



**ROGERS WATERWORKS AND SEWER COMMISSION MEETING AGENDA  
FEBRUARY 17, 2026  
3:30 PM**

**AGENDA**

**CALL TO ORDER:**

**ACTION ON MINUTES:**

1. Minutes from 2/24/25 RWU Depository and Investment Committee Meeting

**REPORTS:**

1. Administration of the Investment Policy - J. Sigmon

**OLD BUSINESS:**

**NEW BUSINESS:**

1. Modification to RWU Investment Policy - J. Sigmon
2. Designation of RWU Depositories - J. Sigmon

**ADJOURN:**

## **RWU Depository and Investment Committee Meeting**

**February 24, 2025**

### **Minutes**

The Rogers Water Utilities Depository and Investment Committee held a meeting on February 24, 2025, at 601 S. Second Street. Members of the Committee are Water and Sewer Commissioner Travis Greene, City of Rogers Finance Director Casey Wilhelm and Rogers Water Utilities Superintendent Brent Dobler. Committee members in attendance were Casey Wilhelm, Travis Greene and Brent Dobler. Others in attendance were RWU Controller Jered Sigmon and Robert Frazier with the Frazier Law Firm.

Commissioner Greene called the meeting to order at 3:30pm. He called for a motion to approve the minutes from March 18, 2024, RWU Depository and Investment Committee meeting. Casey Wilhelm made a motion to approve minutes from March 18, 2024, seconded by Brent Dobler. All in favor, motion passed.

Commissioner Greene then recognized Jered Sigmon to present the Summary of Funds for both the Water and Sewer departments. Total funds in the Water department at year end 2024 were \$28.8M with a minimum reserve requirement of \$14.4M. Total funds in the Sewer department at year end 2024 were \$ 25.3M with a minimum reserve requirement of \$14.8. Total funds in both Water and Sewer totaled \$54.1M. He went over our CDARS investments as well. The Water department, at year end, held \$14.7M in CDARS and the Sewer department held \$16.1M in CDARS. All but one of these are O&M accounts except for one that is for meter deposit funds. All CDARS currently have one-year terms. The average rate has dropped over the year, with our latest placement earning 4.7%. He also presented RWU's trust accounts and debt service accounts. He then reported on the interest income earned by RWU in 2024. Interest income across the board for the year was \$2.2M, up from \$1.7M earned in 2023.

Jered then stated that there have been no internal recommendations for changes in the Investment and Depository Policy. He then asked if the Committee had any recommendations to which Casey Wilhelm responded they did not.

Jered then went over the proposed minimum reserve changes for both the Water and Sewer departments. Historically, RWU has calculated has included debt service in this calculation. It is a very conservative approach when debt is relatively low. However, now that we have significant capital projects in both the water and sewer departments on the horizon, continuing to keep this debt service requirement in the minimum reserve calculation will result in higher rates. There are other ways to ensure that debt service is adequately covered, such as surety bonds instead of keeping a redundant amount on hand. RWU feels that this puts a high burden on the ratepayers. The new proposal will take this debt service requirement out of the minimum reserve calculation and result in a more efficient use of ratepayer funds when using significant debt to fund the required future large capital projects. Debt service ratios will remain over 2.0 and continue to keep RWU in a strong financial position. Committee member Casey Wilhelm stated that this approach is still a very conservative approach and agreed with the recommendation. Committee Chairman Greene asked for a motion to recommend this modified reserve policy to the Water and Sewer

Commission for approval. Dobler made a motion to recommend the proposed modifications to the investment policy to the Water and Sewer Commission for approval. Wilhelm seconded the motion. All in favor, motion passes.

Jered then presented the last item of business. The Utility currently has a list of approved banking institutions and depositories for Rogers Water Utilities. The current approved banking institution list is made up of Arvest Bank, Bank OZK, BOK Financial, Cadence Bank, Centennial Bank, Chambers Bank, First National Bank of Ft Smith, First National Bank of NWA, First Western Bank, Regions Bank and Simmons Bank. Policy requires that staff confirm each is still eligible to receive funds from RWU and are on the approved state depositories list. Staff confirm that each of the institutions is indeed eligible. Mr. Dobler made a motion to accept the following depositories for RWU: Arvest Bank, Bank OZK, BOK Financial, Cadence Bank, Centennial Bank, Chambers Bank, First National Bank of Ft Smith, First National Bank of NWA, First Western Bank, Regions Bank and Simmons Bank. Casey Wilhelm seconded the motion. All in favor, motion passes.

With no other items of business, Commissioner Greene adjourned the February 24, 2025 Rogers Water Utilities Depository and Investment Committee meeting at 3:57pm.

Respectfully submitted,

Brent Dobler, Acting Secretary

RWUI&DCMM 02242025

**ROGERS WATER UTILITIES**  
**Oversight of Investment Policy**

**Annual Review and Action Items**

Checklist prepared for February 17, 2026

	Policy Paragraph	Depository & Investment Committee			Rogers Water-works and Sewer Commission	Documentation
		Utility Superintendent	City Finance Director	Designated Commissioner		
<u>REPORTS - ADMINISTRATION OF INVESTMENT POLICY</u>						
Quarterly Report of Investment Transactions and Results	3, 5, 10					
Q1 - April		BD				
Q2 - July		BD				
Q3 - October		BD				
Q4 / Annual - February						RWU INVESTMENT POLICY QUARTERLY REPORT 12-31-25.pdf 2025 Interest & Fees summary reported Feb 2026.pdf
Review and Make Internal Control Recommendations	9					
February						NA
<u>NEW BUSINESS - AMENDING RWU INVESTMENT POLICY</u>						
Annual Review of RWU Investment Policy and Minimum Reserves	11					
February						Resolution 26-06 with Exhibits 1 and A.pdf
Approval of Modification to RWU Investment Policy	11					
February						Resolution 26-06 with Exhibits 1 and A.pdf
<u>NEW BUSINESS - DESIGNATING RWU DEPOSITORIES</u>						
Financial Condition of Depositories and Broker/Dealers Reviewed	7					
February						021726 Comm Mtg - Depositories.pdf
Approval of Authorized Depositories and Broker/Dealers	Depository Board					
February						021726 Comm Mtg - Depositories.pdf
<u>NEW BUSINESS - DESIGNATING A COMMISSIONER TO THE COMMITTEE</u>						
Appointment of Designated Commissioner for Investment Policy	11					
February						NA

Above-named Commissioner appointed to Depository & Investment Committee at 2/17/26 Commission meeting for 2-year term effective through anticipated Feb 2028 meeting.

**ROGERS WATER UTILITIES  
SUMMARY OF FUNDS  
December 31, 2025**

	<u>Water</u>		<u>Sewer</u>		<u>Total</u>		<u>General Ledger/Bank Account Numbers</u>
Petty Cash and Change Funds	1,625.00	0.0%	150.00	0.0%	1,775.00	0.0%	1-0100.00/2-0100.00
Interest Bearing Checking Accts	12,266,104.97	39.2%	7,871,156.10	31.8%	20,137,261.07	35.9%	See TAB 2
CDARS-Investments	18,040,472.57	57.6%	15,559,258.06	62.9%	33,599,730.63	59.9%	See TAB 3
Simmons Trust-Access/Impact	666,067.26	2.1%	988,840.11	4.0%	1,654,907.37	3.0%	See TAB 4
Debt Service Trust Funds	350,758.85	1.1%	329,052.00	1.3%	679,810.85	1.2%	See TAB 5
<b>Total Funds</b>	<b><u>31,325,028.65</u></b>	<b><u>100.0%</u></b>	<b><u>24,748,456.27</u></b>	<b><u>100.0%</u></b>	<b><u>56,073,484.92</u></b>	<b><u>100.0%</u></b>	See TAB 6

Comments: Some journal entries posted after Dec financial reporting have been accounted for in this quarterly report.

Minimum reserves on TAB 6 correspond to the proposed minimum reserves for 2026.

Credit Card bank account moved in Dec from FNB to Arvest.

Jered making inquiries re: Arvest collateral (95%) which appears to be short of the requirement (102%).

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\_\_\_\_\_

Reviewed and Approved by Utility Superintendent

\_\_\_\_\_  
(Initial) \_\_\_\_\_ (Date)

Reviewed and Approved by Commissioner (12/31 only)

\_\_\_\_\_  
(Initial) \_\_\_\_\_ (Date)

Reviewed and Approved by City Finance Director (12/31 only)

\_\_\_\_\_  
(Initial) \_\_\_\_\_ (Date)

**ROGERS WATER UTILITIES  
CHECKING ACCOUNTS  
December 31, 2025**

<u>Bank</u>	<u>Purpose</u>	<u>Ledger Number</u>	<u>Checking ACCT Number</u>	<u>General Ledger Balance</u>	<u>Bank Balance</u>	<u>Deposits in Excess of FDIC Amount</u>	<u>Market Value of Collateral</u>	<u>Collateral at Least 102%</u>
Arvest Bank	Utility Deposit Acct.	1-0111.05	****3594	\$10,879,703.72	\$10,850,059.00			
Arvest Bank	AP/Payroll Checking	1-0100.09	****6398	\$156,649.99	\$595,337.62			
Arvest Bank	Water O&M	1-0111.09	****6411	\$207,898.84	\$221,817.40			
Arvest Bank	Sewer O&M	2-0111.09	****7978	\$6,422,131.05	\$6,408,212.49			
Arvest Bank	Construction Fund	2-0524.14	****8841	\$1,333,483.19	\$1,333,483.19			
Arvest Bank	Credit Card Account	1-0100.11	****7401	\$642,927.25	\$525,489.44			
			Total Arvest	<u>\$19,642,794.04</u>	<u>\$19,934,399.14</u>	<u>\$19,684,399.14</u>	<u>\$18,688,032.58</u>	<u>94.9%</u>
First National Bank	Water Depreciation	1-0501.00	***9100	\$220,633.38	\$220,633.38			
First National Bank	Sewer Depreciation	2-0501.00	***6093	\$115,541.86	\$115,541.86			
First National Bank	Meter Deposits	1-0500.00	****0055	\$158,291.79	\$158,291.79			
			Total FNB	<u>\$494,467.03</u>	<u>\$494,467.03</u>	<u>\$244,467.03</u>	<u>\$4,652,896.43</u>	<u>1903.3%</u>
			Total Funds	<u>\$20,137,261.07</u>	<u>\$20,428,866.17</u>			
			Water Funds	\$12,266,104.97				
			Sewer Funds	<u>\$7,871,156.10</u>				
			Total Funds	<u>\$20,137,261.07</u>				

**ROGERS WATER UTILITIES  
CDARS INVESTMENTS ON BALANCE SHEET  
December 31, 2025**

BANK	CD TYPE	CDARS #	RATE	PURCHASE		GL CODE	BALANCE
				DATE	MATURITY DATE		
FNB	O&M-CDARS	1030414957	4.478%	1/23/2025	1/22/2026	1-0215.10	1,042,981.20
FWB	O&M-CDARS	1030629538	4.593%	2/19/2025	2/19/2026	1-0215.12	2,080,866.81
FWB	O&M-CDARS	1030837262	4.402%	3/19/2025	3/19/2026	1-0215.17	1,035,216.62
FWB	O&M-CDARS	1031001273	4.210%	4/16/2025	4/16/2026	1-0215.15	2,060,650.83
Chambers	O&M-CDARS	1031210972	4.134%	5/21/2025	5/21/2026	1-0215.02	2,051,382.06
Arvest	MTR DEP-CDARS	1031981332	3.970%	10/1/2025	10/1/2026	1-0215.03	1,428,707.66
Chambers	O&M-CDARS	1032133513	3.990%	10/29/2025	10/29/2026	1-0215.07	2,617,964.84
FNB	O&M-CDARS	1032291275	3.450%	11/28/2025	11/26/2026	1-0215.00	2,618,092.78
FWB	O&M-CDARS	1032415721	3.874%	12/17/2025	12/17/2026	1-0215.01	3,104,609.77
<b>Total Water</b>							<b>\$18,040,472.57</b>

BANK	CD TYPE	CDARS #	RATE	PURCHASE		GL CODE	BALANCE
				DATE	MATURITY DATE		
FWB	O&M-CDARS	1030629554	4.593%	2/19/2025	2/19/2026	2-0215.01	2,080,866.81
FWB	O&M-CDARS	1031001338	4.210%	4/16/2025	4/16/2026	2-0215.34	2,060,650.81
Chambers	O&M-CDARS	1031211006	4.134%	5/21/2025	5/21/2026	2-0215.04	3,077,073.08
Chambers	O&M-CDARS	1032133505	3.990%	10/29/2025	10/29/2026	2-0215.06	2,617,964.83
FNB	O&M-CDARS	1032291259	3.450%	11/28/2025	11/26/2026	2-0215.02	2,618,092.77
FWB	O&M-CDARS	1032415772	3.874%	12/17/2025	12/17/2026	2-0215.00	3,104,609.76
<b>Total Sewer</b>							<b>\$15,559,258.06</b>
<b>Grand Total</b>							<b>\$33,599,730.63</b>

CDARS are fully insured by the FDIC.

**ROGERS WATER UTILITIES  
SIMMONS FIRST TRUST ACCOUNTS RECONCILIATION  
December 31, 2025**

	<u>Water</u>	<u>Sewer</u>	
<b>Bank Account</b>	*****4378	*****4369	
<b>General Ledger Account</b>	<u>1-0502.00</u>	<u>2-0502.00</u>	<u>Total</u>
Balance Per Bank	\$ 526,942.26	\$ 800,150.11	\$ 1,327,092.37
DIT	<u>\$ 139,125.00</u>	<u>\$ 188,690.00</u>	<u>\$ 327,815.00</u>
Balance Per General Ledger	<u><u>\$ 666,067.26</u></u>	<u><u>\$ 988,840.11</u></u>	<u><u>\$ 1,654,907.37</u></u>

No collateral required for these investments in FRSXX, a government money market fund.

**ROGERS WATER UTILITIES  
DEBT SERVICE ACCOUNTS RECONCILIATION  
December 31, 2025**

<b>Bank Account</b>	Regions *****5721	Regions *****1224	
<b>General Ledger Account</b>	1-0512.14 2012 Series	1-0516.14 2016 Series	Water Total
Month End Balance	<u>\$240,684.79</u>	<u>\$196,302.20</u>	<u>\$436,986.99</u>
Accrued Interest	0.00	0.00	\$0.00
Deposit in Transit	0.00	0.00	\$0.00
Bond Interest Exp	<u>-\$25,237.50</u>	<u>-\$60,990.64</u>	<u>-\$86,228.14</u>
Reconciled Balance	<u><u>\$215,447.29</u></u>	<u><u>\$135,311.56</u></u>	<u><u>\$350,758.85</u></u>

<b>Bank Account</b>	Regions *****1180	
<b>General Ledger Account</b>	2-0516.14 2016 Series	Sewer Total
Month End Balance	<u>\$358,852.00</u>	<u>\$358,852.00</u>
Accrued Interest	0.00	\$0.00
Deposit in Transit	0.00	\$0.00
Bond Interest Exp	<u>-\$29,800.00</u>	<u>-\$29,800.00</u>
Reconciled Balance	<u><u>\$329,052.00</u></u>	<u><u>\$329,052.00</u></u>

Grand Total	<u><u>\$679,810.85</u></u>
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No collateral required for these investments in MSILF, a government money market fund.

**ROGERS WATER UTILITIES  
SCHEDULE OF FUNDS  
Dec 31, 2025**

	UNRESTRICTED	RESTRICTED				TOTAL RESTRICTED	GRAND TOTAL
		Meter Deposits	Debt Reserve	Access/ Impact Fees	Depreciation		
<b>WATER</b>							
Petty Cash	\$ 1,625					\$ -	\$ 1,625
Checking-AP Payroll	156,650					-	156,650
Checking-CC Acct	642,927					-	642,927
Savings-Utility Money Fund	10,879,704					-	10,879,704
Savings-Depr Money Fund					220,633	220,633	220,633
Savings-O&M Money Fund	207,899					-	207,899
Access/Impact Fees-Simmons				666,067		666,067	666,067
Investments-CD's	16,611,765	1,428,708				1,428,708	18,040,473
Checking-Meter Deposits		158,292				158,292	158,292
Regions Bank-2012 Bonds	-		215,447			215,447	215,447
Regions Bank-2016 Bonds	-		135,312			135,312	135,312
<b>TOTAL WATER</b>	<b>\$ 28,500,570</b>	<b>\$ 1,586,999</b>	<b>\$ 350,759</b>	<b>\$ 666,067</b>	<b>\$ 220,633</b>	<b>\$ 2,824,459</b>	<b>\$ 31,325,029</b>
Minimum Reserves	37.6% 12,086,000	1,507,466	-	-	-	1,507,466	13,593,466
Total Above Minimums	62.4% \$ 17,796,570	\$ 79,533	\$ 350,759	\$ 666,067	\$ 220,633	\$ 1,316,993	\$ 19,113,563
<b>SEWER</b>							
Petty Cash	\$ 150					\$ -	\$ 150
Savings-Depr Money Fund					115,542	115,542	115,542
Savings-O&M Money Fund	6,422,131					-	6,422,131
Access/Impact Fees-Simmons				988,840		988,840	988,840
Investments-CD's	15,559,258					-	15,559,258
ADFA-2024 Bond			1,333,483			1,333,483	1,333,483
Regions Bank-2016 Bonds			329,052			329,052	329,052
<b>TOTAL SEWER</b>	<b>\$ 21,981,539</b>	<b>\$ -</b>	<b>\$ 1,662,535</b>	<b>\$ 988,840</b>	<b>\$ 115,542</b>	<b>\$ 2,766,917</b>	<b>\$ 24,748,456</b>
Minimum Reserves	41.2% 9,334,000	-	-	-	-	-	9,334,000
Total Above Minimums	58.8% \$ 12,932,539	\$ -	\$ 1,662,535	\$ 988,840	\$ 115,542	\$ 2,766,917	\$ 15,699,456
<b>GRAND TOTAL</b>	<b>\$ 50,482,109</b>	<b>\$ 1,586,999</b>	<b>\$ 2,013,294</b>	<b>\$ 1,654,907</b>	<b>\$ 336,175</b>	<b>\$ 5,591,376</b>	<b>\$ 56,073,485</b>

**Cash Reserves**

12/31/2022	\$45,996,042		
12/31/2023	\$50,324,427	2023 Average	\$48,160,235
12/31/2024	\$54,163,780	2024 Average	\$52,244,104
12/31/2025	\$56,073,485	2025 Average	\$55,118,633

**Checking & Money Market Accounts**

Arvest	GL Account	Interest Rate 12/31/25	Interest Inc. 2025	Interest Rate 12/31/24	Interest Inc. 2024
Utility Deposit Account	1-0111.05	2.85%	\$235,381	2.85%	\$102,383
AP Payroll	1-0100.09	2.85%	24,098	2.85%	22,938
Water O&M	1-0111.09	2.85%	39,800	2.85%	44,431
Water O&M (MM) <sup>1</sup>	1-0111.09	NA	50	1.75%	444
Credit Card Account <sup>2</sup>	1-0100.11	2.85%	473	NA	NA
Sewer O&M	2-0111.09	2.85%	114,529	2.85%	90,548
Sewer O&M (MM) <sup>1</sup>	2-0111.09	NA	50	1.75%	444
Construction Fund	2-0524.14	2.85%	682	1.75%	692
<i>Fees offset by 0.50% earnings credit.</i>			\$415,062		\$261,880

FNB	GL Account	Interest Rate 12/31/25	Interest Inc. 2025	Interest Rate 12/31/24	Interest Inc. 2024
Credit Card Account <sup>2</sup>	1-0100.11	NA	\$0	0.00%	\$0
Meter Deposit (MM)	1-0500.00	1.00%	1,297	1.00%	4,015
Water Depr (MM)	1-0501.00	1.00%	3,224	1.00%	4,760
Sewer Depr (MM)	2-0501.00	1.00%	2,888	1.00%	5,241
<i>No fees.</i>			\$7,410		\$14,017
Water Total			\$304,323		\$178,971
Sewer Total			\$118,149		\$96,926

**Trust Accounts**

*Invested in Fidelity Treasury MM Fund*

Simmons	GL Account	Interest Rate 12/31/25	Interest Inc. 2025	Interest Rate 12/31/24	Interest Inc. 2024
Water Access/Impact Fees	1-0502.00	3.69%	\$30,354	4.36%	\$50,804
Sewer Access/Impact Fees	2-0502.00	3.69%	47,403	4.36%	85,836
<i>Mgt fees totaled \$4,540.</i>			\$77,757		\$136,639

**Certificates of Deposit (CDARS)**

Authorized Depositories	GL Account	Interest Rate (Average) 12/31/25	Interest Inc. 2025	Interest Rate (Average) 12/31/24	Interest Inc. 2024
Water Total	Various	4.05%	\$719,815	4.72%	\$793,777
Sewer Total	Various	4.01%	907,797	4.80%	960,194
			\$1,627,612		\$1,753,971

**Debt Service Accounts**

*Invested in MSILF Government Portfolio*

Regions	GL Account	Interest Rate 12/31/25	Interest Inc. 2025	Interest Rate 12/31/24	Interest Inc. 2024
2012 Series - Water	1-0512.14	3.35%	\$19,539	4.47%	\$22,379
2016 Series - Water	1-0516.14	3.35%	13,614	4.47%	15,661
2016 Series - Sewer	2-0516.14	3.35%	30,022	4.47%	34,189
<i>Trustee fees totaled \$8,000.</i>			\$63,174		\$72,229
Water Total			\$33,152		\$38,040
Sewer Total			\$30,022		\$34,189

<b>Water Interest Income</b>	\$1,087,644	\$1,061,592
<b>Sewer Interest Income</b>	\$1,103,371	\$1,177,144
<b>Total Interest Income</b>	<u>\$2,191,016</u>	<u>\$2,238,736</u>

Notes

1. Arvest W/S O&M money market accounts closed Feb 2025.
2. Credit Card Account moved from FNB to Arvest Dec 2025.

**RESOLUTION NO. 26-06**

**A RESOLUTION AMENDING THE *POLICY ON DEPOSITS AND INVESTMENTS FOR THE ROGERS WATER UTILITIES*; 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 applicable law and public policy; and

**WHEREAS** the Controller of RWU and the Depository and Investment Committee of the Commission and RWU recommend certain amendments to the Rogers Water Utilities *Policy on Deposits and Investments*; and

**WHEREAS** a document containing the proposed amendments is attached hereto as Exhibit 1. for consideration by the Commission.

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

**Section 1.** The recommendations of the Controller and the Depository and Investment Committee are approved. *The Policy on Deposits and Investments* shall be amended as shown on the attached Exhibit 1.

**Section 2.** The management of the Rogers Water Utilities shall republish the *Policy on Deposits and Investments* as amended herein and repaginate, reformat, and correct typographical and other errors as needed in connection with the republication.

**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 or orders of the Rogers Waterworks and Sewer Commission, or parts of resolutions or orders of the Rogers Waterworks and Sewer Commission, in conflict herewith are hereby repealed to the extent of such conflict. However, Resolution No. 17-05 adopting the *Policy on Deposits and Investments*, and Resolution No. 25-05 providing for certain amendments to the Policy, are not perceived as conflicting with this Resolution, except with regard to the specific provisions of the *Policy on Deposits and Investments* that are amended herein. Thus, no wholesale repeal of Resolution No. 17-05 or Resolution No. 25-05 is intended and the *Policy on Deposits and Investments* shall remain in full force and effect as amended by this Resolution.

**PASSED AND APPROVED** this 17th day of February 2026.

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Jerry Carmichael, Chairman

ATTEST:

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Brent Dobler, Acting Secretary

**EXHIBIT 1**  
**(to Resolution No. 26-06)**  
**Markup Showing Amendments**

## **Rogers Water Utilities of the City of Rogers, Arkansas Policy on Deposits and Investments**

This Policy on Deposits and Investments (“Policy”) is established for the Rogers Water Utilities of the City of Rogers, Arkansas, by the Rogers Waterworks and Sewer Commission (the “Commission”) through that certain Resolution No. 17-05 passed by the Commission on February 21, 2017, and subsequently amended by the Commission through that certain Resolution No. 25-05 passed by the Commission on February 24, 2025, and by Resolution No. 26-06 passed by the Commission on February 17, 2026 pursuant to its authority under Rogers City Code Sections 54-2 (“Powers and duties generally”) and Section 54-8 (“Rules”), and other applicable provisions of the Rogers City Code and the laws of the State of Arkansas.

### Depository and Investment Committee

There is established for the Commission and the Rogers Water Utilities a “Depository and Investment Committee” (“The Committee”). The Committee will consist of the Superintendent of the Rogers Water Utilities, the City Finance Director, and a member of the Commission (“Commissioner”) designated for that purpose by the Commission. The Committee shall serve as the “Depository Board” for the Rogers Water Utilities (being composed of the Water and Sewer Departments of the City of Rogers, Arkansas), and shall serve as the Investment Committee for the Rogers Water Utilities to administer the Investment Policy for the Rogers Water Utilities Reserves.

### Depository Board

The Committee shall perform the tasks of a municipal Depository Board described in Ark. Code Ann. § 19-85-101 *et seq.*, and other applicable law, for the Water and Sewer Departments of the City of Rogers, Arkansas. The Committee shall, *inter-alia*, designate, subject to the approval of the Commission, the banks or banking institutions into which public funds shall be deposited. In connection with designating banks or banking institutions, the Committee, subject to the approval of the Commission, may advertise and issue Requests for Qualifications (RFQs), Requests for Proposals (RFPs) and/or other Requests for Information. The Committee shall take care that public funds are maintained in accordance with all applicable law, including, without limitation, Ark. Code Ann. § 14-237-104. The Committee may request such information and assistance from the Management and Staff of the Rogers Water Utilities as it may desire. All actions of the Committee as the “Depository Board” shall be subject to approval by the Commission.

### Investment Committee

The Committee shall serve as the “Investment Committee” for the Water and Sewer Departments of the City of Rogers, Arkansas. The Investment Committee shall administer the Investment Policy for the Rogers Water Utilities Reserves as described herein below. The actions of the Committee as the

“Investment Committee” shall be subject to approval by the Commission, except where such authority has been delegated as described herein below.

## **Investment Policy for Rogers Water Utilities**

### **1. Policy**

It is the policy of Rogers Water Utilities to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the Rogers Water Utilities and conforming to all state and local statutes governing the investment of public funds.

### **2. Scope**

This investment policy applies to all financial assets of Rogers Water Utilities. These funds are accounted for in the financial reports as follows:

**Water Fund—Unrestricted Funds**

**Water Fund—Restricted for Meter Deposits**

**Water Fund—Restricted for Construction**

**Water Fund—Restricted for Debt Service Reserve**

**Water Fund—Restricted for Access, Impact and New Customer Fees**

**Water Fund—Restricted for Depreciation Reserve**

**Sewer Fund—Unrestricted Funds**

**Sewer Fund—Restricted for Construction**

**Sewer Fund—Restricted for Debt Service Reserve**

**Sewer Fund—Restricted for Access, Impact and New Customer Fees**

**Sewer Fund—Restricted for Depreciation Reserve**

### **3. Prudence**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investment performance shall be reviewed at least annually by the Committee.

#### 4. Objective

The primary objectives, in priority order, of Rogers Water Utilities' investment activities shall be:

**Safety:**

Safety of the principal is the foremost objective of the investment program. Investments of Rogers Water Utilities shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**Liquidity:**

Rogers Water Utilities' investment portfolio will remain sufficiently liquid to enable Rogers Water Utilities to meet all operating requirements that might be reasonably anticipated.

Currently this is to be determined at least annually as follows for both the Water and Sewer Departments (SEE EXHIBIT A):

**Unrestricted Minimum Reserves** equal to Prior Year Audited Annual Operating Expenses less Prior Year Audited Depreciation

**Restricted Minimum Reserves** (Water only) equal to Meter Deposits Liability

**Minimum Short Term Reserves** equal to Unrestricted Minimum Reserves plus current balances of Restricted Assets (as identified in #2)

**Minimum Short Term Reserves** as defined above will be maintained in investments in trusts as required by trustees, in fully collateralized checking accounts, CDs, or CDARS with maturities of one year or less. Competitive quotes shall be sought when possible for the purchase of CDs or CDARS.

Reserves in excess of **Minimum Short Term Reserves** as defined above, may be invested in other authorized investments (see #8 below) and for longer terms. A balance of Short-term, Medium-term (2-3 years), and Long-term investments (4-5 years) shall be maintained.

**Diversification shall be accomplished by:**

Limiting investment concentrations in securities from a specific issuer or business sector (excluding U.S. Treasury securities),

Limiting investment in securities that have higher credit risks,

Investing in securities with varying maturities, and

Investing a portion of the portfolio in readily available funds.

**Return on Investment:**

Rogers Water Utilities' investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account Rogers Water Utilities' investment risk constraints and the cash flow characteristics of the portfolio.

**5. Delegation of Authority**

Authority to manage Rogers Water Utilities investment program is derived from the Rogers Waterworks and Sewer Commission. Management responsibility for the investment program is hereby delegated to the Superintendent of the Rogers Water Utilities, or his or her designee. No person may engage in an investment transaction except as provided under the terms of this policy. The Superintendent of the Rogers Water Utilities shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Investment transactions and results shall be reviewed at least annually by the Committee.

**6. Ethics and Conflicts of Interest**

Commissioners and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Commissioners and employees shall disclose any personal financial/investment positions that could be related to the performance of the Rogers Water Utilities portfolio.

**7. Authorized Financial Dealers and Institutions**

No Public deposits shall be made except in qualified public depositories. Depositories and brokers/dealers shall be selected by the Committee. In addition, a broker-dealer that conducts security transactions on behalf of Rogers Water Utilities shall:

- Have offices located in the State of Arkansas
- Be registered with the Arkansas Securities Department
- Be a member of Financial Industries Regulatory Agency (FINRA)
- Be a member of Securities Investor Protection Corporation (SIPC)

An annual review of the financial condition of the depositories and broker/dealers shall be conducted by the Committee.

**8. Authorized Investments**

Rogers Water Utilities will invest only in book entry securities.

Rogers Water Utilities may invest in any instrument or security authorized for investment by Ark. Code Ann. § 19-1-~~54~~01, and further defined in § 19-1-~~45~~05, or by the Local Government Joint Investment Trust Act, Ark. Code Ann. § ~~1419-798-101301~~ *et seq.*, as they may from time to time be amended.

Rogers Water Utilities shall not invest in derivative products, common stocks, or long-term bonds used for speculation.

## 9. Safekeeping and Collateralization

### Internal Controls:

The Committee will review and make recommendations regarding internal control policies and procedures to ensure that the assets of Rogers Water Utilities are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Complete records of all investment transactions will be kept in the office of the Rogers Water Utilities.

### Delivery vs. Payment:

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities held by a third-party custodian shall be evidenced by safekeeping receipts. Bank certificates of deposit purchased from local banks shall be held either in trust with the issuing bank or in physical form in the Rogers Water Utilities safe.

### Collateralization:

Collateralization will be maintained as required by State law and procedures established by Rogers Water Utilities. ~~Demand-For demand~~ deposits, time deposits, and any other investments requiring collateralization, ~~shall be collateralized at a level of at least 102 percent of the market value~~ the market value of pledged securities shall be at least 102 percent of the principal and accrued interest, less the amount insured by the Federal Deposit Insurance Corporation.

## 10. Reporting

The Rogers Water Utilities shall record all investment transactions. A written report will be generated quarterly for internal purposes, listing all investments and all pertinent information deemed necessary. The report shall be reviewed quarterly by the Superintendent of the Rogers Water Utilities and at least annually by the Committee. A report shall be presented to the Rogers Waterworks and Sewer Commission at least annually. All investment transactions shall be available for audit during the annual financial audits of the Rogers Water Utilities by outside independent auditors.

## 11. Investment Policy Adoption

Rogers Water Utilities Investment Policy shall be adopted by resolution of the Rogers Waterworks and Sewer Commission. The policy should be reviewed on an annual basis by the Committee. The Rogers Waterworks and Sewer Commission must approve any modifications to the policy. The Rogers Waterworks and Sewer Commission will appoint a designated Commissioner to serve on the Committee. That Commissioner will serve for a two year term unless otherwise determined by the Commission.

<b>2026 Proposed Minimum Reserves</b>		<b>2025 Minimum Reserves</b>	
<b>WATER</b>		<b>WATER</b>	
Prior Year Operating Expenses (FY25 audited)	\$15,886,000	Prior Year Operating Expenses (FY24 audited)	\$14,083,000
Less Prior Year Depreciation (FY25 audited)	-\$3,800,000	Less Prior Year Depreciation (FY24 audited)	-\$3,379,000
Unrestricted Minimum Reserves 2026	<u>\$12,086,000</u>	Unrestricted Minimum Reserves 2025	<u>\$10,704,000</u>
Restricted Minimum Reserves 2026	<u>Meter Deposits Liability</u>	Restricted Minimum Reserves 2025	<u>Meter Deposits Liability</u>
<b>SEWER</b>		<b>SEWER</b>	
Prior Year Operating Expenses (FY25 audited)	\$15,676,000	Prior Year Operating Expenses (FY24 audited)	\$14,753,000
Less Prior Year Depreciation (FY25 audited)	-\$6,342,000	Less Prior Year Depreciation (FY24 audited)	-\$5,704,000
Unrestricted Minimum Reserves 2026	<u>\$9,334,000</u>	Unrestricted Minimum Reserves 2025	<u>\$9,049,000</u>
Significant Outstanding Bonded Debt (12/31/25)	\$13,955,000 Water \$12,827,160 Sewer	Significant Outstanding Bonded Debt (12/31/24)	\$15,210,000 Water \$7,537,028 Sewer
Debt Service Coverage Ratio (6/30/2025 audited financials)	4.60 Water 7.74 Sewer	Debt Service Coverage Ratio (6/30/2024 audited financials)	4.78 Water 7.10 Sewer
<p>Unrestricted cash reserves are intended to be available for use when needed. Use of reserves may cause reserves to drop below the required minimums. Such drops should be:                      Temporary.                      With the consent of the Commission.                      Accompanied by a plan to bring reserves back up to the required minimums.</p> <p><b>Restricted Minimum Reserves</b> (Water only) equal to month-end balance in 1-1300.00 METER DEPOSITS.</p> <p><b>Minimum Short Term Reserves</b> for Water/Sewer equal to Unrestricted Minimum Reserves plus Restricted Assets.</p>			

EXHIBIT A-2

December 31, 2025

	UNRESTRICTED	RESTRICTED				TOTAL RESTRICTED	GRAND TOTAL
		Meter Deposits	Debt Reserve	Access/ Impact Fees	Depreciation		
<b>WATER</b>							
<b>MINIMUM SHORT TERM RESERVES</b>							
Trust and debt service			350,759	666,067		1,016,826	<b>1,016,826</b>
Interest bearing checking	11,888,805	158,292			220,633	378,925	<b>12,267,730</b>
Short-term (1 year or less) CDARS	197,195	1,428,708			-	1,428,708	<b>1,625,903</b>
Subtotal	<b>12,086,000</b>	<b>1,586,999</b>	<b>350,759</b>	<b>666,067</b>	<b>220,633</b>	<b>2,824,459</b>	<b>14,910,459</b>
<b>OTHER RESERVES</b>							
Undesignated other short term reserves	16,414,570	-	-	-	-	-	<b>16,414,570</b>
Medium-term (2-3 years)	-	-	-	-	-	-	-
Long-term (4-5 years)	-	-	-	-	-	-	-
Subtotal	<b>16,414,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,414,570</b>
<b>TOTAL WATER RESERVES</b>	<b>28,500,570</b>	<b>1,586,999</b>	<b>350,759</b>	<b>666,067</b>	<b>220,633</b>	<b>2,824,459</b>	<b>31,325,029</b>
<b>Minimum Reserves</b>	<b>12,086,000</b>	<b>1,507,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,507,466</b>	<b>13,593,466</b>
Reserves Above Minimums	16,414,570	79,533	350,759	666,067	220,633	1,316,993	<b>17,731,563</b>

EXHIBIT A-3

December 31, 2025

	UNRESTRICTED	RESTRICTED				TOTAL RESTRICTED	GRAND TOTAL
		Meter Deposits	Debt Reserve	Access/ Impact Fees	Depreci- ation		
<b>SEWER</b>							
<b>MINIMUM SHORT TERM RESERVES</b>							
Trust and debt service			1,662,535	988,840		2,651,375	<b>2,651,375</b>
Interest bearing checking	6,422,281				115,542	115,542	<b>6,537,823</b>
Short-term (1 year or less) CDARS	2,911,719					-	<b>2,911,719</b>
Subtotal	<b>9,334,000</b>	-	1,662,535	988,840	115,542	2,766,917	<b>12,100,917</b>
<b>OTHER RESERVES</b>							
Undesignated other short term reserves	12,647,539	-	-	-	-	-	<b>12,647,539</b>
Medium-term (2-3 years)	-	-	-	-	-	-	-
Long-term (4-5 years)	-	-	-	-	-	-	-
Subtotal	<b>12,647,539</b>	-	-	-	-	-	<b>12,647,539</b>
<b>TOTAL SEWER RESERVES</b>	<b>21,981,539</b>	-	1,662,535	988,840	115,542	2,766,917	<b>24,748,456</b>
<b>Minimum Reserves</b>	<b>9,334,000</b>	-	-	-	-	-	<b>9,334,000</b>
Reserves Above Minimums	12,647,539	-	1,662,535	988,840	115,542	2,766,917	<b>15,414,456</b>

#### Designation and Approval of RWU Depositories

In accordance with the Investment Policy and relevant state statutes (Ark. Code Ann. § 19-5-105 and Ark. Code Ann. § 19-5-107), the Depository and Investment Committee shall designate, subject to the approval of the Rogers Waterworks and Sewer Commission, the banking institutions into which public funds shall be deposited. The following list of RWU depositories was last designated by the Committee and approved by the Commission on February 24, 2025.

- Arvest Bank
- Bank OZK
- BOK Financial
- Centennial Bank
- Chambers Bank
- First National Bank of Fort Smith
- First Western Bank
- Huntington Bancshares
- Regions Bank
- Simmons Bank

#### Annual Review of Financial Condition of RWU Depositories

In accordance with the Investment Policy, the Committee shall conduct an annual review of the financial condition of the depositories and broker/dealers.

In satisfaction of that requirement, staff have confirmed each of the above institutions remains eligible to receive public funds as determined by the Arkansas State Bank Department at <https://banking.arkansas.gov/financial-institution-info/general-institution-information/public-fund-depositories>.

#### Action

**Staff request the Depository and Investment Committee designate the above list of banking institutions as RWU depositories, subject to approval by the Rogers Waterworks and Sewer Commission.**