

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, APRIL 10, 2018

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, April 10, 2018 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 and Ms. Karen Bryant, and in addition, Mayor Mike Watson from the City of Maumelle, Mr. Jack Stowe, representative from the City of Maumelle and Ms. Lindsey Baker with EGP, PLLC. Also in attendance were Mr. Marc Wilkins, Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Lyle Leubner, Mr. Michael Clayton, Mr. Sam Hilburn and Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its March 13, 2018 meeting. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the minutes of the March 13, 2018 meeting. The motion carried unanimously.

The Committee then reviewed the Amendment to Minutes of a meeting held on February 13, 2018. Mr. Nelson questioned why the minutes were being amended. Ms. Harmon explained to the Committee that when preparing the minutes from this meeting, she inadvertently left out item six (6) of the Agenda. After a review of the Amendment, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the Amendment to Minutes of the meeting held on Tuesday, February 13, 2018. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for March 2018. A question was asked "what is an All Weather Sampler and Junction Box" (check number 43676). Mr. Wilkins explained that this item has to withstand the outside elements and is the sampler box used for the lab facility. There being no more questions, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to approve the cash disbursements for March 2018 reflecting total cash disbursements of \$2,011,365.88 and transfers between accounts of \$1,496,866.67. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Ms. Bryant, the Committee unanimously approved the Financial Statement for March 2018.

EGP, PLLC has completed the audit for the year ended December 31, 2017. Ms. Lindsey Baker was present at the meeting to present the audit findings and answer any questions. Ms. Baker explained that no new accounting policies were adopted and the application of existing policies was not changed during 2017. Additionally, she went on to say that the most sensitive estimates affecting the financial statements were:

1. Management's estimate of depreciation expense is based on the cost of the assets less any salvage value over the estimated useful lives ranging from three to fifty years.
2. Management's estimate of the reserve for biosolids disposal is based on historical cost incurred for the removal of biosolids and current bids for future removal of biosolids.
3. Management's estimate of employee pension expense is based on an actuarially determined rate using the individual aggregate cost method and includes particularly sensitive estimates regarding investment earning and compensation levels.

As in past years, this was another good clean audit and Ms. Baker thanked Ms. Briley, Mr. Wilkins and members of the staff for their cooperation and good work. After further discussion, a motion was made by Nelson, seconded by Ms. Bryant, to approve the 2017 Audit Report and authorize distribution of same. The motion carried unanimously.

Chairman Matthews then asked Ms. Lindsey if she had any status update on the salary audit being performed by EGP. She informed Chairman Matthews that they were still working on the audit and had made some progress. She also stated that she knew they were having some difficulty getting in touch with other utilities on the comparison in salaries.

Mr. Wilkins then explained to the Committee that NLRWW maintains a work van stocked with equipment, tools and parts for the electricians. The senior electrician historically has driven the van home each night in case he has to respond to an after-hours call. On Thursday, March 22, 2018 this vehicle was totaled in a vehicular collision. The electrician suffered serious injuries and is now at home on worker's compensation. Since purchase of a replacement van on the state contract takes approximately 10 to 12 weeks and a new van was needed immediately, the Utility located and purchased a replacement vehicle from a dealer in Rockwall, Texas as an emergency purchase. The total cost for the replacement is \$32,750.00. This item was not budgeted for separately and will be paid for from general revenues and insurance.

The Utility will receive \$8,281.00 from the insurance company. The new van was received on Monday, March 30, 2018. A motion was then made by Mr. Nelson, seconded by Ms. Bryant, to accept the emergency purchase of a replacement electrician's van in the sum of \$32,750.00. The motion carried unanimously.

Next, Mr. Wilkins advised the Committee that the large effluent pump (150 HP) at the Maumelle WTP has failed five times in the last two years. This installation does not have a backup pump for high flows. Therefore, during a failure, the staff must:

- rent a large crane to pull and load the pump on a transport
- pull the wiring and lock out/tag out the electrical controls
- rent a diesel pump with adequate capacity; and
- install temporary piping, level controls and fuel supply.

After the repair is made, the procedure must then be reversed. Cost of outside services for this pump over the last two years is \$73,647.30. This pump is currently back in service but is showing a seal failure. The staff has lost confidence that this unit will last until the plant is decommissioned and wish to purchase a replacement in kind due to all connections being compatible. Cost for a replacement in kind is \$25,680.00. The 2018 budget includes \$80,000.00 for Maumelle WTP equipment. This existing unit will be repaired and used for a spare. After further discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to purchase a replacement 150 HP hydromatic pump from Instrument & Supply, Inc. in Hot Springs, Arkansas in the amount of \$25,680.00. The motion carried unanimously.

The North Little Rock City Council authorized the sale of approximately 40 acres south of the Faulkner Lake WTP on March 26, 2018 to the Blue Rock Sportsman's Club. This property will need a dedicated access easement granted across the NLRWW property to Highway 165. The route will follow the existing gravel drive from gate #3 generally along the eastern and southern sides of the fenced treatment plant property. This is the same road that has been used since 1993. A motion was then made by Ms. Bryant, seconded by Mr. Nelson, to authorize the grant of a dedicated easement to Blue Rock Sportsman's Club. The motion carried unanimously.

Bids were received for the Five Mile Creek Wastewater Treatment Plant Lagoon Biosolids removal and Land Application project on Thursday, March 29, 2018. The project consists of removal of biosolids from the polishing pond at the Five Mile Creek Wastewater Treatment Plant and land applying the biosolids in the North Little Rock Wastewater permitted fields located at Dougan Farms in the Galloway area. Due to the limited land available to apply the biosolids, the contract is renewable for two additional years. The low bid was submitted by DRT Biosolids, Inc. of Wisconsin, in the amount of \$752,700.00. This project will be paid for from the Biosolids Reserve fund which has a current balance of \$2,840,950.00. After discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant to award the contract for the Five Mile Creek Wastewater Treatment Plant Lagoon Biosolids Removal and Land Application project

to DRT Biosolids, Inc. of Wisconsin in the amount of \$752,700.00. The motion carried unanimously.

The Committee then discussed the 2017 Lower Riverside Interceptor Lining Rehabilitation project. This project involves approximately 4,344 linear feet of the 54" lower riverside interceptor to be rehabilitated by either the cured-in-place pipelining (CIPP) method or the sliplining method. Both methods are acceptable solutions for this project, but they require different specifications and require different construction access easements. For these reasons and to encourage competitive bidding, Arkansas Natural Resources Commission has recommended bidding the two methods of lining as two separate projects with bids to be opened at the same time and place. After evaluating both sets of bids, only one bid from one project will be accepted. Mark Halter with the Hilburn Firm has assisted the staff with the wording of the contract documents. The probable range of cost for this project is \$3,650,000.00 to \$4,100,000.00. Funding will be through the 2016 Revolving Loan Fund. Additionally, the staff will provide the engineering services for this project. A motion was then made by Ms. Bryant, seconded by Mr. Nelson, to authorize the staff to advertise for bids for the 2017 Lower Riverside Interceptor Lining Rehabilitation project contingent upon receiving authorization from the Arkansas Natural Resources Commission. The motion carried unanimously.

Next, the Committee discussed a possible expansion to the collection systems building. Additions in the collection systems and engineering staffs have resulted in a shortage of office space in the collection systems building. Mr. Wilkins advised the Committee that the staff wishes to consult with an architectural firm for evaluation of needs and options for expansion. Mr. Wilkins also noted that with the addition of staff, there is not an office or conference room that will adequately hold all employees in the event of a meeting or office function. A motion was then made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to contact TAGGART Architects of North Little Rock, Arkansas for preliminary design services related to expansion of the collection systems building. The motion carried unanimously. Chairman Matthews noted that this was the firm he previously worked with but he has no connection with them at this time.

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

Lastly, Mr. Wilkins informed the Committee that on April 3, 2018 the Utility office sustained damage from a lighting strike. The damage was to the telephone system, the computers and printers, the gates, control hardware and SCADA system. An insurance claim has been filed in the approximate sum of \$13,000.00.

There being no further action to come before the Committee, a motion was made by Ms. Bryant, to adjourn the meeting. The motion carried unanimously, and the

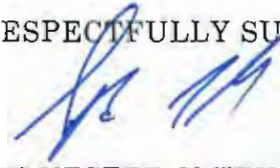
meeting was adjourned at approximately 1:05 p.m.

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read 'K. W. Matthews', written over a light blue rectangular background.

K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,

A handwritten signature in blue ink, appearing to read 'Sylvester Smith', written over a light blue rectangular background.

SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY