

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, FEBRUARY 11, 2020

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, February 11, 2020 at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:15 p.m. The roll was called and all members were present. Those in attendance at the meeting were Mr. K.W. Matthews, Mr. Sylvester Smith, Mr. Ed Nelson, Ms. Karen Bryant and Mr. Gabe Stephens, and in addition, Mr. Jack Stowe, representative from the City of Maumelle. Also in attendance were Mr. Marc Wilkins, Director, Mr. Michael Clayton, Assistant Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Lyle Leubner, Ms. Marybeth Eggleston, Mr. Bill Halter and Ms. Carrie Kyhl with Scenic Hill Solar LLC, Mr. Sam Hilburn and Ms. Paula Storeygard with Hilburn, Calhoon, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its January 14, 2020, meeting. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the minutes of its January 14, 2020 meeting. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of January 2020. After discussion, a motion was made by Mr. Nelson, seconded by Mr. Smith, to approve the cash disbursements for January 2020 reflecting total cash disbursements of \$2,315,049.34 and fund transfers between accounts of \$1,783,670.00. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously approved the Financial Statement for January 2020.

Mr. Wilkins then updated the Committee with regard to the solar project. He said the document they were working on was a construction contract that includes design. The contract would be with Sun Hog Solar, LLC which is owned by Scenic Hill Solar LLC. Sun Hog Solar, LLC will design and build an 850-kW solar generation facility at a price not to exceed \$1,402,500.00. This includes the cost of the schematic design, including Interconnection Agreement at \$20,000.00. Preliminary site investigations will include ATLA survey, geotechnical investigation, wetlands determination and environmental phase I study. The final

design will then be submitted to the Utility. The cost associated with the final design is \$86,000.00, plus those out-of-pocket due diligence investigations. These amounts are part of the contract price of \$1,402,500.00. Next, a review of design documentation and cost will be performed by Brown Engineers for authorization of Notice to Proceed. Mr. Smith then asked again, why the Utility should own the solar facility. Mr. Wilkins informed Mr. Smith and the Committee that the payback for energy would be 12 to 14 years and will save the Utility approximately \$20,000 to \$30,000 per month. After a lengthy discussion, a motion was made by Mr. Smith, seconded by Mr. Stephens, to authorize the Utility to enter into an Engineering, Procurement and Construction Agreement with Scenic Hill Solar LLC and its wholly owned subsidiary, Sun Hog Solar, LLC, for the construction of the project. The motion carried unanimously.

A motion was then made by Ms. Bryant, seconded by Mr. Stephens, to amend the 2020 Budget to include the \$1,402,500.00 cost for this project. The motion carried unanimously.

Also, a motion was made by Nelson, seconded by Ms. Bryant, to continue working with Brown Engineers, Inc. to review the final design documents and not to exceed cost prior to issuance of a Notice to Proceed. The motion carried unanimously.

Mr. Wilkins then informed the Committee the Laboratory currently has a 2005 Dodge Durango 4WD. This vehicle is used for collection and is also used to pull and launch a boat when quarterly sludge samples are collected. This vehicle has over 182,000 miles. The maintenance cost as of December 31, 2019 is \$12,661.15. One of the highest expense years was 2018, the Utility replaced the fuel pump and repaired the radiator. This unit is in need of additional repairs now. For example, it is leaking fluids and will die while driving down the road. The 2005 Dodge Durango 4WD was budgeted for replacement in 2020 at \$27,000. The suggested replacement vehicle is item 46 on the State Vehicle Contract. It is a 2020 Chevrolet Traverse 4WD SUV. The State Vehicle Contract price is \$26,213.00. The 2005 Dodge Durango 4WD will be sold on the Govdeals.com website. A motion was then made by Ms. Bryant, seconded by Mr. Nelson, to authorize the purchase of a 2020 Chevrolet Traverse 4WD SUV from the State Vehicle Contract to replace the 2005 Dodge Durango 4WD for the amount of \$26,213.00. The motion carried unanimously.

Next, the Collections Systems currently maintain one truck per crew designated to haul tools, pull trailers, air compressors and move crew members to and from job sites. This truck is used for the everyday crew needs. Currently

Repair Crew #2 uses a 2008 Ford F-350 with 103,338 miles on it. The Utility has spent \$15,000.00 in maintenance on this truck to date. The staff would like to replace this truck with a new 1-ton single cab truck (State Contract item 23 base) and use the current truck as a spare truck. The current spare truck (1994 GMC 3500) will be sold on Govdeals.com. Collection Systems 2020 budget includes \$30,000.00 to purchase a new Repair Crew truck. In addition to the truck, \$8,000.00 is budgeted to purchase a utility bed for this truck in order to store and secure tools. Funds for these purchases will be from general revenues. A motion was then made by Mr. Stephens, seconded by Mr. Nelson, to authorize the staff to purchase a 1-ton single cab truck from the State Vehicle Contract for \$25,559.00 and a service bed from Trailer Country for \$7,200.00. The motion carried unanimously.

The Collections Systems currently maintain one truck per crew designated to haul tools, pull trailers, air compressors and move crew members to and from job sites. This truck is used for the everyday crew needs. Currently Repair Crew #3 uses a 2010 Ford F-350 with 161,607 miles on it. The Utility has spent \$15,700.00 in maintenance on this truck to date. The staff would like to replace this truck with a new 1-ton single cab truck and sell this one on Govdeals.com. The 2020 budget includes \$30,000.00 to purchase a new Repair Crew truck, and \$8,000.00 to purchase a utility bed for this truck in order to store and secure tools. Funds for these purchases will be from general revenues. A motion was then made by Mr. Nelson, seconded by Mr. Stephens, to authorize the staff to purchase a 1-ton single cab truck from the State Vehicle Contract of \$25,559.00 and a service bed from Trailer Country for \$7,200.00. The motion carried unanimously.

Next, the Committee revisited the billing services agreement with Central Arkansas Water (CAW). The new agreement varied from the current agreement with respect to the annual service charge adjustments. The previous agreement allowed annual adjustments to the service charge based solely on the Consumer Price Index (CPI) which has averaged approximately 1.8% for the period 2009 - 2019. The new agreement allows annual adjustments based on the greater of the CPI or three percent (3%). CAW has been unwilling to consider any modifications to their proposed service charge adjustment. Based on the new agreement, the increase would be approximately \$5,220.00 per year. After discussion, the Committee decided once again to table this matter and invite a representative from CAW to the meeting to discuss the revised agreement. Mr. Wilkins also added that since CAW has a customer service department, the Utility employee that deals with customer service will step down from that position and be transferred to the accounting department to assist Gina Briley.

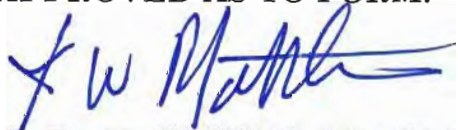
Mr. Wilkins then informed the Committee that the Utility has been awarded a grant from the Arkansas Department of Emergency Management through its

State Hazard Mitigation Grant Program 2020 for various projects related to the 2019 flood event. This grant has a fifty percent (50%) state and fifty percent (50%) local cost match with a maximum of \$150,000 state share. All the work must be completed and billed by May 18, 2020. The scope of the grant covers various mitigation projects at the White Oak WRF and Faulkner Lake WRF. Mitigation projects are improvements that will prevent or minimize risks and damages from future flood events (i.e., raising the electric panels at the White Oak Influent Pump Station above the maximum flood level). Mitigation projects were not eligible for FEMA assistance. The Utility currently has nine (9) projects which total \$439,300.00. A motion was made by Mr. Nelson, seconded by Mr. Stephens to authorize the staff to enter a Memorandum of Understanding for entering the State Hazard Mitigation Grant Program 2020. The motion carried unanimously.

The Committee then reviewed the invoice received for the annual Pulaski Area Geographic Information System (PAGIS). The amount due is \$39,705.00 and has been the same for the last nine (9) years. This item is included in the 2020 budget for \$40,900.00. Upon motion made by Ms. Bryant, seconded by Mr. Smith, the Committee unanimously approved payment to Pulaski Area Geographic Information System (PAGIS) in the amount of \$39,705.00.

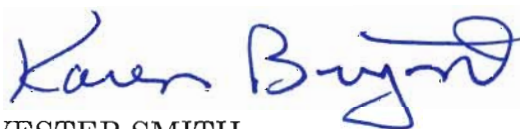
There being no further action to come before the Committee, a motion was made by Mr. Smith to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 12:59 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY