

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, SEPTEMBER 8, 2015

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, September 8, 2015 at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:29 p.m. Those in attendance at the meeting were: Mr. K.W. Matthews, Mr. Ed Nelson and Mr. Clark McGlothlin. Also in attendance were Mr. Marc Wilkins, Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Lyle Leubner, Mr. Michael Clayton, Mr. Graham Rich with Central Arkansas Water, Mr. C. Tad Bohannon legal counsel for Central Arkansas Water, Mr. Dan Jackson with Willdan*Economists.com, Mr. Bruce Engstrom with EGP, PLLC, Mr. Jake Sandlin with *The Arkansas Democrat Gazette*, Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its August 11, 2015 meeting. After review, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to approve the minutes of the August 11, 2015 meeting as submitted. The motion carried unanimously.

Next, the Committee reviewed the voucher disbursements for August 2015. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to approve the voucher disbursements for August 2015 reflecting total cash disbursements of \$1,368,800.60 and transfers between accounts of \$1,024,566.67. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Mr. McGlothlin, the Committee unanimously approved the Financial Statement for August 2015.

Mr. Wilkins then advised the Committee that since the last meeting he has had an opportunity to review the Report of Consolidation Feasibility Study and the preliminary engineering report prepared by Hawkins Weir Engineers, Inc. as they relate to the possibility of Maumelle Wastewater becoming part of the North Little Rock Wastewater (NLRWW) system. Mr. Wilkins went on to report that the Maumelle Wastewater Treatment Plant was a two-cell lagoon system constructed in 1970. The plant was later replaced with an activated sludge system which remains in service today. The Hawkins Weir preliminary engineering report identified capital improvement needs of approximately \$16.7 million within the next five to ten years. Currently, there are three major concerns:

1. ADEQ is pressuring Maumelle Water Management (MWM) to reduce SSOs;
2. The MWM Wastewater Treatment Plant is operating in excess of ninety percent (90%) capacity; and

3. The current rates do not support the system.

NLRWW response to these three major concerns is:

1. Implement and follow NLRWW current practices with the exception of submittal of a Continuous Critical Action Plan;
2. Divert wastewater flows to the White Oak Bayou Sewer Treatment Plant; and
3. Put into effect the five step rate increase proposal NLRWW is currently seeking.

Mr. Wilkins went on to add that the NLRWW has not been approached by Maumelle. If MWM wishes to consider NLRWW as an option for their wastewater system, NLRWW will need to do a more in-depth study to determine the true costs and effects on rates. Mr. Graham Rich with Central Arkansas Water (CAW) was present at the meeting and stated that at this time it appears CAW and Maumelle Water will consolidate. He feels there are three options for MWM with respect to its wastewater system with those being (1) form a capital improvement district; (2) allow the City of Maumelle to take over operation of the plant; or (3) allow NLRWW to take over operation of the system.

Mr. Dan Jackson with Willdan*Economists.com was present at the meeting to discuss the rates. Mr. Jackson stated that after his initial review of the rates, if NLRWW rates go into effect in Maumelle the revenue would support the capital improvements needed in Maumelle. He also stated that the consolidation of utilities is very common and this one appears to be financially feasible. Maumelle currently has \$3,000,000/year in revenues and expends \$2,300,000/year in debt. He also **recommends that a more in depth study of the rates be undertaken prior to Maumelle's** wastewater system actually becoming a part of the NLRWW.

Mr. Bruce Engstrom with EGP, LLC, the auditing firm for NLRWW, added that after a review of the studies and numbers for Maumelle, Maumelle has no reserves in place for capital improvements. NLRWW has always run a very tight budget and placed funds into reserves for improvements and emergency repairs. Mr. Engstrom also agrees that the possible consolidation of the two systems is something to look at very seriously.

After further discussion by the Committee, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to keep the door open and move forward. The motion carried unanimously.

Next, Mr. Wilkins informed the Committee that bids were received for the Lakewood Basin Pipe Bursting (2015) Rehabilitation Project on Wednesday, August 26, 2015 at 10:00 a.m. This project includes pipe bursting pipeline rehabilitation of approximately 24,634 linear feet of 6", 8" and 10" gravity sewer mains. The low bid was submitted by Horseshoe Construction, Inc. of LaPorte, Texas in the amount of \$1,949,058.00. It was noted that this project is funded through the 2012 Revolving Loan Fund (ANRC #00899-CWSRF-L). A motion was then made by Mr. McGlothlin, seconded by Mr. Nelson, to authorize the staff to award the contract for the Lakewood

Basin Pipe Bursting 2015 Rehabilitation Project to Horseshoe Construction, Inc. in the amount of \$1,949,058.00 subject to receipt of authorization from the Arkansas Natural Resources Commission. The motion carried unanimously.

The Committee then discussed the UPRR/Parkway Bridge Sewer Relocation Project. This project consists of relocating approximately 506 lineal feet of existing 10" gravity sewer main to prevent conflicts with the Arkansas Highway and Transportation Department proposed railroad bridge crossing. Bids were received for the UPRR/Parkway Bridge Sewer Relocation Project on Wednesday, August 19, 2015 at 10:00 a.m. The low bid was submitted by Online Construction of Hot Springs, Arkansas in the amount of \$51,870.00. A motion was made by Mr. McGlothlin, seconded by Mr. Nelson, to authorize staff to award the contract for the UPRR/Parkway Bridge Sewer Relocation Project to Online Construction in the amount of \$51,870.00 subject to receipt of authorization from the Arkansas Highway and Transportation Department. The motion carried unanimously.

Mr. Wilkins then explained that storm events last spring have caused severe erosion of the Shillcutt Bayou across from the Burns Park golf course. The area of concern is the South bank of the Shillcutt Bayou west of and approximately 1,500 feet downstream of I-40. The alignments of two interceptors (23-inch and 30-inch) roughly parallel the bayou channel with the 24-inch pipeline closest to the bayou. Localized sliding of the stream bank has encroached to within 5 feet of the 24-inch interceptor in one spot threatening to undermine the pipeline. The Utility requested an opinion from Mark Wyatt, PE, with Grubbs, Hoskyn, Barton & Wyatt, Inc. Mr. Wyatt recommends to repair a section of the bayou approximately 150 feet in length, stabilized with filter fabric and dumped rip rap. The staff estimates the cost of the repair may be in the range of \$250,000, which would be paid from general revenues. The 2015 budget includes a line item of \$700,000 for emergency repairs beneath the water table. Diamond Construction Company, Inc. is currently making an emergency repair beneath the water table for the Utility on Water Street and, upon completion, will be available to assist with this repair. A motion was then made by Mr. McGlothlin, seconded by Mr. Nelson, to authorize staff to utilize the services of Diamond Construction Company, Inc. on a time and expenses basis to complete this emergency repair. The motion carried unanimously.

A motion was then made by Mr. Nelson, seconded by Mr. McGlothlin, to excuse the absence of Mr. Smith and Ms. Bryant from the meeting. The motion carried unanimously.

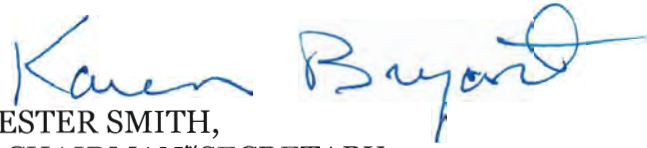
There being no further action to come before the Committee, a motion was made by Mr. McGlothlin to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 1:20 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY