

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.

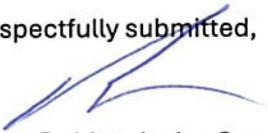
Jered then went over the proposed minimum reserve changes for both the Water and Sewer departments. Historically, RWU has calculated has included debt service in this calculation. It is a very conservative approach when debt is relatively low. However, now that we have significant capital projects in 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

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