

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, MARCH 8, 2016

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, March 8, 2016 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. Those in attendance at the meeting were Mr. K.W. Matthews, Mr. Ed Nelson, Mr. Sylvester Smith, Mr. Clark McGlothin, Ms. Karen Bryant and Mr. Jack Stowe, representative from Maumelle. Also in attendance were Mr. Marc Wilkins, Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Lyle Leubner, Mr. Michael Clayton, Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its February 9, 2016 meeting. After review, a motion was made by Mr. McGlothin, seconded by Ms. Bryant, to approve the minutes of the February 9, 2016 meeting as submitted. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for February 2016. There being no comments or questions, a motion was made by Mr. Smith, seconded by Mr. Nelson, to approve the cash disbursements for February 2016 reflecting total cash disbursements of \$3,956,206.72 and transfers between accounts of \$1,066,744.81. The motion carried unanimously.

The Committee then reviewed the Financial Statement for February 2016. Mr. Wilkins noted several highlights for the February statement due to the consolidation with Maumelle. Those highlights included but are not limited to:

1. The Utility paid the amount of \$2,051,808.32 (less than what was originally anticipated as the payoff of the Maumelle Water Management wastewater debt) for the Maumelle Waste Water Facilities. The amount was comprised of cash and the redemption of three certificates of deposit. The amount had to be wired on February 29, 2016 so the reduction in cash and certificates of deposit is reflected in the balance sheet. The other part of the entry booked an asset titled "Maumelle Plant, Pump Stations and Collection."
2. The Utility paid the amount of \$111,929.37 for the repair of the 54" interceptor at the Faulkner Lake bar screen. These are the only expenses which have been posted in the Line "emergency repair" line item on the income statement.

3. The rate increase went into effect for the February billings. The Utility was expecting an average increase of eight percent. However, when compared to the February 2015 billings, the increase was only three percent. The 2016 billed usage for February decreased by six percent when compared to the 2015 February billed usage.
4. The Utility had to give a service charge refund to US Food Service in the amount of \$12,969.24, including franchise fee. The commercial customer had a leak from October through December of last year. The leak was discovered and repaired on December 31, 2015. A refund was requested from the Utility in February 2016.

After further discussion, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to approve the Financial Statement for February 2016. The motion carried unanimously.

The Committee then discussed the East Levy Pipe Bursting 2016 Rehabilitation Project. This project consists of 95 gravity pipeline segments totaling 19,323 linear feet of 6-inch sewer mains to be pipe burst and increased to 8-inch sewer mains. The funding for this project will be through the Revolving Loan Fund Program, and the estimated cost is \$1,550,000. It was noted that the 19,323 linear feet was the remaining amount from the original contract after a change order with PM Construction, Inc. A motion was then made by Mr. Nelson, seconded by Mr. McGlothlin, to authorize the staff to advertise for bids for the East Levy Pipe Bursting 2016 Rehabilitation Project. The motion carried unanimously.

Mr. Wilkins then updated the Committee on the Maumelle Consolidation. He stated that the closing and first few days of the consolidation went relatively smoothly with only minor problems. The cleaning crews began efforts on Tuesday, March 1 and are targeting line segments known to have recent stop-ups or overflows. The mapping process began prior to the closing date so crews could be efficiently managed. The walking crew and surveyor initially focused their efforts in an older section of Maumelle generally known as Town Center with a secondary focus to the industrial area further North. The billing software currently being used by Central Arkansas Water cannot produce a winter month average due to differences in Maumelle Water Management's billing. Central Arkansas Water has informed the Utility that it will be necessary to bill the residential customers based on actual consumption at least through the calendar year 2016. After the first of the year, 2017, new billing software will be in place which should correct this. Mr. Halter stated that the North Little Rock Rate Ordinance permits use of actual consumption if a residential customer was not on a meter which has been consistently applied to those situations where the customer had not been on a meter as a North Little Rock Wastewater customer. He stated that the Rate Ordinance language, however, could be clarified.

Next, Mr. Wilkins provided the Committee members with the 2016 Amended Budget Highlights. This amendment is for their review and will be discussed further at the April meeting.

There being no further action to come before the Committee, a motion was made by Mr. McGlothin to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 12:45 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY