

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, NOVEMBER 14, 2017

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, November 14, 2017 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, and in addition, Mayor Mike Watson from the City of Maumelle and Mr. Jack Stowe and Ms. Judy Keller, representatives from the City of Maumelle. Also in attendance were Mr. Marc Wilkins, Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Michael Clayton, Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its October 10, 2017 meeting. A motion was made by Mr. McGlothlin, seconded by Ms. Bryant, to approve the minutes of the October 10, 2017 meeting. A motion was then made by Mr. Nelson to amend the minutes of the October 10, 2017 meeting whereby the second paragraph on page 2 would read as follows:

Mr. Nelson then advised the Committee that the Retirement Committee of the North Little Rock Wastewater Utility met on September 26, 2017. The July 1, 2017 actuarial valuation report provided by Mr. Jody Carreiro of Osborn, Carreiro & Associates, Inc., suggested a contribution of \$702,970.00. Mr. Nelson advised that the actual rate of return on investments for this past fiscal year was approximately 8.6% as of June 30, 2017 which is above average for public entities. The actual rate of return for fiscal year 2016 was 4.9%. Additionally, it was noted that the Retirement Committee changed the assumed rate of return from 7.5% to 6.5%. It was noted that the Utility had budgeted \$705,300.00 as the contribution for 2017. Therefore, the Retirement Committee voted to recommend that the North Little Rock Wastewater Treatment Committee authorize a contribution of \$702,970.00. After further discussion, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to authorize a contribution in the amount of \$702,970.00 to the North Little Rock Wastewater Utility Defined Benefit Pension Plan and Trust by January 1, 2018. The motion carried unanimously.

The motion to amend was seconded by Ms. Bryant and carried unanimously. The motion to approve the minutes as amended also carried unanimously.

Next, the Committee reviewed the cash disbursements for October 2017. A motion was made by Mr. Nelson, seconded by Ms. Bryant to approve the cash disbursements for October 2017 reflecting total cash disbursements of \$4,995,655.38 and transfers between accounts of \$2,088,266.67. The motion carried unanimously.

The Committee then reviewed the Financial Statement for October 2017. Mr. Nelson noted that the Utility was having a much better year financially without all the emergency repairs it experienced last year. Upon motion made by Mr. Nelson, seconded by Mr. McGlothlin, the Committee unanimously approved the Financial Statement for October 2017.

Mr. Wilkins then advised the Committee that the bids were received for the Maumelle Wastewater Treatment Plant Lagoon Biosolids Removal and Land Application Project on Wednesday, October 18, 2017. The project consists of the removal of biosolids from the south lagoon and land application of the biosolids at an approved site. The low bid was submitted by Denali Water Solutions, LLC of Russellville, Arkansas in the amount of \$328,155.54. The agreements approving the transfer of the wastewater assets of MWM permitted the Utility to assess a surcharge to Maumelle customers for this cost. Initially, this project will be paid for from the Utility's Biosolids Reserve Fund which has a current balance of \$1,210,000.00. To reimburse the Utility for the payment of this project, there was a discussion as to a surcharge of \$0.90 per month being applied to each MWM Wastewater account for the cost of removing the solids from the south lagoon, plus simple interest at a rate of 3.5% per annum. Mr. Wilkins added that he had discussed with Mayor Watson a different surcharge for commercial and industry customers. After much discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to award the contract for the Maumelle Wastewater Treatment Plant Lagoon Biosolids Removal and Land Application Project to Denali Water Solutions, LLC of Russellville, Arkansas in the amount of \$328,155.54. The motion carried unanimously. Additionally, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to assess a \$0.90 surcharge for MWM Wastewater residential customers and to calculate the proper amount for the surcharge to be implemented for commercial and industry customers based on average usage, but waive the surcharge fee until the Central Arkansas Water fee goes off or six (6) months, whichever is sooner. The motion carried unanimously.

The Collections Systems currently maintains one excavator for each repair crew. The oldest excavator is a 2006 Kubota KX121-R3TA with 4,724 hours that will soon be in need of costly repairs. The staff wishes to replace this machine with a new Kubota KX808-4R3A, which is slightly larger and able to better and more safely handle manholes and other large items. This excavator is available through the Houston-Galveston Area Cooperative in the amount of \$87,141.32. The 2017 Budget includes \$61,000.00 for this item. A motion was made by Mr. McGlothlin, seconded by Mr. Nelson, to authorize the staff to purchase a Kubota KX808-4R3A through Houston-Galveston Area Cooperative in the amount of \$87,141.32. The motion carried unanimously.

Mr. Wilkins then advised the Committee that while JR Fox was making a deep repair on valves at the Faulkner Lake Plant site, water was coming in around the 60-inch pipeline. Once the repair was complete, the plant was shut down for inspection. During the inspection, it was discovered that the joint was leaking. Since JR Fox was familiar with the site, the Utility asked them for a quote on excavating the site and making the repair. The Utility received a quote from JR Fox in the sum of \$19,045.00 to incase the line in concrete and make the repair. A motion was made by Mr. Nelson, seconded by Ms. Bryant, to authorize the Utility to contract with JR Fox to repair the 60-inch pipe at the Faulkner Lake Plant site. The motion carried unanimously.

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

Mr. Matthews then asked that the Committee go into Executive Session.

At the conclusion of Executive Session it was announced that no action was taken by the Committee.

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 12:47 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY