact Fees Required. Water Development impact fees will be required in accordance with Section 54-112 of the Code of Ordinances of the City of Rogers. Sewer Development impact fees will be required in accordance with Section 54-211 of the Code of Ordinances of the City of Rogers. These fees are based on the size of the meter, which is dependent upon the peak demand of the system. The fee schedule is as follows:**

Meter Size	**Water Development Impact Fee**	**Sewer Development Impact Fee**
5/8"	**$700**	**$2,200**
1"	**$1,000**	**$5,000**
1 ½"	**$2,000**	**$10,000**
2"	**$5,000**	**$15,000**
3"	**$10,000**	**$30,000**
4"	**$15,000**	**$45,000**
6"	**$30,000**	**$90,000**

Development impact fees will be collected at the time each water service is requested.

The access fees and development impact fees listed above do not include the cost of constructing the water service meters. Cost for constructing the meter set will be estimated based on the site conditions and must be paid to RWU before the service meter will be constructed.

16. **Inspection Fee.** All extensions of water mains and sewer mains, and the public portion of any water service lines or sewer service lines, proposed to become part of the public water system or public sewer system, require inspection by RWU to ensure conformance with the *Standard Specifications*. No service fees will be assessed for the initial and follow-up inspection. Should Applicant, Applicant's Engineer, or Applicant's utility contractor cause the need for additional inspections or unreasonable amounts of time to be expended by RWU's personnel due to nonconforming work or lack of performance by the Engineer, Applicant shall pay to RWU the sum of $250.00 per day or $100.00 per hour, whichever amount is greater, for each day that a RWU representative inspects Applicant's work hereunder. The hourly rate for Saturday, Sunday, and holidays shall be 150% of the aforesaid rates. Inspections are for the sole benefit of RWU, and no services are provided for the Applicant, either directly or implied. Inspections by RWU shall not relieve the Applicant of the duty to provide inspection as specified in paragraphs 6 and 7 herein above. Applicant shall pay to RWU all other costs for services rendered by RWU, including, but not limited to, disinfection, collecting and testing samples, performance testing and connections to mains if any of these functions are performed by RWU personnel or if RWU personnel assist the Applicant or its agent.

17. **Record Drawings**. After completion of the construction of facilities, Applicant shall file with RWU a PDF copy and an AutoCAD version of the Record Drawings prepared by the Engineer which depict the facilities as finally constructed, including point table files referencing valves, hydrants, meters, and other appurtenances in accordance with the *Standard Specifications*. Applicant shall also provide a certificate showing the total construction costs of the facilities, and if requested by RWU, a copy of invoices for materials used in the construction of the facilities. Facilities shall not be accepted by RWU until such plans, certificates and documents are submitted and approved.

18. **Certification of No Encumbrances; Bond Requirements.** RWU cannot accept dedication of any facilities that are subject to purported claims and encumbrances such as materialmen's liens or laborer's liens. Prior to dedication, Applicant must certify that all contractors, subcontractors, materialmen, laborers, etc. have been paid in full and that no purported liens or encumbrances are asserted against the Property.

If the estimated cost of the facilities exceeds Fifty Thousand Dollars ($50,000), then Applicant will provide performance bonds and payment bonds as described hereinbelow. The amount of such bonds shall be in an amount no less than the costs of the facilities and the bonds shall be in effect throughout the construction period. Bonds shall be in a form and from such sources as are acceptable to RWU. RWU may require performance bonds and payment bonds from any person or entity that is performing work on the facilities. Bonds are not required for fire lines or other portions of the private water system and private sewer system.

(a) *General Contractor Constructing Facilities.* If the general contractor is constructing the facilities, a written construction contract must exist between the general contractor and the Applicant. The general contractor shall provide a performance bond and a payment bond (or bonds) in favor of the Applicant. RWU may require that RWU and the Commission be listed as additional obligees on the bonds.

(b) *Subcontractor Constructing Facilities.* If a subcontractor will be constructing the facilities, a written contract must exist between the subcontractor and the general contractor for construction of the facilities. A written construction contract must also exist between the general contractor and the Applicant. The subcontractor shall provide a performance bond and a payment bond (or bonds) in favor of the general contractor and the Applicant. RWU may require that RWU and the Commission be listed as additional obligees on the bonds.

(c) *Applicant Constructing Facilities.* If the Applicant is serving as its own contractor for construction of the facilities, the Applicant shall provide a performance bond and a payment bond (or bonds) in favor of RWU and the Commission. If the project is organized in such a way that the Applicant is using a subsidiary, or related company, as the contractor, a contract must exist between the parent and subsidiary/related company. RWU will specify how the project will be bonded and may require bonds from the parent company, subsidiary/related company, or both.

19. **Dedication of Facilities**. Upon completion of the construction of the facilities and acceptance by RWU, ownership of the facilities shall vest by this Contract in RWU, the Commission, and the City of Rogers, Arkansas, for the use of RWU without the necessity of any other conveyance or formality, the acceptance of the facilities constituting acceptance of the dedication. The facilities shall become a part of the City of Rogers municipal water system, sewer system, (or both), as applicable. RWU shall have the right to connect to and to make extensions from the facilities without payment to or permission from Applicant.

20. **One Year Post-Acceptance Period.** If within one year after acceptance of facilities by RWU, any part of the facilities is found to be damaged, defective, becomes unserviceable, or otherwise fails to meet the requirements of the *Standard Specifications*; or if within one year, any part of the facilities requires relocation, in the opinion of RWU, due to construction of street, road, highway or drainage improvements, or other structures, Applicant shall, after written notice from RWU, within 60 days, remedy the defects or relocate the facilities to the satisfaction of RWU. Upon Applicant's failure to perform said work in a timely manner, RWU shall have the option of performing said work at Applicant's expense.

21. **Not a Contract for Services.** This is a Contract for extension of water facilities and sewer facilities and is not a contract for water service or sewer service. Applicant acknowledges that (1) the furnishing of water and collection of sewer by RWU are governmental functions and that RWU does not agree to furnish any specific amount of water or water pressure; (2) water will be delivered only to customers who enter into separate service contracts with RWU, but the right to contract, and the type of service to be rendered, shall always be subject to such rules, regulations and policies of RWU as may be in effect from time to time; and (3) water furnished under such separate service contracts will be supplied to such customers at whatever pressure and quantity available from time to time without liability for damages due to high or low pressure or stoppage of flow. Applicant will enter into all applicable customary and standard agreements for provision of water service and/or sewer service, including, without limitation, RWU's standard Customer Service Agreement, (as may be modified for Applicant's particular Development) in accordance with all applicable Ordinances of the City of Rogers, the rules, regulations, procedures, and specifications of the Commission and the Rogers Water Utilities, and any other applicable law, as they now exist or as they may be hereafter amended.

22. **Compliance**. Applicant acknowledges that providing water service from the facilities, or connections thereto, will not be commenced by RWU prior to Applicant fulfilling all its obligations in strict accordance with the terms of this Contract including the payment of all

amounts due to RWU. Applicant will pay all applicable, customary, and standard deposits, service charges and fees, rates, meter connection charges, tapping fees, impact fees, access fees, sales taxes, fees for Federal Safe Drinking Water Act compliance, and any other applicable charges and fees in accordance with all applicable Ordinances of the City of Rogers, the rules, regulations, procedures, and specifications of the Commission and the Rogers Water Utilities, and any other applicable law, as they now exist or as they may be hereafter amended.

Applicant will comply with all applicable Ordinances of the City of Rogers, the rules, regulations, procedures, and specifications of the Commission and the Rogers Water Utilities, and any other applicable law, as they now exist or as they may be hereafter amended, said ordinances, rules, regulations, procedures, specifications, and applicable laws, being incorporated herein and made part of this Contract.

23. **Certification of Construction Cost.** Applicant understands and agrees after construction is completed that it must certify to RWU the total costs of the facilities by completing RWU's standard Cost Certification Form with Acknowledgement and delivering the same to RWU before any water and /or sewer service will be established.

24. **No Joint Venture.** This Contract is made at arm's length between independent contracting parties. Nothing in this Contract shall be deemed to create a joint venture, partnership, tenancy in common, joint tenancy, or any similar relationship between the parties.

25. **Risk of Loss**. Applicant is not a "contractor" of RWU as that term is used in Ark. Code. Ann. §22-9-203. Until the facilities are completed, dedicated, and accepted in accordance with this Contract, all such facilities remain the property of and responsibility of Applicant. Applicant bears the risk of loss for the facilities prior to dedication and acceptance and neither RWU, nor the Commission, nor the City of Rogers shall have any liability for any such loss.

26. **No Assignment of Rights or Delegation of Duties**. Applicant shall not assign its rights under this Contract without the express written permission of RWU. Nor shall Applicant delegate its duties under this Contract without the express written permission of RWU. Any Assignment or Delegation of this Contract made without RWU's consent is void and of no effect. RWU may require information and assurances that any proposed assignee or delegate shall perform Applicant's obligations under this Agreement.

27. **Choice of Law and Venue.** This Contract shall be governed by the laws of the State of Arkansas without regard to its principles of conflict of laws. Venue for any litigation concerning this Contract shall lie exclusively in the state or federal courts embracing Benton County, Arkansas, unless another venue is specified by law.

28. **No Obligation of Indemnity by RWU; Tort Immunity Not Waived.** The parties hereto agree that RWU has no obligation of indemnity of any type (whether contractual, equitable, or otherwise denominated) to Applicant under this Contract. Nothing in the Contract shall operate as, or be construed as, a waiver, limit, modification, nullification, or alteration, of the tort immunity and other rights and immunities granted to RWU, the Rogers Waterworks and Sewer Commission, and the City of Rogers, Arkansas pursuant to Ark. Code. Ann. §21-9-301 and other applicable law.

29. **Notices.** Any notice or communication required or permitted (other than routine communications regarding plan review, progress of construction, etc. which may be sent by electronic mail) to be given shall be in writing and shall be deemed to have been given (i) when received if personally delivered; (ii) when received if sent by certified mail, return receipt requested, postage prepaid; or (iii) when received if sent by express courier (e.g. FedEx), if receipt is confirmed by the delivery agent, at the following addresses (or such other address as may be designated).

If given to RWU, notice shall be sent to:

Utility Engineer
Rogers Water Utilities
601 South 2nd Street
Rogers, AR 72756

with copies to:

Superintendent
Rogers Water Utilities
601 South 2nd Street
Rogers, AR 72756.

If given to Applicant, notice shall be sent to:

GBS Development, Inc.
416 Mt Hebron Rd
Lowell, AR 72745

[Provide Applicant's Address for Sending Notices]

30. **Waiver.** Failure of either party hereto to exercise any options herein contained upon breach by the other-shall not constitute a waiver of that party's right to exercise such options upon future breach.

31. **Complete Agreement**. All prior negotiations are merged into this Contract, the written addenda hereto, other written contracts signed by Applicant concerning the subject Development and all written addenda thereto; said written documents shall constitute the entire agreement between Applicant, on the one hand, and RWU on the other hand. This Agreement shall not be hereafter amended or modified unless reduced to writing and signed by the parties hereto.

32. **Severability**. If any phrase, clause, sentence or paragraph of this Contract shall be declared invalid by the judgment or decree of a court of competent jurisdiction such invalidity shall not affect any of the remaining sentences, paragraphs or clauses of this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract by their respective authorized representatives.

ROGERS WATER UTILITIES OF THE CITY OF ROGERS, ARKANSAS

By: ______________________

Brian Sartain, Utility Engineer ______________ date

GBS Development, Inc. ("Applicant")

By: [signature] 11/11/22 date

Attachments:

Exhibit 1 – Certificate of Good Standing from Arkansas Secretary of State	☑ Attached	☐ N/A
Exhibit 2 – Authorized Signatory - Certificate of Authority	☑ Attached	☐ N/A
Exhibit 3 – Special Conditions	☑ Attached	☐ N/A

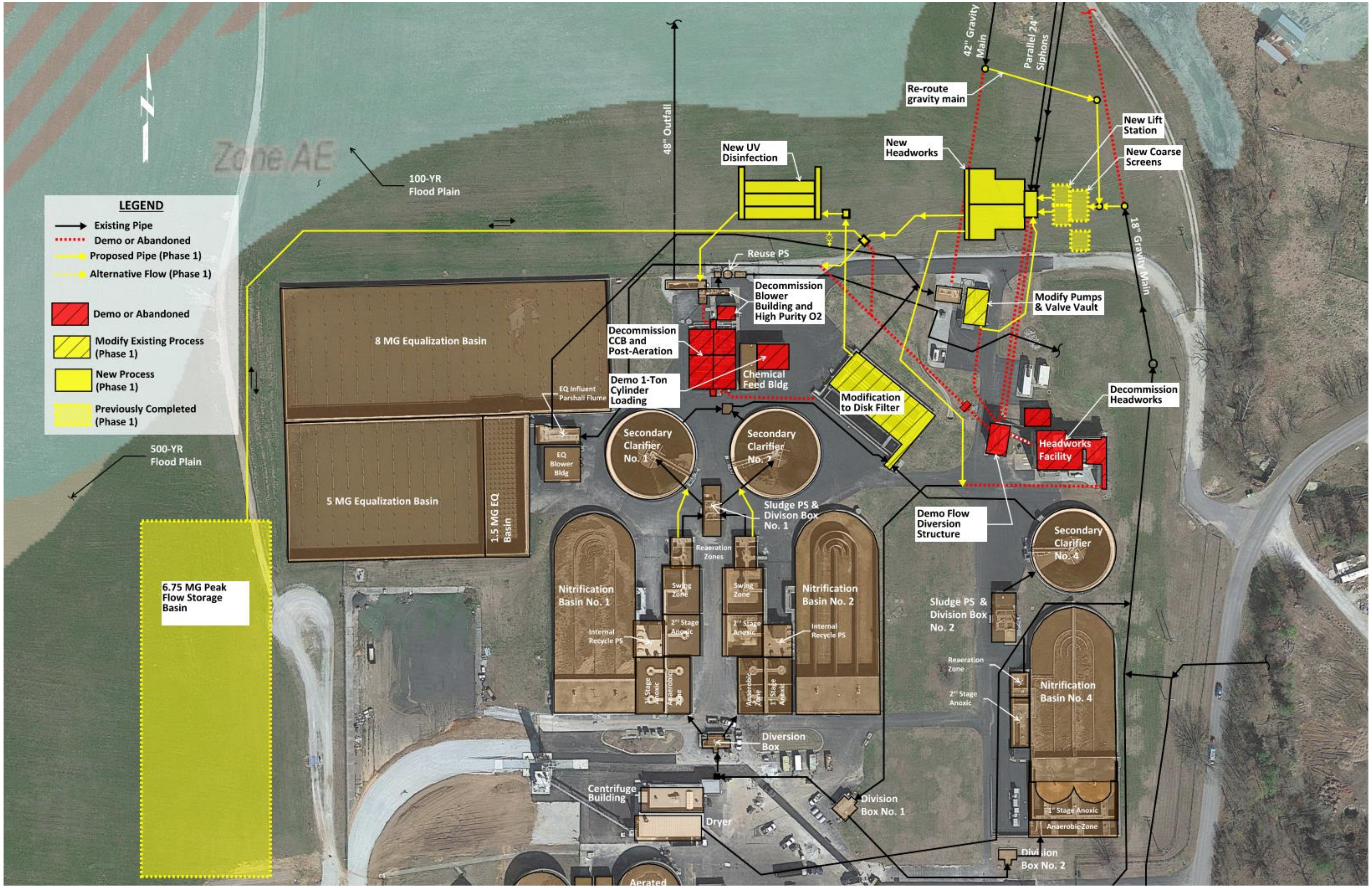


Figure 6-3: Phase 1B Site Layout

6.2.5 Summary of Expansion Plan

Table 6-2 summarizes the major improvements associated with the proposed expansion plan through 2045.

Table 6-2: Expansion Plan

Parameter	Current	Phase 1A *2024*	Phase 1B *2027*	Phase 2 2035	Planning Horizon 2045
Flow Projections					
AADF, MGD	9.8	11.0	11.8	13.6	15.5
PHF to Influent Lift Station, MGD (1)	48.3	42.8	47.1	56.2	65.5
PHF to Headworks, MGD	60.3	54.8	59.1	68.2	77.5
PHF to Secondary Treatment, MGD (2)	41.7	38.4	41.4	47.7	54.3
Coarse Screens					
No. of New 25 MGD Screens		2	2	3	3
New Screen PHF Capacity, MGD		50.0	50.0	75.0	75.0
PHF Capacity Surplus (Deficit), MGD		7.2	2.9	18.8	9.5
Influent Lift Station					
Existing PHF Firm Capacity, MGD	26.9				
Add Pump Nos 1 and 2 at Existing ILS	2.3				
No. of New 8 MGD Pumps		8	8	10	10
New ILS PHF Firm Capacity, MGD		56.0	56.0	72.0	72.0
PHF Capacity Surplus (Deficit), MGD	(19.1)	13.2	8.9	15.8	6.5
Fine Screens					
Existing PHF Firm Capacity, MGD	24	24			
No. of New 20 MGD Screen			5	5	5
New Screen PHF Firm Capacity, MGD (3)			80.0	80.0	80.0
PHF Capacity Surplus (Deficit), MGD	(36.3)	(30.8)	20.9	11.8	2.5
Grit Removal					
Existing PHF Capacity, MGD	48	48			
No. of New 20 MGD Headcell Units			4	4	4
New Grit System PHF Capacity, MGD			80.0	80.0	80.0
PHF Capacity Surplus (Deficit), MGD	(12.3)	(6.8)	20.9	11.8	2.5
Peak Flow Storage					
Existing PHF Capacity, MGD	22	22	22	22	22
No. of New 6.5 MG Peak Flow Basins		1	1	2	2
New Storage PHF Capacity, MGD		10.8	10.8	21.7	21.7
Max Flow to Peak Flow Storage, MGD	18.6	16.4	17.7	20.5	23.3
PHF Capacity Surplus (Deficit), MGD	3.4	16.4	15.1	23.2	20.4

Table 6-2: Expansion Plan (Cont.)

Parameter	Current	Phase 1A *2024*	Phase 1B *2027*	Phase 2 2035	Planning Horizon 2045
Secondary Treatment					
AADF/PHF for Secondary Treatment	4.25	3.5	3.5	3.5	3.5
Assumed SVI, mL/g	180	120	120	120	120
Existing AADF Capacity, MGD	12.6	16.0	16.0	16.0	16.0
AADF Capacity Surplus (Deficit), MGD	2.8	5.0	4.2	2.4	0.5
Filters					
Existing PHF Firm Capacity, MGD	24	24			
No. of New 3.2 MGD Filters			14	21	21
New Filter PHF Firm Capacity, MGD			41.6	64.0	64.0
PHF Capacity Surplus (Deficit), MGD	(17.7)	(14.4)	0.2	16.3	9.8
UV Disinfection					
Existing PHF Capacity (CCB + Post-Aer), MGD	22.9	22.9			
No. of New 20 MGD Inclined UV Units			3	3	3
New UV PHF Capacity, MGD			60.0	60.0	60.0
PHF Capacity Surplus (Deficit), MGD	(18.7)	(15.4)	18.6	12.3	5.8
Effluent Parshall Flume					
Existing PHF Capacity, MGD	55	55	55	55	55
PHF Capacity Surplus (Deficit), MGD	13.4	16.6	13.6	7.3	0.8

7.0 PROJECTS COSTS

7.1 COSTING METHODOLOGY

Construction cost opinions were developed corresponding to the American Association of Cost Engineers (AACE) Class 5 costs, typical of master planning and screening feasibility projects. Based on AACE guidelines and experience on similar projects, the true construction cost for the proposed design concept can be expected to fall within -30% to +50% of the Class 5 cost opinion. The project team added the Class 5 construction cost opinions to engineering and surveying costs (4% preliminary design, 10% final design, and 6% bid/construction phase services) to determine the total project costs. The estimated project costs are presented in 2021 dollars and should be escalated appropriately based on actual project timing. The costs do not account for general legal and financing costs associated with loan closing. Additionally, it was assumed that the projects would be conventional design-bid-build.

7.2 PROJECT COSTS

Table 7-1 summarizes the near-term recommendations for the RPCF. Completion of the studies described in items 1 through 4 will allow RWU to refine the necessary improvements for the RPCF. Items 5 through 7 are short-term improvements that will allow the RPCF to perform more effectively before Phase 1 Improvements are constructed. **Table 7-2** summarizes the major components necessary for the RPCF.

Table 7-1: Cost Estimates for Near-Term Recommendations

Item	Project Description	Type of Project	Planning Level Cost Assumption
1	Influent Flow Meter Engineering: Flow meter evaluation and design Construction	 Study/Design Construction	 $50,000 $200,000
2	Detailed Structural Assessment	Study	$100,000
3	Detailed Electrical Assessment	Study	$500,000
4	Scum, Septage and FOG study	Study	$125,000
5	Influent Lift Station – Add two 35-HP Pumps	Maintenance (by RWU)	$150,000
6	Headworks Building – Relocated Level Sensors	Maintenance (by RWU)	$10,000
7	Sludge PS No. 1 – Replace RAS Pumps Engineering: Final Pump Selection, Final Design, Bid and Construction Phase Services Construction	 Design Construction	 $150,000 $950,000

Table 7-2: Project Cost Estimates for Phase 1 and 2 Improvements

Item	Process Area	Phase 1A	Phase 1B	Phase 2
1	Coarse Screens	$7.18M		$2.05M
2	Influent Lift Station	$9.26M		$1.92M
3	Headworks		$21.76M	$2.96M
4	Peak Flow Storage	$7.77M		$7.77M
5	Activated Sludge Process	$1.05M		
6	Secondary Clarifiers			
7	Tertiary Filters		$9.41M	$4.70M
8	UV Disinfection		$4.98M	
9	Sitework/Civil	$1.21M	$1.81M	$0.97M
10	Yard Piping	$4.84M	$7.23M	$3.88M
11	Electrical, Instrumentation and SCADA	$4.84M	$7.23M	$3.88M
	Total Construction Costs (2022 Dollars)	**$36.62M**	**$52.41M**	**$28.13M**
	Engineering, Permitting, and Legal	$6.59M	$9.43M	$5.06M
	Total Project Cost (2022 Dollars)	**$43.21M**	**$61.85M**	**$33.20M**

PROFESSIONAL SERVICES AGREEMENT

This Agreement is entered into by Rogers Water Utilities, hereinafter called "Client" and Freese and Nichols, Inc., hereinafter called "FNI." In consideration of the Agreements herein, the parties agree as follows:

I. **EMPLOYMENT OF FNI:** In accordance with the terms of this Agreement, Client agrees to employ and compensate FNI to perform professional services in connection with the Project. The Project is described as the Rogers Pollution Control Facility (RPCF) Capacity Improvement Project.

II. **SCOPE OF SERVICES:** FNI shall render professional services in connection with Project as set forth in Attachment SC – Scope of Services and Responsibilities of Client which is attached to and made a part of this Agreement.

III. **COMPENSATION:** Client agrees to pay FNI for all professional services rendered under this Agreement. FNI shall perform professional services under this Agreement for a not to exceed fee of $718,301 for Basic Services and $90,000 for Special Services. The total not to exceed fee for Basic and Special professional services defined in Attachment SC is $808,301.00.

If FNI's services are delayed or suspended by Client, or if FNI's services are extended for more than 60 days through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation to reflect reasonable costs incurred by FNI in connection with such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.

IV. **TERMS AND CONDITIONS OF AGREEMENT:** The Terms and Conditions of Agreement as set forth as Attachment TC – Terms and Conditions of Agreement shall govern the relationship between the Client and FNI.

Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Client and FNI, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Client and FNI and not for the benefit of any other party.

This Agreement constitutes the entire Agreement between Client and FNI and supersedes all prior written or oral understandings.

This contract is executed in two counterparts. IN TESTIMONY HEREOF, Agreement executed:

Freese and Nichols, Inc.

By:______________________________

____
Print Name and Title

Date: __________________________

ATTEST: __________________________

Rogers Water Utilities

By: ______________________________

____
Print Name and Title

Date: __________________________

ATTEST: __________________________

SCOPE OF SERVICES AND RESPONSIBILITIES OF CLIENT

PROJECT UNDERSTANDING

Rogers Water Utilities (RWU) is facing the challenge of addressing aging wastewater system infrastructure while dealing with significant growth in the service area. Freese and Nichols (FNI) recently completed the Rogers Pollution Control Facility (RPCF) and collection system master plans for the respective assets. Prior to implementing the recommendations and improvements identified for the RPCF, RWU will conduct a two-phase strategy to refine and implement improvements at the RPCF. Phase 1 will consist of additional data collection, various analyses and evaluations, a conceptual design (15% design) consistent with an updated phasing plan, and opinions of probable cost (OPCs). The following tasks will be conducted in Phase 1:

- Data Collection and Metering Plan
- Structural Assessments
- Topographic Survey
- Hydraulic Modeling and Hydraulic Restriction Mitigation Plan
- Conceptual Design of Proposed RPCF Improvements
- Supporting the Electrical Capacity Evaluation performed by others

Phase 2 will consist of detailed design and construction plan development, as informed by the conceptual design, and is not included in project scope but can be added via future amendment.

ARTICLE I

BASIC SERVICES: After authorization from RWU, FNI shall proceed with the Basic Services as described below in connection with the development of the Project:

PROJECT MANAGEMENT & QUALITY MANAGEMENT

FNI will perform the following for the execution of the project. Effort for these services is applied to the subsequent Basic Services Tasks A through F.

1. Execute general administrative duties associated including progress monitoring, scheduling, general correspondence, contract administration and invoicing for the scope items identified below. These duties include maintaining routine contact with RWU to help meet the needs of the Client in a timely manner and executing the work in accordance with the work plan, budget, and schedule.
2. Meet with the Utility for a project kickoff meeting to confirm project objectives, schedule, and deliverables and review relevant technical and contract elements. Progress meetings will be held as described in the scope.
3. Develop and maintain a Quality Control (QC) and Quality Assurance (QA) plan.
4. Plan, schedule, and facilitate monthly project meetings with RWU. Provide draft meeting minutes for review and final meeting minutes for the project file.
5. Maintain a master action items and decisions log for the project file.

A. DATA COLLECTION AND METERING PLAN

The collection system model was calibrated during the master planning phase, but validation metering was not performed at the RPCF. The wet weather flow peaking factor used to determine hydraulic capacities for future improvements will need to be validated. Data collection and flow metering at the RPCF, and possibly offsite locations, will help to determine the appropriate peaking factor for the facility.

FNI will perform the following:

1. Conduct up to three (3) site visits to the RPCF and/or collection system locations
2. Review record data, drawings, and gather RPCF operator feedback on existing and proposed flow metering locations and methods
3. Develop a draft Data Collection and Metering Plan Memorandum for review by RWU
4. Hold a review meeting to discuss the plan and recommendations included in the draft Data Collection and Metering Plan. This meeting will include both in-person and virtual attendees.
5. Incorporate internal and external review comments and make updates to the plan prior to final submittal
6. Submit PDF and hard-copy deliverables of the final Data Collection and Metering Plan

Engineering services for metering plan implementation are shown in Special Services.

Deliverables and Meeting Summary:

Deliverable	Digital	Hard Copies
• Draft Collection and Metering Plan Memorandum	Yes	2
• Final Data Collection and Metering Plan	Yes	2

Meetings

- Draft Memorandum Review Meeting

B. STRUCTURAL ASSESSMENT

To refine the recommendations for improvements at the RPCF, a visual structural assessment will be completed.

FNI will perform the following:

1. Complete up to two (2) site visits by a Structural Engineer to the RPCF and old plant site for the structural assessment
2. Review record data, drawings, and gather RPCF operator feedback on observations of structural integrity for the facility assets
3. Complete a structural assessment of the following:
   a. Headworks Building
   b. 5-million-gallon Equalization Basin
   c. Flow Diversion Structure (upstream of Headworks)
   d. Activated Sludge Influent Division / Diversion Boxes
   e. Clarifier No. 4
   f. Siphon Box at the old plant site
   g. One (1) additional structure
4. Develop a draft Structural Assessment memorandum for review by RWU
5. Hold one (1) review meeting to discuss the assessment and recommendations included in the draft Structural Assessment memorandum. This meeting will include both in-person and

virtual attendees.

6. Incorporate internal and external review comments and make updates to the memorandum prior to final submittal
7. Submit PDF and hard-copy deliverables of the final Structural Assessment memo

Deliverable and Meeting Summary:

Deliverable	Digital	Hard Copies
• Draft Structural Assessment and Survey Memorandum	Yes	2
• Final Structural Assessment and Survey Memorandum	Yes	2

Meetings

- Draft Memorandum Review Meeting

C. SURVEY

A survey of the facility will be completed to provide survey data for the entire site including the north side of the property.

FNI will perform the following:

1. The survey will include an aerial, drone-based topographic survey with 2D and 3D planimetric mapping and ground resolution digital orthophotography
2. Provide a request for information (RFI), drawings, and support for SUE to be performed by others. SUE, utility locates, and field work for potholing will be performed by others.
3. The survey will provide boundary line locations for all visible structures and utilities and up to 100 spot locations and elevations for utilities uncovered through subsurface utility exploration (SUE)
4. The survey will also include critical elevations of water control structures to help refine the RPCF's hydraulic model

Deliverable Summary:

Deliverable	Digital	Hard Copies
• Survey Files	Yes	No

D. HYDRAULIC MODELING AND HYDRAULIC RESTRICTION MITIGATION PLAN

The RPCF hydraulic model will be updated to reflect new elevations and hydraulic controls from **Task D** and the flow metering data resulting from the implementation of the metering plan. The model will be used to identify potential hydraulic restrictions at the facility.

FNI will perform the following:

1. Compile and evaluate the resulting flow data from the implementation of the metering plan to compare the new meter data with the existing meter data, and calculate a wet weather

peaking factor to be used for the RPCF improvements.

2. Update the hydraulic model of the RPCF using the Visual Hydraulics software. The updates will be based on new survey data, metering data, and peaking factor
3. Identify "bottlenecks" or areas with possible restrictions where capacity is limited due to hydraulics
4. Develop a draft Hydraulic Modeling and Hydraulic Restriction Mitigation Plan memorandum for review by RWU and submit PDF and hard-copies
5. Hold one (1) review meeting to discuss the plan and recommendations included in the draft Hydraulic Modeling and Hydraulic Restriction Mitigation Plan memorandum. This meeting will include both in-person and virtual attendees.
6. Incorporate internal and external review comments and make updates to the plan prior to final submittal
7. Submit PDF and hard-copy deliverables of the final Hydraulic Modeling and Hydraulic Restriction Mitigation Plan

Deliverables Summary:

Deliverable	Digital	Hard Copies
• Draft Hydraulic Modeling and Hydraulic Restriction Mitigation Plan Memorandum	Yes	2
• Final Hydraulic Modeling and Hydraulic Restriction Mitigation Plan	Yes	2

E. CONCEPTUAL DESIGN OF PROPOSED RPCF IMPROVEMENTS

The culmination of the work completed in the previous tasks will be a conceptual design of the proposed RPCF improvements. The conceptual design will include process and hydraulic calculations, a conceptual site plan, hydraulic profile, refined phasing plan, suggested construction sequence narrative identifying critical operations, and an updated OPC.

The Conceptual Design will include components of the RPCF Master Plan such as coarse screens, influent lift station, headworks, peak flow storage, tertiary filtration, and disinfection systems.

FNI will perform the following:

1. Assimilate outcomes of previous tasks and identify alternatives for evaluation by RWU.
2. Facilitate up to three workshops for alternatives analysis and developing the design basis for the conceptual RPCF improvements. These may focus on technology transfer for process improvements, updates to the original facility plan, phasing and sequencing, or other aspects of this task.
3. Develop a Conceptual Design Report including:
    a. Process and equipment selection evaluations including selection criteria and a review of alternatives
    b. Design calculations for process improvements based on updated hydraulics, flow rates, and peaking factor
    c. Revised phasing plan for improvements
    d. Conceptual site plan
    e. Process flow diagram and hydraulic profile
    f. Up to ten (10) sheets of conceptual drawings, not including the conceptual site plan and

hydraulic profile
   g. Suggested construction sequencing narrative identifying critical operations, shutdowns, and durations
   h. Updated OPCs
4. Provide a draft Conceptual Design Report to RWU for review
5. Hold a workshop to discuss the draft Conceptual Design Report. The workshop will be held in-person.
6. Incorporate internal and RWU feedback into the report.
7. Deliver PDF and hard-copy submittals of the final Conceptual Design Report for the RPCF Improvements.

Deliverable Summary:

Deliverable	Digital	Hard Copies
• Draft Conceptual Design Report	Yes	2
• Final Conceptual Design Report	Yes	2

F. SUPPORTING THE ELECTRICAL CAPACITY EVALUATION PERFORMED BY OTHERS

Through another contract and organization, RWU will complete an electrical capacity evaluation of the RPCF. FNI will support the evaluation by providing pertinent process and electrical load information to RWU and their contractor.

FNI will:

1. Support the electrical capacity evaluation by providing pertinent process and electrical load information to RWU and their contractor
2. Attend up to two (2) virtual coordination meetings
3. Review and provide feedback on the deliverable developed and submitted by others

ARTICLE II

SPECIAL SERVICES: FNI shall render the following professional services, if authorized by the Client, that are not included in the Basic Services described above, in connection with the development of the Project:

A. METERING PLAN IMPLEMENTATION

Upon completion of **Basic Services Task A** (Data Collection and Metering Plan), FNI will coordinate with RWU to develop an engineering scope for support of the metering plan implementation. The work may involve development of design drawings and specifications, coordination with flow meter manufacturers, bid phase services, submittal reviews, coordination meetings, and startup services including troubleshooting. The budget for this service shall not exceed $45,000.

B. FUNDING

Upon request, FNI shall meet with RWU to discuss the project and identify elements that make it attractive for grant or subsidized funding. FNI shall develop a funding strategy which includes potential funding sources such as funding through the Infrastructure Investment and Jobs Act (IIJA) funding, US Department of Commerce grants, CWSRF Loans, WIFIA Loans, and FEMA grants, and prepare a strategy document documenting funding sources, requirements, and timelines. Upon review of the summary memo, FNI shall meet with RWU staff to present the options and discuss details of the program requirements. FNI shall assist RWU with the submittal of applications and other funding documents as agreed upon from the funding strategy. Assistance may include the preparation of project narratives and responses to specific grant/funding application questions. Preparation of up to three (3) individual applications shall be included.

ARTICLE III

ADDITIONAL SERVICES: Any services performed by FNI that are not included in the Basic Services or Special Services described above are Additional Services. Additional Services to be performed by FNI, if authorized by Client, are described as follows:

1. Design, bid, and/or construction phase services associated with the rehabilitation of the siphon box or new odor control system for the siphon box.

2. Field layouts or the furnishing of construction line and grade surveys.

3. GIS mapping services or assistance with these services.

4. Providing renderings, model, and mock-ups requested by the Client.

5. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by Client.

6. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications.

7. Providing shop, mill, field or laboratory inspection of materials and equipment. Observe factory tests of equipment at any site remote to the project or observing tests required as a result of equipment failing the initial test.

8. Conducting pilot plant studies or tests.

9. Preparing Operation and Maintenance Manuals or conducting operator training.

10. Preparing data and reports for assistance to Client in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.

11. Furnishing Special Inspections required under chapter 17 of the International Building Code. These Special Inspections are often continuous, requiring an inspector dedicated to inspection of the individual work item, and they are in additional to General Representation and Resident Representation services noted elsewhere in the contract. These continuous inspection services can be provided by FNI as an Additional Service.

12. Assisting Client in preparing for, or appearing at litigation, mediation, arbitration, dispute review boards, or other legal and/or administrative proceedings in the defense or prosecution of claims disputes with Contractor(s).

13. Assisting Client in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this Agreement. Such services, if any, shall be furnished by FNI on a fee basis negotiated by the respective parties outside of and in addition to this Agreement.

14. Providing environmental support services including the design and implementation of ecological baseline studies, environmental monitoring, impact assessment and analyses, permitting assistance, and other assistance required to address environmental issues.

15. Design, contract modifications, studies or analysis required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this agreement.

16. Services required to resolve bid protests or to rebid the projects for any reason.

17. Visits to the site in excess of the number of trips included in Article I for periodic site visits, coordination meetings, or contract completion activities.

18. Providing services after the completion of the construction phase not specifically listed in Article I.

19. Providing basic or additional services on an accelerated time schedule. The scope of this service include cost for overtime wages of employees and consultants, inefficiencies in work sequence and plotting or reproduction costs directly attributable to an accelerated time schedule directed by the Client.

20. Providing services made necessary because of unforeseen, concealed, or differing site conditions or due to the presence of hazardous substances in any form.

21. Preparing statements for invoicing or other documentation for billing other than for the standard invoice for services attached to this professional services agreement.

22. Provide Geotechnical investigations, studies and reports.

<u>ARTICLE IV</u>

TIME OF COMPLETION AND SCHEDULE: FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in 16 months.

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Client or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation as outlined on the face of this Agreement and in Attachment CO.

Milestone	**Expected Date / Completion**
Project Kickoff Meeting	December 2022
Submit Data Collection and Metering Plan	March 2023

Submit Structural Assessment	March 2023
Submit Hydraulic Modeling and Hydraulic Restriction Mitigation Plan	September 2023
Submit Draft Conceptual Design Report	January 2024
Submit Final Conceptual Design Report	March 2024

ARTICLE V

RESPONSIBILITIES OF CLIENT: Client shall perform the following in a timely manner so as not to delay the services of FNI:

A. Designate in writing a person to act as Client's representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret and define Client's policies and decisions with respect to FNI's services for the Project.

B. Provide all criteria and full information as to Client's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Client will require to be included in the drawings and specifications.

C. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.

D. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this Agreement.

E. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as Client deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay, or cause rework in, the services of FNI. The Schedule defined in Article IV is based on two weeks of review for the Client.

F. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

G. Client shall make or arrange to have made all subsurface investigations, including but not limited to borings, test pits, soil resistivity surveys, and other subsurface explorations. Client shall also make or arrange to have made the interpretations of data and reports resulting from such investigations. All costs associated with such investigations shall be paid by Client.

H. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as Client may require or FNI may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as Client may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract, and such inspection services as Client may require to ascertain that Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

I. Give prompt written notice to FNI whenever Client observes or otherwise becomes aware of any development that affects the scope or timing of FNI's services.

J. Furnish, or direct FNI to provide, Additional Services as stipulated in Attachment SC, Article III of this Agreement or other services as required.

K. Bear all costs incidental to compliance with the requirements of this Article V.

ARTICLE VI

COMPENSATION: Client agrees to pay FNI for all professional services rendered under this Agreement. FNI shall perform professional services under this Agreement for a not to exceed fee of $718,301 for Basic Services and $90,000 for Special Services.

Basic Services Task	Budget
A. Data Collection and Metering Plan	$37,592
B. Structural Assessment	$58,516
C. Survey	$142,953
D. Hydraulic Modeling and Plan	$30,726
E. Conceptual Design	$417,886
F. Support for Electrical Capacity Evaluation	$30,628
Special Services Tasks	
A. Metering Plan Implementation	$45,000
B. Funding	$45,000
Not To Exceed Total	**$808,301**

ARTICLE VII

DESIGNATED REPRESENTATIVES: FNI and Client designate the following representatives:

Client's Designated Representative – Brian Sartain, PE, (479.936.5426, BrianSartain@rwu.org)

Client's Accounting Representative – Jennifer Lattin, (479.936.5405, Jennifer.Lattin@rogersar.gov)

FNI's Designated Representative – Jason Cocklin, PE, BCEE (479.434.1191, Jason.Cocklin@freese.com)

FNI's Accounting Representative – Erin Westbrook, (817.735.7395, Erin.Westbrook@freese.com)

Staff recommends approval of the professional services agreement with Freese and Nichols, Inc. for the RPCF Capacity Improvement Project in the amount of $808,301. Staff further requests authorization to negotiate the final form and content of this agreement.

Rogers Water Utilities	Project Fee Summary		
Pollution Control Facility Capacity Improvements	Basic Services	$	718,301
10/28/2022	Special Services	$	90,000
Detailed Effort Breakdown	Total Project	$	808,301

		Tasks			Labor																									
Phase	Task	Activity	Basic or Special	Task Description	Alan Hutson	Clay Herndon	Jason Cocklin	Nick Landes	Chase Kurtz	Cullen Carlson	Andrea Meier	Brad Watson	Fabian Salas	Steve Butler	Matthew Marzett	Stephanie Kirchstein	Gennady Boksiner	Michael Robertson	David Jackson	Richard Provolt	Joel Kokemor	Lisa Boggs	Kevin Johnson	David Darley	John Manning	Matthew Snyder	Mitchell Burnaugh	Van Cashen		Total Hours
					DM	GM	PM	Treatment Lead	Project Engineer	Planning PE	Planning EIT	Structural PE	Structural EIT	BIM / REVIT	CAD	OA	SA/QC	QC	QC	Constructability	Estimating	Contracts	QA	Elec Engineer	Senior Elec / QC	QC	Mech/Plumb	Mech/Plumb QC		
			Basic	**Project Management**																										
			Basic	Internal kickoff meeting	1	1	1	1	1	1	1	1	1				1													10
			Basic	External kickoff meeting	1	1	2	8	2	1	1	1	1				1													19
			Basic	Periodic internal meetings	4	8	16	16	16	8	8	4	4	8	8		4			2	2									108
			Basic	Periodic client meetings (monthly for 18 months)	6	9	36	60	36	12	9	4	4				4													180
			Basic	External stakeholder meetings	4		4	4		4																				16
			Basic	Maintain and monitor scope / schedule / budget			9		9																					18
			Basic	One Page Reports / Periodic client communications			9	9	9																					27
			Basic	Corporate Support (Scheduler)																										
			Basic	Corporate Support (Operations Analyst, Accounting Specialist, Contract Administrator)												8						2								10
			Basic	Project hours charged to OFFXX050	4	4	16	16																						40
			Basic	Project Closeout	2	2	2																							6
			Basic	**Quality Management**																										
		Quality Control	Basic	Develop quality management plan			2																							2
		SA / QA	Basic	Senior Advisor													40													40
		Quality Control	Basic	Quality Control reviews (effort noted below)	8	8																								16
		SA / QA	Basic	Quality Assurance reviews			8																6							14
		Quality Control	Basic	Constructability reviews																8										8
			Basic	**Data Collection and Metering Plan**																										
			Basic	Three Site Visits			12	8	16	8																				44
			Basic	Review available data, drawings, operator feedback			4	4	6	2	2																			18
			Basic	Draft Data Collection & Metering Plan Memo			4	6	8	2	2																			22
		Quality Control	Basic	Memo QC													4		4											8
			Basic	Review meeting with RWU (in-person and virtual)			3	2	4	2	2																			13
			Basic	Final Data Collection & Metering Plan Memo			2	4	4	2	2																			14
			Basic	**Structural Assessment**																										
			Basic	Two Site Visits (RPCF and Old Plant Site)			8					20	20																	48
			Basic	Review of Record Data and Drawings					2			4	8																	14
			Basic	Structural Assessment of 7 Structures								6	12																	18
			Basic	Draft Memo								8	40																	48
		Quality Control	Basic	Memo QC			2					2	2					4												10
			Basic	Review meeting with RWU (in-person and virtual)			2					8	8																	18
			Basic	Final Memo			2					4	16																	22
			Basic	**Survey**																										
			Basic	Survey Sub																										
			Basic	FNI Coordination with Surveyor			4	4	4						4															16
			Basic	RFI and SUE Identification & Figures			4	4	4						8															20
			Basic	Survey Processing & Modeling (FNI)										120	40															160
			Basic	**Hydraulic Modeling and Plan**																										
			Basic	Data analyses from flow metering			2	2	4	2	4																			14
			Basic	Update hydraulic model from HydroPro to Visual Hydraulics				12	24																					36
			Basic	Identify bottlenecks and restrictions			2	2	2								2													8
			Basic	Develop strategies for bottlenecks			2	2	2								2													8
			Basic	Draft Memo			4	4	8																					16
		Quality Control	Basic	Memo QC & Visual Hydraulics QC	2	2	2										4		4							4				18
			Basic	Review meeting with RWU (in-person and virtual)			2	2	3																					7
			Basic	Final Memo			2	2	4																					8
			Basic	**Conceptual Design**																										
			Basic	Alternatives identification and plan			40	24	32															16			40			152
			Basic	Three workshops (alternatives, tech transfer, phasing)	8	16	24	36	24								16		8								8			140
			Basic	Design calculations			32	40	60				40											24			24			220
			Basic	Revised phasing plan			32	24	24															8						88
			Basic	Conceptual site plan			8	8	8						20									16			16			76
			Basic	Conceptual drawings (up to 10 sheets)			40	40	60				40		240												32			452
			Basic	Process flow diagram			4	2	4						20															30
			Basic	hydraulic profile			4	4	8						20															36
			Basic	Construction sequencing narrative			8	4	4								4			4										24
			Basic	OPCC			4	4	8												24			8						48
			Basic	Draft Conceptual Design Report			16	40	80						8												12			156
		Quality Control	Basic	Report QC	4	4	4										12		12	4								6		46
			Basic	Workshop (in-person)	10		4	12	12								12													50
			Basic	Final Conceptual Design Report			8	16	32																		8			64
			Basic	**Support the Electrical Capacity Evaluation**																										
			Basic	Estimate electrical loads for plant processes and improvements			2	2	6															80	16					106
			Basic	2 meetings with CMAR / RWU (virtual)			4	4	4															4	4					20
			Basic	Review deliverable provided by others			1	2																2	2					7
			Special	**Metering Plan Implementation**																										
			Special	Develop implementation plan, design, specs, etc. for the metering plan NTE $45,000																										
			Special	**Funding**																										
			Special	Funding support NTE $45,000																										
				Total Hours / Quantity	**54**	**55**	**403**	**434**	**534**	**44**	**31**	**62**	**196**	**128**	**368**	**8**	**106**	**4**	**28**	**18**	**26**	**2**	**6**	**158**	**22**	**4**	**140**	**6**	**-**	**2,837**
				Total Effort																										

COMPENSATION

Compensation to FNI for Basic Services in Attachment SC shall be computed on the basis of the following Schedule of Charges, but shall not exceed Seven Hundred Eighteen Thousand Three Hundred One Dollars ($718,301).

Compensation to FNI for Special Services in Attachment SC shall be computed on the basis of the following Schedule of Charges, but shall not exceed Ninety Thousand Dollars ($90,000).

If FNI sees the Scope of Services changing so that Additional Services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER's approval before proceeding. Additional Services shall be computed based on the following Schedule of Charges.

	Hourly Rate	
Position	**Min**	**Max**
Professional 1	81	143
Professional 2	106	166
Professional 3	102	232
Professional 4	160	242
Professional 5	190	340
Professional 6	206	402
Construction Manager 1	101	131
Construction Manager 2	88	167
Construction Manager 3	128	158
Construction Manager 4	151	206
Construction Manager 5	186	259
Construction Manager 6	229	292
Construction Representative 1	82	84
Construction Representative 2	84	92
Construction Representative 3	97	154
Construction Representative 4	111	176
CAD Technician/Designer 1	67	140
CAD Technician/Designer 2	109	162
CAD Technician/Designer 3	142	206
Corporate Project Support 1	55	113
Corporate Project Support 2	73	181
Corporate Project Support 3	115	270
Intern / Coop	48	82

Rates for In-House Services and Equipment

Mileage

Standard IRS Rates

Technology Charge

$8.50 per hour

Bulk Printing and Reproduction

	B&W	Color
Small Format (per copy)	$0.10	$0.25
Large Format (per sq. ft.)		
Bond	$0.25	$0.75
Glossy / Mylar	$0.75	$1.25
Vinyl / Adhesive	$1.50	$2.00
Mounting (per sq. ft.)	$2.00	
Binding (per binding)	$0.25	

Equipment

Valve Crew Vehicle (hour)		$75
Pressure Data Logger (each)		$200
Water Quality Meter (per day)		$100
Microscope (each)		$150
Pressure Recorder (per day)		$100
Ultrasonic Thickness Guage (per day)		$275
Coating Inspection Kit (per day)		$275
Flushing / Cfactor (each)		$500
Backpack Electrofisher (each)		$1,000
	Survey Grade	Standard
Drone (per day)	$200	$100
GPS (per day)	$150	$50

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office. For other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members, these services will be billed at a cost times a multipler of 1.10. For Resident Representative services performed by non-FNI employees and CAD services performed In-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These ranges and/or rates will be adjusted annually in February. Last updated 2022.

340062022

TERMS AND CONDITIONS OF AGREEMENT

1. **DEFINITIONS:** The term Client or "RWU" as used herein refers to the Rogers Water Utilities of the City of Rogers, Arkansas. The term FNI as used herein refers to Freese and Nichols, Inc., its employees and agents; also its subcontractors and their employees and agents. As used herein, "services" refers to the professional services performed by Freese and Nichols pursuant to the Agreement.

2. **CHANGES:** Client, without invalidating the Agreement, may order changes within the general scope of the work required by the Agreement by altering, adding to and/or deducting from the work to be performed. If any change under this clause causes an increase or decrease in FNI's cost of, or the time required for, the performance of any part of the services under the Agreement, an equitable adjustment will be made by mutual agreement and the Agreement modified in writing accordingly.

3. **NO CAUSE TERMINATION:** The obligation to provide services under this Agreement may be terminated by either party upon ten days' written notice. In the event of termination by Client, FNI will be paid for all services rendered and reimbursable expenses incurred to the date of termination and, in addition, all reimbursable expenses directly attributable to termination. In the event of termination by FNI, FNI will pay to Client, Client's reasonable expenses for the cost of procuring this Agreement and Client's reasonable expenses for securing substitute services, including without limitation, time spent by Client's employees at a reasonable hourly rate along with time spent by Client's outside contractors at the regular hourly rate charged by such outside contractors to Client.

4. **CONSEQUENTIAL DAMAGES:** In no event shall FNI or its subcontractors be liable in contract, tort, strict liability, warranty, or otherwise for any special, indirect, incidental or consequential damages, such as loss of product, loss of use of the equipment or system, loss of anticipated profits or revenue, non-operation or increased expense of operation or other equipment or systems.

5. **INFORMATION FURNISHED BY CLIENT:** Client will assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project. FNI shall have no liability for defects or negligence in the services attributable to FNI's reliance upon or use of data, design criteria, drawings, specifications or other information furnished by Client. FNI shall disclose to Client, prior to use thereof, defects or omissions in the data, design criteria, drawings, specifications or other information furnished by Client to FNI that FNI may reasonably discover in its review and inspection thereof.

6. **INSURANCE:** FNI shall provide to Client certificates of insurance which shall contain the following minimum coverage:

Commercial General Liability		**Workers' Compensation**
General Aggregate	$2,000,000	As required by Statute
Automobile Liability (Any Auto)		**Professional Liability**
CSL	$1,000,000	$3,000,000 Annual Aggregate

7. **SUBCONTRACTS:** If, for any reason, at any time during the progress of providing services, Client determines that any subcontractor for FNI is incompetent or undesirable, Client will notify FNI accordingly and FNI shall take immediate steps for cancellation of such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in the Agreement shall create any contractual relation between any subcontractor and Client.

8. **OWNERSHIP OF DOCUMENTS:** All common law, statutory and other reserved rights (including copyright) in the instruments of service (including, without limitation, all drawings, reports data and other project information developed in the execution of the services provided under this Agreement) and the related electronic media, shall be the property of the Client upon payment of FNI's fees for services. FNI may retain copies for record purposes. Client agrees such documents are not intended or represented to be suitable for reuse by Client or others for any project other the one originally intended. Any reuse by Client or by those who obtained said documents from Client without written verification or adaptation by FNI will be at Client's sole risk and without liability or legal exposure to FNI, or to FNI's independent associates or consultants. FNI may reuse all drawings, report data and other project information in the execution of the services provided under this Agreement in FNI's other activities, provided that FNI takes measures to remove any Confidential Information of Client from such drawings, report data, or other project information. Any reuse by FNI will be at FNI's sole risk and without liability or legal exposure to Client,

FNI__________
CLIENT__________

POLLUTANTS AND HAZARDOUS WASTES: It is understood and agreed that FNI has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the site, if any, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposures to such substances or conditions. The parties agree that in performing the services required by this Agreement, FNI does not take possession or control of the subject site, but acts as an invitee in performing the services, and is not therefore responsible for the existence of any pollutant present on or migrating from the site. Further, FNI shall have no responsibility for any pollutant during clean-up, transportation, storage or disposal activities.

9. **OPINION OF PROBABLE COSTS:** FNI will furnish an opinion of probable project development cost based on present day cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs prepared by FNI hereunder will be made on the basis of FNI's experience and qualifications and represent FNI's judgment as an experienced and qualified design professional. It is recognized, however, that FNI does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices.

10. **CONSTRUCTION REPRESENTATION:** If required by the Agreement, FNI will furnish Construction Representation according to the defined scope for these services. FNI will observe the progress and the quality of work to determine in general if the work is proceeding in accordance with the Contract Documents. In performing these services, FNI will endeavor to protect Client against defects and deficiencies in the work of Contractors; FNI will report any observed deficiencies to Client, however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for the supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or the safety precautions and programs incident to the work of the Contractor. FNI shall not be responsible for the acts or omissions of any person (except his own employees or agent) at the Project site or otherwise performing any of the work of the Project. If Client designates a person to serve in the capacity of Resident Project Representative who is not FNI's employee or FNI's agent, the duties, responsibilities and limitations of authority of such Resident Project Representative(s) will be set forth in writing and made a part of this Agreement before the Construction Phase of the Project begins.

11. **PAYMENT:** Progress payments may be requested by FNI based on the amount of services completed. Payment for the services of FNI shall be due and payable upon submission of a statement for services to CLIENT and in acceptance of the services as satisfactory by the CLIENT. Statements for services shall not be submitted more frequently than monthly. Any applicable new taxes imposed upon services, expenses, and charges by any governmental body after the execution of this Agreement will be added to FNI's statements for services.

    If CLIENT fails to make any payment due FNI for services and expenses within thirty (30) days after receipt of FNI's statement for services therefore, the amounts due FNI will be increased at the rate of one percent (1%) per month from said thirtieth (30th) day, and, in addition, FNI may, after giving seven (7) days' written notice to CLIENT, suspend services under this Agreement until FNI has been paid in full, all amounts due for services, expenses and charges.

12. **ARBITRATION:** No arbitration arising out of, or relating to, this Agreement involving one party to this Agreement may include the other party to this Agreement without their approval.

13. **SUCCESSORS AND ASSIGNMENTS:** This Agreement is binding on the parties hereto and on each of the party's successors and assigns. Neither CLIENT nor FNI shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent FNI from employing such independent associates and consultants as FNI may deem appropriate to assist in the performance of services hereunder.

14. **PURCHASE ORDERS:** If a Purchase Order is used to authorize FNI's Services, only the terms, conditions/instructions typed on the face of the Purchase Order shall apply to this Agreement. Should there be any conflict between the Purchase Order and the terms of this Agreement, then this Agreement shall prevail and shall be determinative of the conflict.

16. **TORT IMMUNITY**. Nothing in this Agreement shall operate as, or be construed as, a waiver, limit, modification, nullification, or alteration, of the tort immunity and other rights and immunities granted to RWU, the Rogers Waterworks and Sewer Commission, and the City of Rogers, Arkansas pursuant to Ark. Code. Ann. §21-9-301 and other applicable law.

FNI__________

CLIENT__________

17. **NO JOINT VENTURE**; **NO THIRD-PARTY BENEFICIARIES.** This Agreement is made at arm's length between two independent contracting parties. Nothing in this Agreement shall be deemed to create a joint venture, partnership, tenancy in common, joint tenancy, or any similar relationship between the parties or require either party to engage in further business relationships between the parties. The parties agree that there are no third-party beneficiaries of this Agreement and that no person or entity, other than the parties hereto (and in the case of Owner, the Rogers Waterworks and Sewer Commission and the City of Rogers) shall have standing to enforce the terms of this agreement.

18**.** **COMPLIANCE WITH LAW.** Each of the parties hereto is responsible for securing whatever permits, licenses, permissions, certificates, etc. required for the activities undertaken by that party pursuant to this Agreement. Each of the parties hereto states that it will at all times operate in compliance with all applicable, local, state and federal laws and/or regulations and will not act under this Agreement t to cause the other party to violate any applicable local, state or federal laws and/or regulations. Any provision of law required to be inserted into this Agreement shall be deemed to be incorporated herein. In the event any provision of this Agreement is not in compliance with law, then the parties shall cooperate to replace such noncompliant provision with a provision that complies with the law and that meets or most nearly meets the intent of the parties hereto.

19. **GOVERNING LAW AND VENUE.** This Agreement and all Contract Documents shall be governed by the laws of the State of Arkansas without giving effect to its conflict of law principles. Venue for any action concerning this Agreement shall lie exclusively in the State or Federal Courts embracing Benton County, Arkansas, unless another venue is required by applicable law

20. **CONFIDENTIAL INFORMATION**. FNI will not disclose to any third party or use for any purpose inconsistent with this Agreement any confidential Client information it receives in connection with its performance of the services. FNI will safeguard and keep confidential all information about Client and Client's Customers including, without limitation the personal information of Client's customers, and confidential information relating to security for any public water system or municipally owned utility system including risks and vulnerability assessments, plans and proposals for preventing and mitigating security risks, emergency response and recovery records, security plans and procedures, plans and related information for generation, transmission, and distribution systems, and other information that if disclosed might jeopardize or compromise efforts to secure and protect the public water system or municipally owned utility system. In the event FNI is served with any subpoena, federal, state, or otherwise, that purports to require production of any information concerning Client or Client's customers, prior to producing any records, testifying, or otherwise providing any information in response to the subpoena, FNI, will promptly notify Client by telephone, and will promptly notify Client in writing, by electronic mail, with a copy by U.S. Mail, of the subpoena so that Client may seek court protection of such records.

FNI__________

CLIENT__________