

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, OCTOBER 13, 2015

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, October 3, 2015 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. Clark McGlothlin and Ms. Karen Bryant. Also in attendance were Mr. Marc Wilkins, Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Lyle Leubner, Mr. Michael Clayton, Mr. Ronnie Thompson, Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its September 8, 2015 meeting. After review, Mr. Nelson questioned the wording of the second full paragraph on page 2 with regard to comments made by Mr. Dan Jackson in his presentation. After further discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the minutes of the September 8, 2015 meeting subject to Mr. Wilkins verifying the numbers and a determination as to what Mr. Jackson actually stated at the meeting. The motion carried unanimously.

Next, the Committee reviewed the voucher disbursements for September 2015. After an explanation of check number 36992 to Belk Fence (fence off the property entrance at Five Mile Creek for security purposes), a motion was made by Mr. McGlothlin, seconded by Ms. Bryant, to approve the voucher disbursements for September 2015 reflecting total cash disbursements of \$1,318,658.42 and transfers between accounts of \$1,162,766.67. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Ms. Bryant, the Committee unanimously approved the Financial Statement for September 2015.

Mr. Nelson then advised the Committee members that the Retirement Committee met on September 9, 2015. The July 1, 2015 actuarial valuation report provided by Mr. Jody Carreiro of Osborn, Carreiro & Associates, Inc. suggested a contribution level between \$443,827 and \$551,811. Mr. Nelson went on to explain that the unfunded liability went down and the Utility is above 80% of being funded. Overall, the Utility's retirement plan is in good shape. Since the Utility has budgeted a total amount of \$600,000 for the 2015 plan contribution, the Retirement Committee voted to recommend the North Little Rock Wastewater Treatment Committee authorize a \$600,000 contribution. A motion was then made by Mr. McGlothlin, seconded by Ms. Bryant, to authorize the contribution amount of \$600,000 to the North Little Rock Wastewater Utility Defined Benefit Pension Plan and Trust by January 1, 2016. The motion carried unanimously.

Additionally, Mr. Nelson explained that at the September 9th meeting, the Retirement Committee approved and adopted the restated and amended Defined Benefit Pension Plan and Trust Document. The new Plan Document is a better fit for a governmental entity. Also, the Plan's Death Benefit Provision which previously was payable to "Spouse" only, was amended to include "Any Named Beneficiary". It was noted that this is a death in service benefit. Therefore, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to adopt the restated and amended, as of July 1, 2015, North Little Rock Wastewater Utility Defined Benefit Pension Plan and Trust. The motion carried unanimously.

Mr. Wilkins then reported that a deep manhole on the South side of Riverfront Drive at Virginia Kelley Drive has begun to sink. The manhole is 20.5 feet deep and the groundwater table is 21 feet deep. The Utility staff has initiated the installation of a dewatering well to stabilize the soil for the repair. Closed-circuit TV inspections reveal the settlement to be confined to within an approximate 20' radius of the manhole. Due to the depth, the Utility staff has requested the assistance of Diamond Construction Co., Inc. to make the repair. The repair is estimated to cost between \$75,000.00 and \$125,000.00. This item was not budgeted for specifically, but will be included within the \$700,000.00 budgeted amount for emergency repairs beneath the water table. A motion was then made by Mr. McGlothlin, seconded by Ms. Bryant, to authorize the Utility staff to use the services of Diamond Construction Co., Inc. to make an emergency repair southwest of the intersection of Riverfront Drive and Virginia Kelley Drive. The motion carried unanimously.

Mr. Wilkins then advised the Committee members that the Utility received quotes to re-roof the Operations Building, the old lab building and RPZ enclosure. The quotes include tear-off and installation of a membrane-type roof on both buildings and architectural shingles for the mansard on the old lab and RPZ enclosure. Architectural shingles are recommended and included in the quotes for the mansard for higher wind resistance. The bids received are as follows:

P.I. Roofing	\$ 40,810.00
Roberts McNutt	\$ 52,907.00
Ketcher	\$ 49,020.00

This project is included in the 2015 budget for \$43,000.00. After further discussion, Mr. McGlothlin asked Mr. Wilkins to contact P.I. Roofing, the low bidder, with regard to adding walkboards to their bid. A motion was then made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to enter into a contract with P.I. Roofing, located in North Little Rock, Arkansas, in the amount of \$40,810.00 (subject to the addition of walkboards) for roof replacements on the Operations Building, the old lab building and the RPZ enclosure. The motion carried unanimously.

Next, Mr. Wilkins informed the Committee members that there has been a pump failure at the Marche Pump Station, and the pump needs to be replaced. The original quote for the replacement pump came in at \$52,117.00 because this is a high-pressure,

high-horsepower unit. The Utility has found an alternative pump that costs considerably less (\$25,830.00) and is better suited for this installation. The Marche Pump Station only has two pumps, and there is a 4 to 6 week delivery time for the new pump, which Mr. Wilkins has already ordered to save time. After discussion, a motion was made by Mr. Nelson, seconded by Mr. McGlothin, to approve the purchase of a new pump for an emergency replacement at the Marche Pump Station in the amount of \$25,830.00. The motion carried unanimously.

Mr. Wilkins then explained that the Utility needs a new track hoe. The current track hoe is a 1995 Hyundai track hoe that is no longer usable for pipeline work due to chronic problems with the hydraulics. The primary functions of this machine are to set manholes and make deep repairs. It has been sent for repairs, and is not fixable for the Utility's required use. The staff is requesting a replacement track hoe which is available through the Houston-Galveston Area Cooperation (HGAC). The equivalent machine is a Kubota KX080-4 Excavator in the amount of \$95,990.33. Mr. Wilkins added that the Utility has known for a couple years that this piece of machinery would need to be replaced and has budgeted the amount of \$150,000.00. Further, the Utility has received a request to donate the old piece of equipment to the North Little Rock Parks Department if and when the new piece of machinery is purchased. A motion was then made by Ms. Bryant, seconded by Mr. Nelson, to authorize the Utility staff to purchase a new Kubota KX080-4 Excavator through the HGAC in the amount of \$95,990.33 and donate the existing piece of machinery to the North Little Rock Parks Department. The motion carried unanimously.

Mr. Wilkins and Mr. Halter then advised the Committee that the North Little Rock City Council read the Rate Ordinance at its meeting held on Monday, October 12, 2015. Mr. Dan Jackson was present and made a presentation to the City Council. The Public Hearing has been scheduled for October 26, 2015, and Mr. Wilkins will attend the hearing to make a presentation and answer any questions.

Mr. Wilkins then updated the Committee on the possibility of the wastewater portion of Maumelle Water Management (MWM) becoming part of the North Little Rock Wastewater system. Mr. Wilkins is scheduled to talk with the Mayor of Maumelle regarding accepting this portion. Mr. Wilkins will also attend Maumelle's City Council meeting to answer any of their questions and/or concerns. Mr. Wilkins went on to confirm that if the City of Maumelle does show a real interest, the Utility and its staff will conduct further due diligence which will take approximately 60 to 90 days and will further verify all their financial information. Ultimately, the North Little Rock City Council will make the final decision.

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

There being no further action to come before the Committee, a motion was made by Mr. Nelson to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 12:58 p.m.

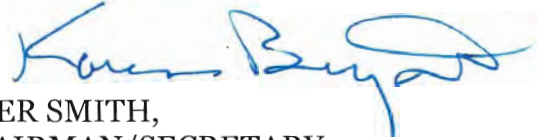
APPROVED AS TO FORM:

K. W. MATTHEWS, CHAIRMAN

Handwritten signature of K. W. Matthews in blue ink.

RESPECTFULLY SUBMITTED,

SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY

Handwritten signature of Sylvester Smith in blue ink.