

TREATMENT DEPARTMENT STATUS REPORT

March, 2019

	<u>BOD</u>	<u>TSS</u>
Faulkner Lake	4.8 mg/L (30 Max.)	3.7 mg/L (30 Max.)
Maumelle	25.8 mg/L (30Max.)	18.1 mg/L (30 Max.)

	<u>CBOD</u>	<u>TSS</u>
Five Mile	10.9 mg/L (25 Max.)	8.2 mg/L (90 Max.)
White Oak	10.1 mg/L (25 Max.)	16.1 mg/L (90 max.)

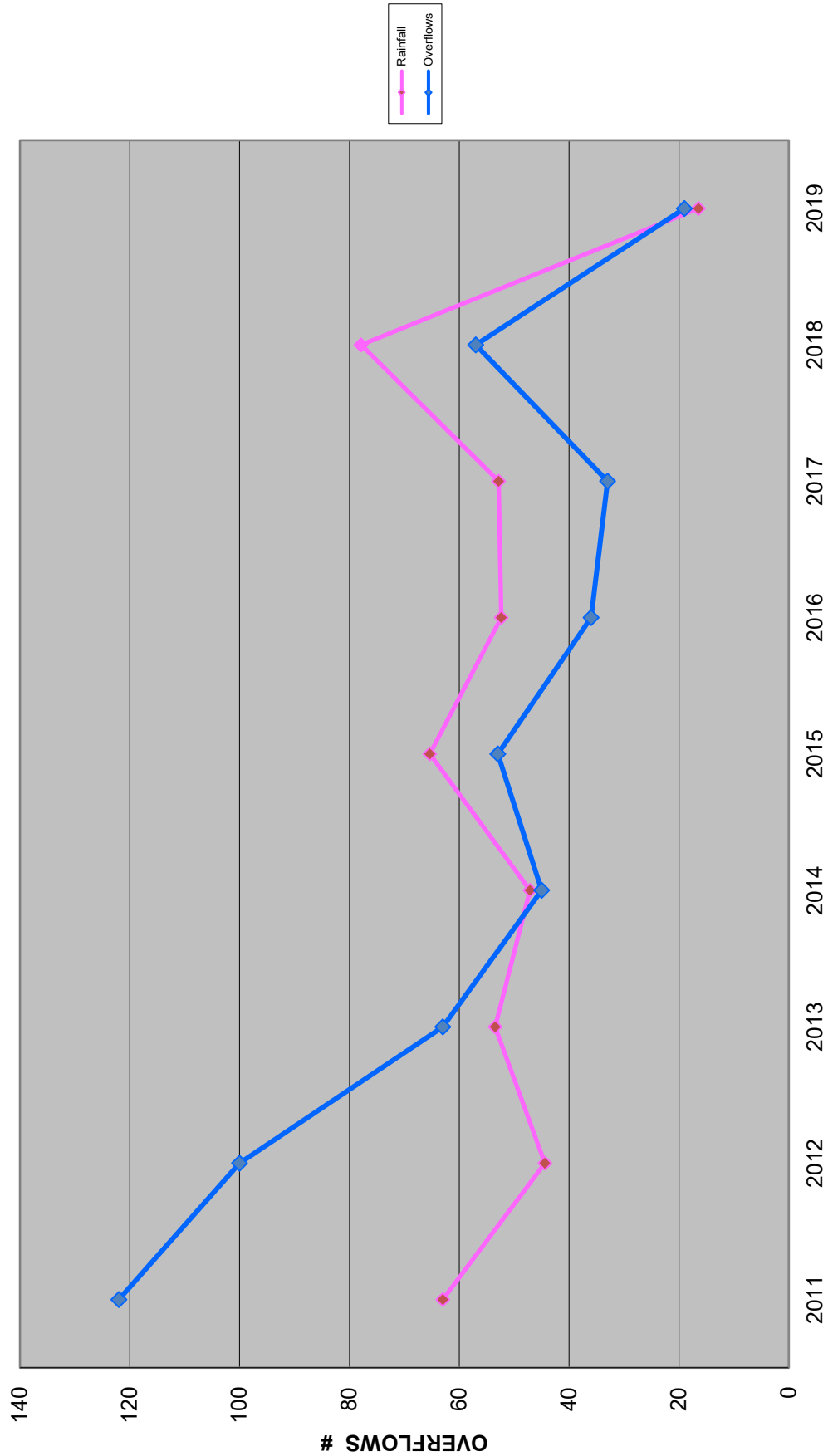
Jaime Marrow
Office Assistant II

**NLR Wastewater Utility
Work Recap by Ward
March-19**

Crews:	Ward 0	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Total
MANHOLE:							
<i>Disconnects</i>	0	0	0	0	0	0	0
<i>Taps</i>	0	0	0	1	0	0	1
<i>Repairs</i>	2	28	54	0	1	0	85
<i># of MH's Grouted</i>	1	33	44	0	0	0	78
<i>#of Coats</i>	0	0	0	0	0	0	0
<i>MH Depth (Ft/In)</i>	0.0	0.0	0	0	0	0	0
<i># of Bags of Grout</i>	0	0	0	0	0	0	0
POWER DRIVE:							
<i># of Ft Cleaned</i>	0	3,176	0	0	0	0	3,176
PWR RODDER #1:							
<i># of Ft Cleaned</i>	0	0	0	0	0	0	0
REPAIR #1:							
<i>Repairs</i>	0	2	0	2	1	0	5
<i>New Manholes</i>	0	0	0	0	0	0	0
<i>New Lines</i>	0	0	0	0	0	0	0
<i>Disconnects</i>	0	0	0	0	0	0	0
<i>Taps</i>	0	0	0	0	0	0	0
<i>Miscellaneous</i>	0	6	1	5	5	0	17
REPAIR #2:							
<i>Repairs</i>	0	3	4	0	0	0	7
<i>New Manholes</i>	0	0	1	0	0	0	1
<i>New Lines</i>	0	1	0	0	0	0	1
<i>Disconnects</i>	0	0	0	0	0	0	0
<i>Taps</i>	0	0	0	0	0	0	0
<i>Miscellaneous</i>	0	7	8	0	1	0	16
REPAIR #3:							
<i>Repairs</i>	0	2	3	0	2	0	7
<i>New Manholes</i>	0	1	0	0	0	0	1
<i>New Lines</i>	0	0	0	0	0	0	0
<i>Disconnects</i>	0	0	0	0	0	0	0
<i>Taps</i>	0	0	1	0	0	0	1
<i>Miscellaneous</i>	0	6	2	0	1	0	9
REPAIR #4:							
<i>Repairs</i>	0	1	2	0	0	0	3
<i>New Manholes</i>	0	0	0	0	0	0	0
<i>New Lines</i>	0	0	0	0	0	0	0
<i>Disconnects</i>	0	3	2	0	0	0	5
<i>Taps</i>	0	0	0	0	0	0	0
<i>Miscellaneous</i>	0	6	11	2	0	3	22
TROUBLE:							
<i># of Ft Cleaned</i>	0	0	0	0	0	0	0
<i>Stop-Ups</i>	1	1	4	3	0	0	9
<i>Private Lines</i>	2	8	13	6	6	2	37
<i>Cave-Ins</i>	2	0	2	0	0	0	4
<i>Flooded Houses</i>	0	0	0	0	0	0	0
<i>Miscellaneous</i>	2	15	31	8	2	6	64
<i>Total Calls</i>	7	24	50	17	8	8	114
VACCON #1:							
<i># of Ft Cleaned</i>	1,130	4,060	3,101	0	0	9,909	18,200
VACCON #2:							
<i># of Ft Cleaned</i>	2,908	8,387	7,230	3,848	6,264	0	28,637
VACCON #3:							
<i># of Ft Cleaned</i>	0	8,799	33,059	5,199	828	0	47,885
VACCON #4:							
<i># of Ft Cleaned</i>	0	0	0	0	0	0	0
VACCON #5:							
<i># of Ft Cleaned</i>	0	1,171	2,462	12,275	8,926	0	24,834
T V #1							
<i># of Ft</i>	616	953	2,303	610	234	6,908	11,624
T V #2							
<i># of Ft</i>	0	2,145	381	15,102	337	0	17,965

North Little Rock Wastewater North Little Rock, AR

Annual Overflows and Rainfall



North Little Rock Wastewater

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Faulkner Lake Basin															
Rainfall	42.5	58.5	56.3	61.8	77.5	41.5	76.5	45.46	62.8	54.2	70.07	61.6	55.1	74.4	16.5
Overflows	59	54	64	47	38	42	61	63	36	21	27	19	14	32	9
White Oak Basin															
Rainfall	82.4	89	53.7	60.1	77	44.2	68.6	46.56	50.75	44	68.7	51.2	56.1	84.4	17.2
Overflows	26	33	37	32	35	32	45	25	13	9	21	9	5	9	5
Five Mile Creek Basin															
Rainfall	42.6	53.2	48.8	55.9	70.4	35	60.4	41.15	52.4	46.6	66.5	49.5	48.7	81.5	15.5
Overflows	16	25	18	14	16	23	16	12	14	15	5	5	9	7	2
Maumelle Basin															
Rainfall												41.1	51.4	71.2	16.7
Overflows												4	5	9	3
Entire System															
Rainfall	37.83	49.78	49.05	51.93	79.61	42.04	62.98	44.42	53.45	47.15	65.36	52.37	52.83	77.9	16.5
Overflows	101	112	119	93	89	97	122	100	63	45	53	36	33	57	19

rainfall and overflow summary



AGENDA FOR NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE MEETING

RE: Committee Meeting
PLACE: Faulkner Lake Treatment Plant
7400 Baucum Pike, North Little Rock, Arkansas 72117
DATE: April 9, 2019
TIME: 12:15 PM

- (1) APPROVAL OF THE MINUTES OF THE MARCH 12, 2019 MEETING
- (2) CASH DISBURSEMENTS FOR MARCH 2019
- (3) FINANCIAL REPORT FOR MARCH 2019
- (4) PRELIMINARY ASSESSMENT OF SOLAR POWER GENERATION - CONTINUING
- (5) 2018 AUDIT REPORT
- (6) PURCHASE NEW VEHICLE FOR PLUMBING INSPECTOR



(1)

NEW BUSINESS

ACTION REQUESTED:

Approval of the Minutes of the March 12, 2019 Committee Meeting



NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, MARCH 12, 2019

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, March 12, 2019 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, Mr. Jack Stowe, representative 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. Lyle Leubner, Mr. Bill Halter and three representatives of *Scenic Hill Solar*, Mr. Matt Bell and three representatives of *entegrity, LLC*, Mr. Sam Hilburn and Mr. Mark Halter with Hilburn, Calhoon, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its February 12, 2019 meeting. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the minutes of the February 12, 2019 meeting. The motion carried unanimously.

Next the Committee heard presentations from *Scenic Hill Solar* and *entegrity, LLC* with regard to installation of solar power generation arrays through the “Energy Performance Contracting” project delivery method of financing. Each presenter gave a brief history of their respective companies. They also discussed the size and location of the project along with potential savings and payment structures. After a lengthy discussion, the Committee decided to take the matter under advisement until a later meeting which would give the Committee more time to investigate and talk to other experts in this field.

The Committee then reviewed the cash disbursements for the month of February 2019. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the cash disbursements for February 2019 reflecting total cash disbursements of \$1,316,303.22 and fund transfers between accounts of \$1,197,929.53. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Ms. Bryant, the Committee unanimously approved the Financial Statement for February 2019.

Mr. Wilkins then explained to the Committee that there are two (2) sewer line segments constructed in 1944 in a two (2) block area which are located beneath four (4) houses. These lines are in very poor condition and need to be rerouted to allow access for future maintenance. This project will involve approximately 825 linear feet of 8-inch gravity pipeline. The staff requests to use outside engineering services for this project and have negotiated an Agreement for Engineering Services with Halff + Marlar in accordance with the Arkansas Building Authority Minimum Standards & Criteria (2012). The estimated construction cost for the project is \$231,462.00. Engineering Design services fee is set at 8.5% of construction cost using the ABA Standard Guide with an additional 4% maximum allowable for services during construction. This project is to be funded from the 2019 budget under the line item of Urgent/Emergency Relocations (\$300,000 in the budget). After further discussion, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to authorize the staff to enter into a contact for Engineering Services for 12th & Vestal Street Sewer Improvements with Halff + Marlar Engineering. The motion carried unanimously.

Mr. Wilkins then advised that RJN, Inc. is a professional services company specialized in conducting Sewer System Evaluation Services (SSES) and has completed multiple SSES projects for NLRW since 2012. These projects have been selected by staff and sized to be completed in a one-year period. The staff reviewed Requests for Qualifications from professional services companies and have considered the services provided over the previous four years by RJN, Inc. The 2019 SSES scope of work includes approximately 1,210 manholes and 217,000 linear feet of gravity pipelines in the northern portions of the Five Mile Creek Basin. Additionally, six (6) flow meter installations at NLRW staff selected sites will be installed for a period of ninety (90) days. The projected cost of the 2019 SSES is \$445,980.00. This work will be paid for with general revenues and is included in the 2019 budget in the amount of \$700,000.00. A motion was then made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to enter into a one-year agreement with RJN, Inc. to include the 2019 SSES scope of services in the amount of \$445,980.00. The motion carried unanimously.

The Committee then discussed engineering services for the Julian Street and Donovan Briley Street sewer improvements. Mr. Wilkins stated that there are two (2) site locations for these two (2) proposed reroutes. The first site location is located on Julian Street at W 16th Street at the bottom of the hill from Fort Roots.

The existing 10" gravity sewer line is in failing condition and located under or near two (2) houses. The proposed reroute is approximately 442 linear feet of 12" PVC to be constructed in the rights-of-way of Julian Street. The second site location is at Donovan Briley and Camp Robinson Streets. This line segment has a severe sag in it which requires weekly cleaning. The proposed reroute will be approximately 225 feet in length. The staff requests to enter into an Agreement for Engineering Services with Thomas Engineering Company in accordance with the Arkansas Building Authority Minimum Standards & Criteria (2012). The estimated construction cost for the project is \$228,125.00. Engineering Design services fee is set at 8.5% of construction cost using the ABA Standard Guide and the Engineering Construction services fee will be based on actual cost during construction up to a maximum fee of 4% of construction cost. This project is included in the 2019 budget under Construction Projects. After further discussion, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to authorize the staff to enter into an engineering services contract with Thomas Engineering Company for the Julian Street and Donovan Briley Street Sewer Improvements. The motion carried unanimously.

After discussions with CBM Construction Co., Inc., it was determined that the contract for architectural services with regard to the fire damaged buildings should be entered into with Taggart/Architects. Therefore, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to enter into a contract for architectural services with Taggart/Architects in the amount of \$31,000.00. The motion carried unanimously.

A motion was 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 2:26 p.m.

APPROVED AS TO FORM:

RESPECTFULLY SUBMITTED,

K. W. MATTHEWS, CHAIRMAN

SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY

(2)

CASH DISBURSEMENTS FOR MARCH 2019

ACTION REQUESTED:

Approval of the Cash Disbursements for March 2019 showing total
Cash Disbursements of **\$1,939,719.49** and
Fund Transfers between accounts of **\$1,379,266.67**



**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46293	Ameriprise Financial Services	\$ 75.00	Employee Contributions Pay Period Ending 3/03/2019
46294	Heart of Arkansas United Way	\$ 52.00	Employee Charitable Giving Pay Period Ending 3/03/2019
46295	OCSE Clearinghouse SDU	\$ 152.00	Arkansas Child Support Payments - Pay Period Ending 3/03/2019
46296	US Dept of Education	\$ 169.35	Employee Federal Student Loan Garnishment- Pay Period Ending 3/03/19
46297	NLR Community Center	\$ 4.93	Wellness Program - 1 Employee - Pay Period Ending 3/03/2019
46298	Hood & Stacy P.A.	\$ 294.16	Employee Garnishment - Pay Period Ending 3/3/2019
AF-05	Arkansas Federal Credit Union	\$ 4,483.64	Employee Deposits Pay Period Ending 3/03/2019
NAT-05	Nationwide Retirement Solutions	\$ 3,781.54	Retirement Contributions Pay Period Ending 03/03/2019
PR-05	Payroll Tax Deposit	\$ 40,396.23	Payroll Taxes Pay Period Ending 3/03/2019
46299	AA Flooring & Renovations	\$ 1,722.20	Remodel White Oak Shower, Install Tile White Oak Breakroom
46300	ADEQ - V O I D E D	\$ -	Told to Pay Wrong Amount
46301	Advanced Analytical Solutions	\$ 211.50	1st Quarter Benchmark Testing
46302	Advantage Service Company	\$ 160.00	RPZ Tests - Shorter College & Oakbrook Pump Stations
46303	Applied Industrial Technology	\$ 1,448.79	Cogwheel Set for White Oak Barscreen
46304	Arkansas Sod & Turf Farm, Inc.	\$ 1,931.08	Grass Repairs - Wards 2 & 4
46305	AT&T	\$ 1,198.95	Monthly Service - Faulkner Lake 2/11 - 3/10/19
46306	AT&T	\$ 1,126.45	Data Communications City Service and CAW
46307	AutomationDirect.Com, Inc.	\$ 1,274.58	AC Current Transducer; Fuses, Label Plates, Stock Bulbs (Belt Press & Barscreen)
46308	Arkansas Water Environment Assoc.	\$ 150.00	Collections Systems Operator Certifications - 3 Employees
46309	AWW & WEA	\$ 2,025.00	Hot Springs 2019 Conference Registrations - 15 Employees Apr. 29 & 30
46310	Bentco, Inc.	\$ 440.00	Input Cards - FL Belt Press Controls - SCADA Budget
46311	Cerlic Environmental Controls	\$ 887.11	Multitracker Unit - Faulkner Lake
46312	Cintas	\$ 63.06	Refill 1st Aid Cabinet CSE Bldg
46313	Cintas Corp. #650	\$ 1,898.00	Biweekly Mat Service, Uniform Service, Towel Refill, Restroom Cleaning CS&E
46314	Connecting Point	\$ 999.59	2 Used Laptop Computers - SCADA Tech & Engineering Technologist
46315	Crow Burlingame Co.	\$ 21.89	Unit #143 - Relay & Fuses
46316	Crow Burlingame Co.	\$ 37.27	Unit #142 - Tire Pressure Gauge; Unit #139 - 5 Qts Oil
46317	Dept. of Finance & Administration	\$ 14,655.38	Arkansas State Withholding Tax February
46318	Digital Print & Imaging of Little Rock	\$ 47.69	Business Cards - Qualls
46319	Eco-Tech, Inc.	\$ 16,850.94	Rotork Actuators - Blower Building Valves - Budget Item
46320	Ecotech Enterprises, Inc.	\$ 719.40	Caustic - Faulkner Lake
46321	Elliott Electric Supply, Inc.	\$ 555.85	Breakers, Tape Measure, Electronics Screwdriver Set, Anchors, Utility Knife Blades, White, Green, Black Wiring
46322	Elliott Electric Supply, Inc.	\$ 1,004.24	LED Light Panels, Bulbs, Parts to Install - White Oak Breakroom Addition

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46323	Entergy	\$ 31,025.03	Electric Bills: Seminole E, W, Rixie/Lucky, Osage Hills, Ponca, Osage Falls, Maumelle Valley, New Bedford, Odom/BI Mtn, Naylor, Maum Maint&Training, High Sch, Murphy Dr, Ridgeland, Maum Eq/Surge/Aerators, Maum PS4, PS 2&3, Maum Main, Ridgeland/Odom,Diamond Pt, Durango, Rixie Rd, Lawrence, Town Ctr, Masters Place
46324	Environmental Services Company	\$ 679.50	Permit Testing/Phophorus, Nitrate/Nitrite - Soil Testing for Land Application WO
46325	Evans Enterprises, Inc.	\$ 5,053.79	25 HP Aerator - 5-Mi
46326	Fuller and Son Maumelle	\$ 171.81	Fluorescent Bulbs, Grinding Wheel, Bathroom Spray, Faucet, Pex, PVC Parts & Pipes, Ptrap, Brass Garden Shut-Offs, Wet/Dry Cement
46327	Greer's Highlite Imports	\$ 476.00	Tile and 2 Sinks - White Oak Office Improvements
46328	Harbor Freight Tools	\$ 323.90	5-Mi & FL: Measuring Wheel, Black Ties, Wire Stripper, Split Pt Bits, Recip Blades, Bench Grinder Stand, Battery Load Testers, Vise, Bench Grinder, Staples, Nailor, Strippers, 3-Way Tacker
46329	Henard Utility Products	\$ 456.35	Cable Assembly, Cable Tows, Freight
46330	Hum's Hardware	\$ 1,288.76	Shackles & Slings for Trench Boxes, Unit 140 Engineer's Hammer, Cable Ferrules; Bits, Washers Nuts; Poly Sealant, Caulk, All Purpose Cement, Gorilla Tape, Brill Bits; Forged Head Scrapers; Couplings, Elbows, Teflon Tape, Grease Fittings; Velcro Sticky Back; Straw Wattles Wards 1, 2; Toilet Bowl w/Flange; Straw Wattles, Grade Stakes, Silt Fence; Rubber Boots, Utility Knife Blade, Elect Tape, Hack Saw; Unit 140 Heat Gun, Paste Flux, Heat Shrink, Crimper/Stripper, Electrical Solder; Screws, Bulbs; 110 Spring, Nutsetters, Socket Adapter, WD-40; Bar Chain Oil, Chain Saw Chain; 3/8" Zinc Chains; Unit 143 Cleaner Tip, Bell Red, Pipe Nipple, Tafion Tape, Master Light; Drill Bits, Bit Holder; Clamp, Wood Screws
46331	Hum's Rental	\$ 221.00	Rammer, Generator, Drill, Extension Cord - Ward 2 Repair
46332	ICM Technologies	\$ 436.32	Drain Spades & Shovels
46333	Jack Tyler Engineering Co.	\$ 3,312.18	Impellers - Crystal Bay
46334	Jackson Cleaning Service	\$ 1,215.45	Janitorial Services Feb - Admin, Lab, CS&E
46335	Jimmy Don Waddles Hauling, Inc.	\$ 4,140.00	Biosolids Hauling Maumelle to Two Pines Landfill - 18 Loads 2/26 -3/4/19
46336	Joe's Garage & Wrecker Service	\$ 458.23	Repair Unit 110 Power Drive
46337	Keathley Patterson Electric	\$ 163.36	1492 Cable - Actuator Part FL Blower Bldg
46338	Keathley Service Co., Inc.	\$ 950.46	Service Call - Lab Incubator - Installed New Compressor and Drier
46339	Kerr Paper & Supply Co.	\$ 599.56	Pop Up Wipes, C-Fold Towels, Disinfectant Wipes
46340	L&L Municipal Supplies & Tools	\$ 1,403.79	Driver Gloves, PVC Sewer Gloves, Rain Suits
46341	Liberty Trailer Co., Inc.	\$ 14.67	Unit 145 - 4- Way Plugs

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46342	Lowe's	\$ 2,033.35	Cat Rated Sheathing, 24 Combo, 2-4-8 Studs, Coupling Line, Cleanout Adapter, PVC Wye, Cleanout Plug, Trap Adapter, Elbow, Valves, Elbows, Trash Bags, Pfister Santerra, HVAC Unit, Battery, Paint, Roller, Bench Brush, Great Stuff, Swiffer Wet Jet, Starter Kit, Plumbing Supplies & Tools for Wh Oak Bldg. Refurb
46343	Newark Element 14	\$ 684.96	Variable Frequency Drive - Osage Falls
46344	Northside Sales Co.	\$ 130.20	Hard Hats ('16)
46345	O'Reilly Automotive Stores	\$ 194.35	Unit 117 Wiper Fluid, Elec Cleaner FL Barscreen, Unit 139 Funnel & Motor Oil, Battery for Portable Pump,
46346	Odus Pack Building Materials	\$ 206.57	Lumber, Door, Drywall Screws - White Oak
46347	Office Depot	\$ 516.23	Printer, Ink Cartridges, Packing Tape
46348	Omega Engineering, Inc.	\$ 785.00	Multisignal Digital Panel Meter - Blower Building
46349	PAGIS	\$ 2,250.00	ArcGIS Software
46350	Panera, LLC	\$ 118.68	NLR Committee Meeting Lunches, Tea - February
46351	Peterson Concrete Septic Tank	\$ 721.87	Riser & Cone, Risers & Precase Manhole - Ward 2
46352	Pettus Office Products	\$ 805.33	Office Supplies - Lab, Pretreatment, Pump Maintenance, Admin
46353	Plantopia	\$ 188.12	Supersoil - Replace Flower Bed Ward 2
46354	Post Oak Acres, Inc.	\$ 27.38	Dirt - Repair Ward 4
46355	Powers Truck & Equipment	\$ 243.04	Repair Unit 231 - KX-121 Fuel Filter, Labor, Env Charge
46356	Quality Petroleum, Inc.	\$ 90.34	Diesel Exhaust Fluid
46357	RP Power	\$ 156.10	Block Heater - Maumelle Main Pump Generator
46358	S&W Chemical Sales	\$ 923.71	Urinal Screens, Nitrile Gloves, Shoulder Gloves
46359	SAU Tech	\$ 400.00	Training Fees - 8 Employees / Pumps Operation and Maintenance
46360	Specialized Tire Service	\$ 84.45	Unit 112 - Flat, Boot, Service Call
46361	Stanley Hardware	\$ 1,068.06	Chain Links, Brass Hose Shut Offs, Chains, Screws, Quick Link, Nut Setter, Ring Hitch, No Trespassing Sign, Marking Spray, Clevis, Cold Shut Off, Nuts, Bolts, Chain, Pipe Pex, Push Fit Couplings, Abrasive Cloth, Repair Crank Rope on Concrete Mixer, DeWalt Drill & Sawzall, Leaf Rake, Plywood, Pushbrooms, Cotton Mop, roller Frame, Filter Vacuum, Varnish Brush, Taping Knife, Roller Cover, PVC, Pressure Couplings, PVC Cement, Orange Water Coolers
46362	Tractor Supply Credit Plan	\$ 16.41	Garden Cultivator
46363	Truckpro, LLC	\$ 20.30	Unit 109 Raincap Exhaust Flapper
46364	UBS	\$ 373.17	Water Bills: White Oak, Delta Lawn, Shorter Coll, Oakbrook, 5-Mi, Shillcutt, Heilman Dr/WhiteOak
46365	Waste Management	\$ 31,584.54	Biosolids Disposal Maumelle to Two Pines Landfill & Disposal for FLTP
46366	Wholesale Electric Supply	\$ 185.85	Parts/Electrical for White Oak Breakroom Addition
46367	Advanced Fluid Technologies	\$ 2,859.76	Repair RAS Pump - Maumelle - Budget Item/Equipment

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46368	Arkansas Aggregates, Inc.	\$ 2,596.59	Stone/Gravel delivered to FLTP
46369	Arkansas Blueprint Co., Inc.	\$ 194.91	Plotter Toner Cartridge
46370	AutomationDirect.Com, Inc.	\$ 512.46	ACU Amp Current Switch - 5- Mi
46371	B&B Material Companies	\$ 27.38	Sandy Loam Ward 2
46372	Bentco, Inc.	\$ 658.00	Parts - FL Chlorine Belt Press Controls
46373	Boston Mutual Life Ins. Co.	\$ 475.27	Supplemental Insurance - Employee Deductions
46374	Centerpoint Energy	\$ 3,675.51	Gas Bills: Maum Valley PS, CC Ballfields Gen, Seminole E Gen, Seminole W Gen, New Bedford Gen, 701 W. 29th, FL Lab, FLTP
46375	Change Center for Health	\$ 3,251.50	Wellness Clinic - April 2019
46376	Cintas	\$ 216.27	First Aid Cabinet Refill - Pump Maint, Operations, CS&E, Lab
46377	City of Maumelle	\$ 11,530.29	Franchise Fee Collected - February 2019
46378	City of North Little Rock	\$ 85,753.41	Franchise Fee Collected - February 2019
46379	Core & Main, LP	\$ 767.08	Manhole Rings for Inventory
46380	Datamax	\$ 115.38	Monthly Copier Maintenance - Admin
46381	Digi-Key Electronics 3058463	\$ 398.39	Type Four Panel - Osage Hills
46382	DiscountCell, Inc.	\$ 818.72	4-Cell Modems - SCADA Replacement Project
46383	DoorKing, Inc.	\$ 49.95	Monthly Cell Service - Faulkner Lake Gate 1/20 - 2/19/19
46384	Entergy	\$ 15,707.70	Electric Bills: Clayton Chapel, River Run, Norfolk, Palisades, Maum#2, Bouries, CC Ballfields, Counts Massie, Collins Indust, Maranes, Counts M#2, Maum Woods, Crystal Bay, Hwy 365, Bridgeway#2, WhOak Struct, WhOak Lagoons, WhOak Bar Scr, WhOak TP
46385	Eureka Gardens Facilities Board	\$ 3,525.00	Debt Fee Collected Feb. Cycle 4
46386	Express Oil Change - Sherwood	\$ 40.98	Unit #96 Oil Change
46387	EZ Automation	\$ 1,612.00	4 Sets of Components to Build PLC'S - SCADA Replacement Project
46388	First Electric Coop	\$ 184.86	Electric Gap Creek
46389	Fleet Tire Service	\$ 136.89	Unit #96 Repair Flat, Unit #112 Flat Repair
46390	Grainger	\$ 573.23	Magnetic Contactor - Quapaw + Spare
46391	Gravel Ridge Sewer District	\$ 17,231.76	Billed Accounts Feb. Cycles 4 & 5
46392	Henard Utility Products	\$ 1,182.99	Suction Tubes, Clamps, Crown Nozzle, Cable Assy - Freight (Vac-Con #1)
46393	Home Depot Credit Services	\$ 1,477.20	Grout Sealer & Pail-Operations, Quikrete for Inventory, Spackling, Roll Insulation, Hardboard, Cove Trim, Drain, Shims, Mortar & Tile-White Oak Office Improvements, Weedblock & Pea Pebbles for Flower Bed-Main Repair, Paint, Roller Pan, Thinsset, Tile Spacers, Jigsaw Blades, Countertop, Hooks, Nails, Adhesive-White Oak Office Improvements
46394	Information Network of Arkansas	\$ 22.00	1-New Employee Background Check
46395	Instrument & Supply, Inc.	\$ 4,681.83	Replace 3 - Chlorine Detectors at FLTP, 5-Mi, White Oak - Budget Item
46396	Jimmy Don Waddles Hauling, Inc.	\$ 2,070.00	Biosolids Hauling Maumelle to Two Pines Landfill - 9 Loads 3/6 -3/11/19
46397	Joseph T. Ryerson & Son	\$ 104.31	3- Aluminum 25' Ex Ang - FL Filter Press Fans

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46398	Little Rock Winwater Co.	\$ 394.20	Etco Sewer Plugs for Stock
46399	Mark McLarty Ford Lincoln	\$ 162.61	Unit #140 Oil & Filter Change
46400	Michael Clayton	\$ 160.00	Engineer License Renewal Reimbursement - 2019 - 2020
46401	National Filter Media	\$ 5,917.04	FL Belt Press Upper and Lower Belts - Budget Item
46402	NLR Welding Supply, Inc.	\$ 73.20	Cylinder Rental -Oxygen, Acetylene, Argon, Argon/CO2
46403	Northside Sales Co.	\$ 359.06	Silver Safety Glasses, Calibration & Services - Gas Monitor & Gas Tank
46404	Odus Pack Building Materials	\$ 365.83	Sink Base, Base Cabinet, Wall Cabinet - White Oak Improvements
46405	Pettus Office Products	\$ 93.06	Black Toner Cartridge
46406	Powers Truck & Equipment	\$ 4,174.45	#113 Truck Repair O-Ring, MV3 Valve; #123 Truck Repair Oil Pressure Sending Unit, Replaced Various Lights; Repair KX-121 Sensor & Fuel Line
46407	Regions Corporate Trust	\$ 1,414.00	Rixie Bond Repayment - February
46408	RGA	\$ 192.31	Discharge & Suction Hoses - White Oak
46409	River Valley Tractor	\$ 9,279.03	Bad Boy Mower - Maumelle - Budget Item
46410	RJN Group, Inc.	\$ 11,203.97	Smoke Testing, Data Analysis and Reporting Services through 2/22/19
46411	Sewer District #211	\$ 245.50	Billed Ruryan Acres Accounts Feb Cycle 4
46412	Sonny Fulmer Trucking	\$ 3,155.22	Hauling Gravel & Stone 2/26 - 3/8/19
46413	Spa Chemicals, Inc.	\$ 478.46	Degreaser, Handwipes, Penetrating Lubricant, De-Icer, Deodorant
46414	United Laboratories	\$ 560.54	Bacterial Treatment, Bio-Accel - CC Ballfields PS
46415	UBS	\$ 1,370.24	Water Bills: Maumelle TP, FL Lab, FLTP, Murphy Drive
46416	Verizon Connect Fleet USA, LLC	\$ 322.50	Remove and Replace Tracking Units from Old to New Vehicles
46417	Web Lubrications, Inc.	\$ 92.22	Unit #136 Oil Change
46418	Windstream	\$ 61.92	Billing Dept. Fax Line
46419	Ameriprise Financial Services	\$ 75.00	Employee Contributions Pay Period Ending 3/17/2019
46420	Heart of Arkansas United Way	\$ 52.00	Employee Charitable Giving Pay Period Ending 3/17/2019
46421	OCSE Clearinghouse SDU	\$ 152.00	Arkansas Child Support Payments - Pay Period Ending 3/17/2019
46422	US Dept of Education	\$ 169.35	Employee Federal Student Loan Garnishment- Pay Period Ending 3/17/19
46423	NLR Community Center	\$ 4.93	Wellness Program - 1 Employee - Pay Period Ending 3/17/2019
46424	Hood & Stacy P.A.--VOID CHECK	\$ -	Check was Returned-Garnishment Stopped
AF-06	Arkansas Federal Credit Union	\$ 4,510.31	Employee Deposits Pay Period Ending 3/17/2019
NAT-06	Nationwide Retirement Solutions	\$ 3,761.54	Retirement Contributions Pay Period Ending 03/17/2019
PR-06	Payroll Tax Deposit	\$ 40,370.83	Payroll Taxes Pay Period Ending 3/17/2019
46425	A Test Consultants, Inc.	\$ 36.00	Follow Up Testing DOT one employee
46426	AA Flooring & Renovations	\$ 1,850.00	Tile Office/Bathroom & Drop Ceiling - White Oak
46427	American Composting, Inc.	\$ 53.02	Dump Truck Wood/Brush - Ward 2
46428	Arkansas Aggregates, Inc.	\$ 340.11	Gravel delivered to FLTP
46429	Arkansas One Call System	\$ 427.80	Member Fee/March; Call Fee/Feb
46430	Arkansas Sign & Barricade, Inc.	\$ 250.00	Lane Closure Ward 3
46431	AGA (Assoc of Gov't Accounts)	\$ 110.00	Annual Membership - G Briley 4/1/19 - 3/31/20

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46432	AWW & WEA	\$ 135.00	Conference Registration (Hot Springs) - K Ramon
46433	Blue Tarp Credit Services (Northern Tool)	\$ 153.25	Bit Sharpener Ops
46434	Centerpoint Energy	\$ 74.61	Gas Bills: Gap Creek Gen, Eureka Grds Gen, Dixie Gen, Clayton Chapel Gen
46435	City of Maumelle	\$ 25.00	Permit - Ward 5
46436	Colonial Life	\$ 432.83	Employee Deductions - Supplemental Insurance
46437	Core & Main LP	\$ 148.75	PVC Cplg - Ward 2
46438	Datamax	\$ 134.00	Monthly Maint - Copier CS&E
46439	Digital Print & Imaging of LR	\$ 180.69	NLRW Imprinted Window Envelopes
46440	Ed Toland	\$ 87.59	Reimburse for OSHA Compliant Safety Footwear
46441	Entergy	\$ 259.30	Electric - Clayton Chapel PS
46442	FedEx	\$ 56.31	Expedited Postage Fees - Meter Returned for Repair; Eng. Paperwork
46443	Grainger	\$ 343.80	Circuit Breakers/Osage Falls
46444	Harbor Freight Tools	\$ 74.41	Cable Cutters, Bolt Cutters, Flat Pry Bar - Maumelle
46445	Harcros Chemicals	\$ 1,311.76	Chlorine Cylinders - 5-Mile
46446	Henard Utility Products	\$ 353.68	Cues TV Parts - O-Rings/Receptacles/Freight
46447	Information Network of Arkansas	\$ 22.00	1 New Employee Background Check
46448	Jimmy Don Waddles Hauling, Inc.	\$ 2,990.00	Biosolids Hauling Maumelle to Two Pines Landfill - 13 Loads 3/12 -3/18/19
46449	Joe's Garage & Wrecker Service	\$ 73.10	Oil Change - Unit #129
46450	Kerr Paper & Supply Co.	\$ 525.55	Toilet Paper, C-Fold Towels, Wipers
46451	Kubota Tractor Co.	\$ 61,599.19	Wheel Loader/Budget Item HGAC - Maumelle TP
46452	Legal Shield	\$ 139.55	Employee Deductions - Prepaid Legal Services
46453	Liberty Trailer Co., Inc.	\$ 429.90	Holden Tr #9 Repair Parts & Labor
46454	Little Rock Winwater Co.	\$ 4,386.19	Fernco, Gasket Pipe
46455	O'Reilly Automotive Stores, Inc.	\$ 25.16	Filters, Wiper Fluid, Valve Caps - Maumelle
46456	Pettus Office Products	\$ 950.50	Staplers, Aluminum Form Holders, Creamer, Dish Soap, Cutlery Combo, Ink Cartridges, 64 GIG Drives, Plastic Spoons, Forks, Paper Clips, Hot Cups, Ruler
46457	Pitney Bowes Global Financial	\$ 154.47	Quarterly Postage Machine Rental
46458	Powers Truck & Equipment	\$ 344.82	Leader Hose - Unit #141
46459	RG&A	\$ 149.86	O-Rings - Maumelle Chlorinator
46460	Scott Products	\$ 541.12	Arsenal, 2-4-D, Pre-Emergent - To Spray Lagoons
46461	Spa Chemicals, Inc.	\$ 446.70	Drain Clearing Chemical, Pop-Up Towels, Toilet Tissue
46462	State of AR Dept of Workforce Services	\$ 7,834.30	Unemployment Insurance Balance for 2018
46463	USA Bluebook	\$ 706.01	Reed Switch, Signal Splitter, Fuse Puller - Blower Bldg Control Project
46464	Verizon Wireless	\$ 1,554.47	Monthly Cell Phone Use February
46465	Washington National Insurance Co.	\$ 1,165.87	Employee Deductions - Supplemental Insurance
46466	Web Lubrications, Inc.	\$ 365.70	Unit #88 Oil Change & Brake Job
46467	Xylem Dewatering Solutions, Inc.	\$ 963.60	Pump & Hose Rental - Dewater White Oak Lagoon

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
ELEPYMT-4	Centennial Bank	\$ 965.19	Credit Card Payment-Online Job Ads January, Lunch Committee Meeting, Sympathy Florals - 2 Employee Family Members, Books Coll. Sys. Certification Program
46468	Allied Supply, Inc.	\$ 209.38	Pine Tree PS - Bushings, Ells, Nipples, Cement, Primer
46469	American Composting, Inc.	\$ 129.00	Supersoil - Replace Flower Bed - Ward 2
46470	Arkansas Aggregates, Inc.	\$ 681.46	Rock and Gravel for FLTP
46471	Arkansas Democrat Gazette	\$ 317.25	Legal Ads - Unaudited Financial Stmt; Public Notice Discharge Permit FLTP
46472	AT&T Mobility	\$ 311.97	Phone Bills - Survey Equipment, SCADA
46473	AutomationDirect.com	\$ 1,562.58	Submersible Transmitter, Aneroid Bellows/Wilcox PS, Blower Controls FLTP
46474	Capital Fire Extinguisher Co.	\$ 95.20	Maumelle Annual Fire Ext. Inspections
46475	Central AR Water	\$ 41,302.00	Wastewater Billing Fees January
46476	Chris Lumpkin	\$ 112.00	Reimburse for OSHA Compliant Safety Footwear
46477	Chris' Windshield Repair, Inc.	\$ 98.55	Repair Star Breaks - Units #115 & #98
46478	Connecting Point	\$ 9,336.74	Custom Server for Data Storage and Spare Domain Controller
46479	Cranford Construction Co.	\$ 119.73	Asphalt Repair - Ward 2
46480	Crossroads Western Wear	\$ 3,128.75	OSHA Compliant Safety Footwear - 18 Employees
46481	Cummins Sales and Service	\$ 4,675.65	Pump Station Generators Annual Inspections/Annual Service Generators at Admin & Lab
46482	Darrell R. Sansom	\$ 3,000.00	March 2019 - Computer & Network Consulting and Maintenance
46483	Digi-Key Electronics 3058463	\$ 596.02	Cock of the Walk Omni Replacement, Tools for Omni Replacement, Inner Panel Osage Hills
46484	Digital Print & Imaging of LR	\$ 154.39	Door Hangers - Coll Sys
46485	DiscountCell, Inc.	\$ 409.36	NetCloud Essentials w/Support & Router - Murphy Dr & Cock of the Walk
46486	Dwayne Morrow	\$ 112.00	Reimburse for OSHA Compliant Safety Footwear
46487	Eagle Fence Distributing	\$ 807.47	Repair & Replace Damaged Fencing - Ward 2
46488	EGP, PLLC	\$ 16,000.00	Progress Billing - 2018 Financial Statement Audit - Committee Approved
46489	Entergy	\$ 27,478.72	Electric - Austin Lakes, 5-Mi N, Trammel Est, 5-Mi Gate, Marche, 5-Mi S, 5-Mi Influent, 5-Mi #1, Midstate, Frontier Dr, McAlmont, Chapel Ridge, Rixie/Hwy 161, Hill Lake, Eur Grds/46th, Quapaw
46490	Environmental Services Company	\$ 140.00	S.O.U. R. Test White Oak Lagoon, Grab Water Samples FLTP (Permit)
46491	Eureka Gardens Facilities Board	\$ 450.00	Debt Fee Collected February Cycle 7
46492	EZAutomation	\$ 1,612.00	Components to Build PLC for SCADA at Pump Stations
46493	Fuelman	\$ 10,920.41	Gasoline & Diesel Fuel - Fleet - February
46494	Gravel Ridge Sewer Districtg	\$ 18,828.56	Billed Accounts Feb. Cycle 7 & 9 and End of Month
46495	Green & Chapman	\$ 221.32	Diesel for Wilcox Bypass Pump
46496	Hach Company	\$ 1,166.28	Silicone Tubing, Acetone
46497	Harbor Freight Tools	\$ 129.41	Cutoff Wheels, Rope, Squeeze Bottles, Hang All Bracket, Tool Bags, Ties, Locking Pliers, Drill Set, Cutting Lube, Punch & Chisel, Pipe Wrench/ OPS

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46498	Harcros Chemicals	\$ 1,577.20	Sulfur Dioxide & Chlorine Cylinders
46499	Henard Utility Products	\$ 5,323.22	Hydraulic Surge Machine, Hose Dies, Pusher Plates, Cak Tool Hub & Cable, Bore Cutter (New Vaccon 143), Remote Transmitter (144)
46500	Hilburn, Calhoun, harper, Prunski & Calhoun	\$ 6,201.50	Retainer & Special Projects Consultations - February Legal Fees
46501	Horseshoe Construction, Inc.	\$ 108,265.09	1st Estimate Lakewood Pipe Bursting Project
46502	IBT, Inc.	\$ 3,720.95	Gear Box Shillcutt Barscreen
46503	ICM Technologies, Inc.	\$ 54,230.00	Chemical Grout, Leak Seal & Epoxy Rehab -Wilcox PS - Budget Item
46504	Interstate Tire	\$ 744.60	4 New Tires - Unit #117
46505	Jack Tyler Engineering, Co.	\$ 8,416.17	Flygt Submersible Pump - Midstate PS
46506	James Rhodes	\$ 112.00	Reimburse for OSHA Compliant Safety Footwear
46507	Jimmy Don Waddles Hauling, Inc.	\$ 1,380.00	Biosolids Hauling Maumelle to Two Pines Landfill - 6 Loads 3/19 -3/20/19
46508	L&L Municipal Supplies & Tools	\$ 992.08	Fluorescent Green Tear-Away Safety Vests, Nitrile Gloves, Rain Suits
46509	McGonigal Consulting, LLC	\$ 500.00	Modification to Permit Program
46510	Mitch Foreman	\$ 104.01	Reimburse for OSHA Compliant Safety Footwear
46511	Moore Brothers Printing	\$ 438.00	Magnetic Signs for Contractors
46512	Morgan Mills	\$ 112.00	Reimburse for OSHA Compliant Safety Footwear
46513	Municipal Health Benefit Fund	\$ 68,674.45	Employee Health Insurance April 2019
46514	North Little Rock Electric	\$ 35,501.89	Electric; Faulkner Lake CS&E, FL PI Maint, Wh Oak Gate, Cypress Xing, Maryland E, Oakbrook, Lakewood, Baucum Ind Park, FL Admin, Shorter Coll, Harris Ind Park, FL Lab, 3812B Nona, Faulkner Xing, Lansbrook Holt, Galloway Maybelline, FL Sludge Lag, I-440 Ind Park, Hwy 107 PS, Maryland PI, Pine Tree Pt, Delta Lawn, Wilcox, FL Blower, Shillcutt, FLTP, Dixie, 3924 Nona, 3804B Nona
46515	Pettus Office Products	\$ 109.26	Rubber Bands, Copy Paper, Clip Holder, Scotch Tape
46516	Pipe & Tube Supply	\$ 54.76	Skids for Nozzle - Unit #143
46517	Powers Truck & Equipment	\$ 653.33	Unit # 113 Repair R&R Ignition Repair & Replace
46518	Practec, LLC	\$ 1,142.00	5 HP VFD Baldor - Budget Item
46519	RGA	\$ 22.41	Adapter & Dust Cap -Osage Falls
46520	Sewer District #211	\$ 50,063.36	Billed Runyan Acres Accounts Feb Cycles 7, 9 and End of Month
46521	Sonny Fulmer Trucking	\$ 3,582.21	Rock and Gravel Div'd to FLTP & Rail Yard, Sidewalk Ward 1
46522	Spa Chemicals, Inc.	\$ 390.83	Industrial Extreme Trash Bags, Multi Fold Towels, Thick N Sudsy
46523	Stephen Carpenter	\$ 54.74	Reimburse for OSHA Compliant Safety Footwear
46524	Taggart Architects	\$ 46,720.00	Construction Documents - CS&E Bldg Addn; Lump Sum to Date 3/15/19 Metal Building Replacement - Committee Approved
46525	United States Plastic Corporation	\$ 219.69	Ball Valve, Mesh Screen - FL Belt Press
46526	USA Bluebook	\$ 1,229.22	Ammonia Buffer, Ammonia Standard, FC Broth, Methanol
46527	Verizon Connect Fleet USA, LLC	\$ 385.00	Monthly Vehicle Service MARCH - 14 Units
46528	Walkers Radiator & Auto Repair	\$ 254.98	Unit #98 - Replace Heater Blend Door Actuator & Motor

**NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
March 31, 2019**

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
46529	Waste Management	\$ 11,773.67	Disposal of Biosolids from Maumelle TP to Two Pines Landfill - 3/1 - 3/15, Monthly Service Charge Maumelle, FLTP, 5-Mi, White Oak, Shillcutt, VacCons
46530	Water Environment Federation	\$ 170.00	WEF Membership - 1 Employee
46531	Wiese USA	\$ 180.45	Forklift Inspection & Maintenance
46532	Xylem Dewatering Solutions, Inc.	\$ 2,832.63	Pump Rental, White Oak Lagoon Dewatering - Wilcox Bypass Pump
	Pay Period Ending 3/03/19	\$ 119,042.65	
	Pay Period Ending 3/17/19	\$ 118,318.70	
	Arkansas Federal Credit Union	\$ 25.00	Monthly Fee for Electronic Deposit of Credit Union Deductions
	Centennial Bank	\$ 25.00	Annual Safe Deposit Box Rental
	ADFA-Loan Payments	\$ 243,754.78	Monthly Loan Payments Drafted from Account
	2016 Construction Fund	\$ 358,485.37	Total Disbursements From Account
	TOTAL UTILITY CASH DISBURSEMENTS	\$ 1,939,719.49	

**NORTH LITTLE ROCK WASTEWATER
FUND TRANSFERS
March 31, 2019**

DATE	AMOUNT	TO	FROM	DESCRIPTION
3/1/2019	\$ 41,666.67	Rehabilitation	Sewer	Monthly Required Transfer
3/4/2019	\$ 119,000.00	Operations-Payroll	Sewer	Transfer for Pay Period Ended 3/3/19, Paid to Employees on 3/5/19
3/8/2019	\$ 195,200.00	Operations	Sewer	Transfer for Accounts Payable Checks Paid 3/4-3/8
3/13/2019	\$ 202,300.00	Operations	Sewer	Transfer for Accounts Payable Checks Paid 3/13
3/18/2019	\$ 118,300.00	Operations-Payroll	Sewer	Transfer for Pay Period Ended 3/17/19, Paid to Employees on 3/19/19
3/22/2019	\$ 142,600.00	Operations	Sewer	Transfer for Accounts Payable Checks Paid 3/18-3/22
3/27/2019	\$ 560,200.00	Operations	Sewer	Transfer for Accounts Payable Checks Paid 3/27

\$ 1,379,266.67

NORTH LITTLE ROCK WASTEWATER
CASH DISBURSEMENTS
2016 CONSTRUCTION FUND
March 31, 2019

CK #	CHECK PAYABLE TO	AMOUNT	DESCRIPTION
VV008	Horseshoe Construction	\$ 168,775.10	Estimate #10-West Levy/212 Pipe Bursting Project
vv009	Insituform Technologies	\$ 189,710.27	Estimate #8-West Levy/212 CIPP Project
		\$ 358,485.37	

(3)

FINANCIAL STATEMENTS FOR MARCH 2019

ACTION REQUESTED:

Approve the Financial Statements for March 2019.



North Little Rock Wastewater
Balance Sheet
Sunday, March 31, 2019

ASSETS	
CURRENT ASSETS	
PETTY CASH	\$700.00
CASH IN BANK	\$4,960,325.79
CERTIFICATES OF DEPOSIT	\$8,559,398.93
ADFA HOLDING ACCOUNTS	\$1,225,912.42
ACCOUNTS RECEIVABLE	\$2,956,850.45
ACCRUED INTEREST RECEIVABLE	\$60,795.27
ON-SITE INVENTORY	\$31,244.88
PREPAID LIABILITY INSURANCE	\$88,499.25
PREPAID WORKERS COMPENSATION INSURANCE	\$54,731.25
OTHER PREPAID EXPENSES	\$66,932.97
TOTAL CURRENT ASSETS	\$18,005,391.21
PROPERTY, PLANT & EQUIPMENT	
LAND	\$3,139,810.46
PUMPING STATION STRUCTURES	\$12,075,543.86
SEWER SYSTEM LINES	\$72,829,739.05
TREATMENT PLANT STRUCTURES	\$77,837,568.13
ADMINISTRATION & MAINT. & ENG. BUILDINGS	\$917,063.85
LABORATORY BUILDING	\$1,243,794.95
SEWER SYSTEM EQUIPMENT	\$13,639,362.22
EST. VALUE OF OLD SEWER LINES	\$5,081,361.47
CONSTRUCTION IN PROGRESS	\$6,325,103.87
ACCUMULATED DEPRECIATION	(\$75,030,432.25)
TOTAL PROPERTY, PLANT & EQUIPMENT	\$118,058,915.61
OTHER ASSETS	
RIXIE OM&R RECEIVABLE	\$176,055.20
DEFERRED OUTFLOWS RELATED TO PENSION	\$2,150,133.00
TOTAL OTHER ASSETS	\$2,326,188.20
TOTAL ASSETS	\$138,390,495.02

North Little Rock Wastewater
Balance Sheet
Sunday, March 31, 2019

LIABILITIES	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE	\$78,901.70
ADVANCE-INSURANCE CO.	\$1,024,532.02
OWED TO OTHER DISTRICTS	\$92,649.65
FRANCHISE FEE PAYABLE	\$154,199.00
PAYABLE TO RIXIE	\$1,414.00
PAYABLE TO EUREKA GARDENS	\$3,950.00
ACCRUED SICK LEAVE	\$403,738.97
ACCRUED VACATION LEAVE	\$227,705.36
ACCRUED EMPLOYEE BENEFITS	(\$2,175.23)
ACCRUED INTEREST PAYABLE	\$512,504.93
ACCRUED PENSION PLAN CONTRIBUTION	\$198,549.99
TOTAL CURRENT LIABILITIES	<u>\$2,695,970.39</u>
OTHER LIABILITIES	
BONDS PAYABLE-SERIES 2001	\$3,419,112.55
BONDS PAYABLE-SERIES 2008	\$9,941,469.60
BONDS PAYABLE-SERIES 2012	\$18,475,139.72
BONDS PAYABLE-SERIES 2016	11,699,065.00
RESERVE FOR BIO-SOILD DISPOSAL	\$2,330,870.62
OPEB OBLIGATION-GASB 45	\$191,393.00
NET PENSION LIABILITY	\$2,786,093.00
DEFERRED INFLOWS RELATED TO PENSIONS	\$943,278.00
TOTAL OTHER LIABILITIES	<u>\$49,786,421.49</u>
EQUITY	
CONTRIBUTED CAPITAL	\$30,110,329.51
DONATED CAPITAL	\$17,727,878.80
RETAINED EARNINGS	\$36,384,351.68
CURRENT YEAR NET INCOME / (LOSS)	\$1,685,543.15
TOTAL EQUITY	<u>\$85,908,103.14</u>
TOTAL LIABILITIES & EQUITY	<u>\$138,390,495.02</u>

North Little Rock Wastewater
Income Statement
For the Three Months Ending Sunday, March 31, 2019

	MARCH 2019	YEAR TO DATE 2019	MARCH 2018	YEAR TO DATE 2018
REVENUE				
OPERATING REVENUE				
INSIDE NLR SERVICE CHARGES	\$1,021,759.56	\$3,197,132.36	\$1,030,157.12	\$3,162,839.55
OUTSIDE NLR SERVICE CHARGES	\$243,341.30	\$737,589.11	\$233,023.85	\$703,707.46
MAUMELLE SERVICE CHARGES	\$238,585.93	\$728,269.03	\$225,811.90	\$695,331.39
SHERWOOD TREATMENT CHARGES	\$51,019.00	\$153,057.00	\$27,694.00	\$83,082.00
CUSTOMER SERVICE CHARGES	\$4,358.66	\$13,097.22	\$4,239.82	\$12,704.52
INDUSTRY REGULAR CHARGES	\$170,369.43	\$515,255.90	\$182,344.82	\$516,652.44
INDUSTRY SURCHARGE/PENALTY CHARGES	\$35,827.64	\$127,128.11	\$50,910.66	\$131,005.54
INDUSTRY LATE FEE CHARGES	\$2,355.27	\$6,621.75	\$0.00	\$2,643.65
LATE FEE CHARGES-RES. & COM.	\$28,091.31	\$90,924.50	\$30,232.27	\$83,615.10
TIE-ON FEE CHARGES	\$0.00	\$1,420.80	\$1,709.32	\$2,183.32
CONNECTION INSPECTION PERMITS	\$2,615.00	\$7,350.00	\$4,425.00	\$10,905.00
PARTIAL INSPECTION PERMITS	\$0.00	\$180.00	\$135.00	\$315.00
TAP & STREET CUTTING PERMITS	\$1,400.00	\$2,800.00	\$1,400.00	\$3,150.00
REVIEW PLANS & SPECIFICATIONS	\$535.35	\$608.10	\$2,839.54	\$5,044.54
TOTAL OPERATING REVENUE	<u>\$1,800,258.45</u>	<u>\$5,581,433.88</u>	<u>\$1,794,923.30</u>	<u>\$5,413,179.51</u>
NON OPERATING REVENUE				
INTEREST EARNED INCOME-SECURITIES	\$11,261.30	\$33,507.10	\$3,668.75	\$10,957.88
INTEREST EARNED INCOME-CHECKING	\$1,634.92	\$3,275.75	\$826.57	\$2,154.46
INTEREST EARNED INCOME-NOTES	\$448.58	\$1,302.33	\$448.58	\$1,302.33
DISCOUNTS EARNED	\$7.69	\$40.71	\$25.01	\$46.42
MISCELLANEOUS INCOME	\$0.00	\$200.00	\$300.00	\$300.00
TOTAL NON-OPERATING REVENUE	<u>\$13,352.49</u>	<u>\$38,325.89</u>	<u>\$5,268.91</u>	<u>\$14,761.09</u>
TOTAL REVENUE	<u>\$1,813,610.94</u>	<u>\$5,619,759.77</u>	<u>\$1,800,192.21</u>	<u>\$5,427,940.60</u>

North Little Rock Wastewater
Income Statement
For the Three Months Ending Sunday, March 31, 2019

	MARCH 2019	YEAR TO DATE 2019	MARCH 2018	YEAR TO DATE 2018
OPERATING EXPENSES				
WALKING CREW	\$0.00	\$1,641.77	\$2,994.83	\$7,261.62
TROUBLE CREW	\$9,789.37	\$26,199.56	\$9,361.55	\$25,020.72
MANHOLE CREW	\$6,052.85	\$16,724.27	\$5,642.23	\$21,032.21
POWER DRIVE CREW	\$4,424.07	\$12,011.57	\$4,208.58	\$14,367.95
TELEVISION CREW #1	\$8,370.73	\$26,869.00	\$9,604.51	\$26,515.08
TELEVISION CREW #2	\$9,420.14	\$28,173.46	\$9,326.77	\$37,776.51
COLLECTION SYSTEMS-GENERAL	\$100,575.33	\$275,375.36	\$94,663.19	\$329,831.02
REPAIR CREW #1	\$13,034.33	\$38,187.73	\$12,268.16	\$53,284.88
REPAIR CREW #2	\$10,165.48	\$39,515.75	\$9,596.95	\$41,462.54
REPAIR CREW #3	\$13,040.47	\$31,257.69	\$11,343.48	\$37,867.08
REPAIR CREW #4	\$21,314.28	\$43,700.65	\$12,177.33	\$32,649.64
POWER RODDING CREW #1	\$2,605.85	\$5,698.88	\$2,086.63	\$6,541.42
VAC-CON CREW #1	\$20,677.36	\$48,406.15	\$13,278.71	\$39,377.93
VAC-CON CREW #2	\$12,461.03	\$37,280.25	\$6,162.55	\$16,333.64
VAC-CON CREW #3	\$13,030.67	\$38,813.47	\$5,100.77	\$14,664.06
VAC-CON CREW #4	\$0.00	\$520.08	\$655.60	\$1,042.68
VAC-CON CREW #5	\$12,760.49	\$36,745.83	\$14,775.20	\$36,501.29
LOCATION WORK	\$4,350.73	\$10,547.64	\$3,290.06	\$9,881.82
ENGINEERING OFFICE	\$24,689.01	\$62,915.89	\$19,862.38	\$54,434.02
GENERAL ENGINEERING DEPT.	\$17,120.96	\$59,855.19	\$14,367.68	\$43,570.96
PRETREATMENT DEPARTMENT	\$17,760.77	\$46,015.42	\$17,592.79	\$49,867.82
TREATMENT DEPARTMENT	\$336,312.23	\$1,026,766.43	\$353,534.12	\$1,059,621.44
PUMP STATION DEPARTMENT	\$66,677.25	\$162,566.15	\$54,365.73	\$143,425.39
BILLING DEPARTMENT	\$61,041.63	\$174,266.54	\$55,740.06	\$162,744.75
ADMINISTRATIVE	\$85,758.48	\$223,810.76	\$83,091.01	\$223,582.21
(GAIN) LOSS ON PROPERTY DISPOSALS	\$0.00	\$12,816.68	\$0.00	\$0.00
DEPRECIATION EXPENSE-NON VEHICLE	\$329,943.08	\$988,866.67	\$321,884.95	\$954,000.27
PENSION EXPENSE	\$66,183.33	\$199,787.49	\$62,758.34	\$189,472.52
TOTAL OPERATING EXPENSES	<u>\$1,267,559.92</u>	<u>\$3,675,336.33</u>	<u>\$1,209,734.16</u>	<u>\$3,632,131.47</u>
NON-OPERATING EXPENSES				
INTEREST ON DEBT-ALL BONDS	\$86,293.43	\$258,880.29	\$81,167.78	\$243,459.54
TOTAL NON-OPERATING EXPENSES	<u>\$86,293.43</u>	<u>\$258,880.29</u>	<u>\$81,167.78</u>	<u>\$243,459.54</u>
TOTAL EXPENSES	<u>\$1,353,853.35</u>	<u>\$3,934,216.62</u>	<u>\$1,290,901.94</u>	<u>\$3,875,591.01</u>
NET INCOME (LOSS)	<u>\$459,757.59</u>	<u>\$1,685,543.15</u>	<u>\$509,290.27</u>	<u>\$1,552,349.59</u>

North Little Rock Wastewater
Income Statement
For the Three Months Ending Sunday, March 31, 2019

	YEAR TO DATE BUDGET	YEAR TO DATE 2019	YEAR TO DATE 2018
REVENUE			
OPERATING REVENUE			
INSIDE NLR SERVICE CHARGES	\$3,338,500.00	\$3,197,132.36	\$3,162,839.55
OUTSIDE NLR SERVICE CHARGES	\$742,300.00	\$737,589.11	\$703,707.46
MAUMELLE SERVICE CHARGES	\$793,900.00	\$728,269.03	\$695,331.39
SHERWOOD TREATMENT CHARGES	\$129,900.00	\$153,057.00	\$83,082.00
CUSTOMER SERVICE CHARGES	\$13,200.00	\$13,097.22	\$12,704.52
INDUSTRY REGULAR CHARGES	\$534,300.00	\$515,255.90	\$516,652.44
INDUSTRY SURCHARGE/PENALTY CHARGES	\$100,200.00	\$127,128.11	\$131,005.54
INDUSTRY LATE FEE CHARGES	\$2,400.00	\$6,621.75	\$2,643.65
LATE FEE CHARGES-RES. & COM.	\$80,700.00	\$90,924.50	\$83,615.10
TIE-ON FEE CHARGES	\$0.00	\$1,420.80	\$2,183.32
CONNECTION INSPECTION PERMITS	\$9,900.00	\$7,350.00	\$10,905.00
PARTIAL INSPECTION PERMITS	\$0.00	\$180.00	\$315.00
TAP & STREET CUTTING PERMITS	\$2,400.00	\$2,800.00	\$3,150.00
REVIEW PLANS & SPECIFICATIONS	\$1,500.00	\$608.10	\$5,044.54
TOTAL OPERATING REVENUE	<u>\$5,749,200.00</u>	<u>\$5,581,433.88</u>	<u>\$5,413,179.51</u>
NON OPERATING REVENUE			
INTEREST EARNED INCOME-SECURITIES	\$32,100.00	\$33,507.10	\$10,957.88
INTEREST EARNED INCOME-CHECKING	\$1,800.00	\$3,275.75	\$2,154.46
INTEREST EARNED INCOME-NOTES	\$1,200.00	\$1,302.33	\$1,302.33
DISCOUNTS EARNED	\$0.00	\$40.71	\$46.42
MISCELLANEOUS INCOME	\$0.00	\$200.00	\$300.00
TOTAL NON-OPERATING REVENUE	<u>\$35,100.00</u>	<u>\$38,325.89</u>	<u>\$14,761.09</u>
TOTAL REVENUE	<u>\$5,784,300.00</u>	<u>\$5,619,759.77</u>	<u>\$5,427,940.60</u>

North Little Rock Wastewater
Income Statement
For the Three Months Ending Sunday, March 31, 2019

	YEAR TO DATE BUDGET	YEAR TO DATE 2019	YEAR TO DATE 2018
OPERATING EXPENSES			
WALKING CREW	\$14,700.00	\$1,641.77	\$7,261.62
TROUBLE CREW	\$30,600.00	\$26,199.56	\$25,020.72
MANHOLE CREW	\$31,200.00	\$16,724.27	\$21,032.21
POWER DRIVE CREW	\$23,100.00	\$12,011.57	\$14,367.95
TELEVISION CREW #1	\$36,300.00	\$26,869.00	\$26,515.08
TELEVISION CREW #2	\$34,500.00	\$28,173.46	\$37,776.51
COLLECTION SYSTEMS-GENERAL	\$378,000.00	\$275,375.36	\$329,831.02
REPAIR CREW #1	\$66,300.00	\$38,187.73	\$53,284.88
REPAIR CREW #2	\$52,200.00	\$39,515.75	\$41,462.54
REPAIR CREW #3	\$63,000.00	\$31,257.69	\$37,867.08
REPAIR CREW #4	\$39,000.00	\$43,700.65	\$32,649.64
POWER RODDING CREW #1	\$17,400.00	\$5,698.88	\$6,541.42
VAC-CON CREW #1	\$47,100.00	\$48,406.15	\$39,377.93
VAC-CON CREW #2	\$43,200.00	\$37,280.25	\$16,333.64
VAC-CON CREW #3	\$44,100.00	\$38,813.47	\$14,664.06
VAC-CON CREW #4	\$0.00	\$520.08	\$1,042.68
VAC-CON CREW #5	\$40,500.00	\$36,745.83	\$36,501.29
LOCATION WORK	\$12,600.00	\$10,547.64	\$9,881.82
ENGINEERING OFFICE	\$84,900.00	\$62,915.89	\$54,434.02
GENERAL ENGINEERING DEPT.	\$98,700.00	\$59,855.19	\$43,570.96
PRETREATMENT DEPARTMENT	\$61,500.00	\$46,015.42	\$49,867.82
TREATMENT DEPARTMENT	\$1,249,800.00	\$1,026,766.43	\$1,059,621.44
PUMP STATION DEPARTMENT	\$153,900.00	\$162,566.15	\$143,425.39
BILLING DEPARTMENT	\$200,100.00	\$174,266.54	\$162,744.75
ADMINISTRATIVE	\$272,100.00	\$223,810.76	\$223,582.21
(GAIN) LOSS ON PROPERTY DISPOSALS	\$0.00	\$12,816.68	\$0.00
DEPRECIATION EXPENSE-NON VEHICLE	\$1,037,400.00	\$988,866.67	\$954,000.27
PENSION EXPENSE	\$201,300.00	\$199,787.49	\$189,472.52
TOTAL OPERATING EXPENSES	\$4,333,500.00	\$3,675,336.33	\$3,632,131.47
NON-OPERATING EXPENSES	\$262,300.00	\$258,880.29	\$243,459.54
INTEREST ON DEBT-ALL BONDS	\$262,300.00	\$258,880.29	\$243,459.54
TOTAL NON-OPERATING EXPENSES	\$4,595,800.00	\$3,934,216.62	\$3,875,591.01
TOTAL EXPENSES	\$1,188,500.00	\$1,685,543.15	\$1,552,349.59
NET INCOME (LOSS)			

North Little Rock Wastewater
Income Statement
For the Three Months Ending

	MARCH 2019	MARCH 2018	MARCH 2017	MARCH 2016	MARCH 2015	MARCH 2014
REVENUE						
OPERATING REVENUE						
INSIDE NLR SERVICE CHARGES	\$3,197,132.36	\$3,162,839.55	\$2,872,813.28	\$2,694,131.17	\$2,630,404.97	\$2,550,261.13
OUTSIDE NLR SERVICE CHARGES	\$737,589.11	\$703,707.46	\$638,081.90	\$580,402.20	\$567,181.84	\$548,236.91
MAJUELLE SERVICE CHARGES	\$728,269.03	\$695,331.39	\$690,525.32	\$0.00	\$0.00	\$0.00
SHERWOOD TREATMENT CHARGES	\$153,057.00	\$83,082.00	\$84,732.00	\$122,982.00	\$99,699.00	\$84,333.00
CUSTOMER SERVICE CHARGES	\$13,097.22	\$12,704.52	\$12,488.44	\$12,531.61	\$12,354.52	\$12,091.13
SERVICE CHARGE REFUND	\$0.00	\$0.00	\$0.00	(\$12,132.12)	\$0.00	\$0.00
INDUSTRY REGULAR CHARGES	\$515,255.90	\$516,652.44	\$337,840.43	\$253,749.40	\$211,720.60	\$237,000.24
INDUSTRY SURCHARGE/PENALTY CHARGES	\$127,128.11	\$131,005.54	\$101,016.02	\$7,444.24	\$25,153.73	\$43,814.41
INDUSTRY LATE FEE CHARGES	\$6,621.75	\$2,643.65	\$3,106.35	\$988.79	\$5,847.85	\$6,054.54
LATE FEE CHARGES-RES. & COM.	\$90,924.50	\$83,615.10	\$80,056.74	\$64,337.57	\$65,404.64	\$71,348.32
TIE-ON FEE CHARGES	\$1,420.80	\$2,183.32	\$986.81	\$1,949.86	\$2,701.87	\$243.00
CONNECTION INSPECTION PERMITS	\$7,350.00	\$10,905.00	\$6,855.00	\$5,515.00	\$5,730.00	\$7,355.00
PARTIAL INSPECTION PERMITS	\$180.00	\$315.00	\$45.00	\$45.00	\$180.00	\$0.00
TAP & STREET CUTTING PERMITS	\$2,800.00	\$3,150.00	\$3,500.00	\$2,100.00	\$1,400.00	\$2,100.00
REVIEW PLANS & SPECIFICATIONS	\$608.10	\$5,044.54	\$440.00	\$663.36	\$176.03	\$1,500.00
TOTAL OPERATING REVENUE	\$5,581,433.88	\$5,413,179.51	\$4,832,487.29	\$3,734,708.08	\$3,627,955.05	\$3,564,337.68
NON OPERATING REVENUE						
INTEREST EARNED INCOME-SECURITIES	\$33,507.10	\$10,957.88	\$2,731.55	\$590.97	\$3,527.40	\$2,555.95
INTEREST EARNED INCOME-CHECKING	\$3,275.75	\$2,154.46	\$1,067.75	\$1,337.85	\$787.39	\$690.03
INTEREST EARNED INCOME-NOTES	\$1,302.33	\$1,302.33	\$1,302.33	\$1,339.95	\$1,428.98	\$1,584.31
DISCOUNTS EARNED	\$40.71	\$46.42	\$223.51	\$40.47	\$34.09	\$78.73
MISCELLANEOUS INCOME	\$200.00	\$300.00	\$3,885.00	\$300.00	\$1,203.20	\$0.00
TOTAL NON-OPERATING REVENUE	\$38,325.89	\$14,761.09	\$9,210.14	\$3,609.24	\$6,981.06	\$4,909.02
TOTAL REVENUE	\$5,619,759.77	\$5,427,940.60	\$4,841,697.43	\$3,738,317.32	\$3,634,936.11	\$3,569,246.70

North Little Rock Wastewater
Income Statement
For the Three Months Ending

	MARCH 2019	MARCH 2018	MARCH 2017	MARCH 2016	MARCH 2015	MARCH 2014
OPERATING EXPENSES						
WALKING CREW	\$1,641.77	\$7,261.62	\$2,757.27	\$8,234.78	\$4,471.34	\$0.00
TROUBLE CREW	\$26,199.56	\$25,020.72	\$27,124.54	\$34,362.84	\$34,518.77	\$33,938.02
MANHOLE CREW	\$16,724.27	\$21,032.21	\$15,801.98	\$16,660.13	\$24,314.03	\$23,921.01
POWER DRIVE CREW	\$12,011.57	\$14,367.95	\$16,760.19	\$9,163.90	\$18,578.12	\$21,440.69
TELEVISION CREW #1	\$26,869.00	\$26,515.08	\$26,052.78	\$25,315.10	\$22,199.33	\$23,007.14
TELEVISION CREW #2	\$28,173.46	\$37,776.51	\$24,410.51	\$22,223.15	\$25,184.97	\$18,583.83
COLLECTION SYSTEMS-GENERAL	\$275,375.36	\$329,831.02	\$266,648.93	\$260,205.54	\$259,367.17	\$225,878.58
REPAIR CREW #1	\$38,187.73	\$53,284.88	\$35,230.52	\$43,246.34	\$41,964.58	\$44,983.82
REPAIR CREW #2	\$39,515.75	\$41,462.54	\$35,761.95	\$45,034.46	\$39,339.32	\$31,782.41
REPAIR CREW #3	\$31,257.69	\$37,867.08	\$43,056.10	\$46,164.54	\$63,185.96	\$59,765.06
REPAIR CREW #4	\$43,700.65	\$32,649.64	\$28,786.69	\$2,683.09	\$0.00	\$0.00
POWER RODDING CREW #1	\$5,698.88	\$6,541.42	\$5,566.13	\$1,102.03	\$15,498.52	\$14,339.78
POWER RODDING CREW #2	\$0.00	\$0.00	\$0.00	\$0.00	\$7,745.49	\$10,667.79
VAC-CON CREW #1	\$48,406.15	\$39,377.93	\$38,576.86	\$30,626.96	\$40,731.97	\$36,655.80
VAC-CON CREW #2	\$37,280.25	\$16,333.64	\$21,942.94	\$36,333.56	\$41,030.13	\$33,437.53
VAC-CON CREW #3	\$38,813.47	\$14,664.06	\$33,702.00	\$32,006.66	\$32,458.96	\$29,841.97
VAC-CON CREW #4	\$520.08	\$1,042.68	\$2,295.72	\$2,643.40	\$764.45	\$0.00
VAC-CON CREW #5	\$36,745.83	\$36,501.29	\$17,157.40	\$32,270.30	\$0.00	\$0.00
SURVEY CREW	\$0.00	\$0.00	\$13,258.88	\$14,887.34	\$11,105.19	\$16,682.67
LOCATION WORK	\$10,547.64	\$9,881.82	\$9,544.64	\$9,159.57	\$8,889.93	\$10,817.95
ENGINEERING OFFICE	\$62,915.89	\$54,434.02	\$48,571.41	\$43,178.94	\$42,796.54	\$42,202.42
ENGINEERING-SSES	\$0.00	\$0.00	\$791.83	\$1,310.08	\$2,698.45	\$4,916.28
GENERAL ENGINEERING DEPT.	\$59,855.19	\$43,570.96	\$58,536.86	\$48,527.53	\$54,757.01	\$67,954.28
PRETREATMENT DEPARTMENT	\$46,015.42	\$49,867.82	\$50,800.76	\$51,695.23	\$48,990.39	\$49,496.95
TREATMENT DEPARTMENT	\$1,026,766.43	\$1,059,621.44	\$980,645.90	\$811,300.74	\$727,353.11	\$874,366.99
PUMP STATION DEPARTMENT	\$162,566.15	\$143,425.39	\$119,656.45	\$116,981.57	\$77,862.03	\$87,746.74
BILLING DEPARTMENT	\$174,266.54	\$162,744.75	\$156,737.85	\$132,714.11	\$131,696.72	\$129,564.13
ADMINISTRATIVE	\$223,810.76	\$223,582.21	\$208,581.04	\$241,413.72	\$218,985.34	\$192,521.01
(GAIN) LOSS ON PROPERTY DISPOSALS	\$12,816.68	\$0.00	\$41,639.25	\$0.00	\$0.00	\$0.00
DEPRECIATION EXPENSE-NON VEHICLE	\$988,866.67	\$954,000.27	\$972,049.62	\$713,034.59	\$662,876.61	\$560,916.08
PENSION EXPENSE	\$199,787.49	\$189,472.52	\$177,482.50	\$163,692.51	\$151,162.50	\$126,132.51
EMERGENCY REPAIRS	\$0.00	\$0.00	\$0.00	\$343,576.96	\$0.00	\$0.00
TOTAL OPERATING EXPENSES	\$3,675,336.33	\$3,632,131.47	\$3,479,929.50	\$3,339,749.67	\$2,810,526.93	\$2,771,561.44
NON-OPERATING EXPENSES						
INTEREST ON DEBT-ALL BONDS	\$258,880.29	\$243,459.54	\$226,487.94	\$216,667.92	\$194,310.78	\$140,544.69
TOTAL NON-OPERATING EXPENSES	\$258,880.29	\$243,459.54	\$226,487.94	\$216,667.92	\$194,310.78	\$140,544.69
TOTAL EXPENSES	\$3,934,216.62	\$3,875,591.01	\$3,706,417.44	\$3,556,417.59	\$3,004,837.71	\$2,912,106.13
NET INCOME (LOSS)	\$1,685,543.15	\$1,552,349.59	\$1,135,279.99	\$181,899.73	\$630,098.40	\$657,140.57

(4)

PRELIMINARY ASSESSMENT of SOLAR POWER GENERATION

At the March 12, 2019 meeting, *Scenic Hill Solar, LLC* and *entegrity, LLC* made presentations regarding installation of solar power generation arrays through the “Energy Savings Performance Contracting” project delivery method of financing.

Staff along with Ed Nelson have toured a local solar installation and have consulted with Jason Carter of the Carter Law Firm, LLC.

ACTION REQUESTED:

Authorize staff to negotiate with a consulting engineering firm to assess the viability of solar net metering and to provide an opinion of potential cost and savings.



(5)

2018 AUDIT REPORT

Lindsey Baker from EGP, PLLC will present the 2018 audit report.

ACTION REQUESTED:

Accept the audit report and authorize distribution.



March 30, 2019

To the North Little Rock Waste Water Utility Treatment Committee
And Management of North Little Rock Waste Water

We have audited the financial statements of North Little Rock Waste Water Utility as of and for the year ended December 31, 2018, and have issued our report thereon dated March 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 20, 2018, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of North Little Rock Waste Water Utility solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by North Little Rock Waste Water Utility is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the entity changed its method of accounting for Other Postemployment Benefit (OPEB) and pension plans by adopting Governmental

Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Accordingly and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No.68, and No. 73*, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions.

GASB Statement No. 75, states that changes adopted should be applied retroactively by restating financial statements, if practical, for all prior periods presented. The restatement related to the policy change was determined to be immaterial due to the OPEB plan not having any deferred inflows or outflows. Furthermore, the change requires a 10-year schedule to be presented as required supplementary information. Additional years will be presented prospectively as information becomes available.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- 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.
- Management’s estimate of the reserve for bio-solids disposal is based on historical cost incurred for the removable of bio-solids and current bids for future removable of bio-solids.
- 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 earnings and compensation levels.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting North Little Rock Waste Water Utility’s financial statements relate to the pension plan and OPEB plan.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could

be significant to North Little Rock Waste Water Utility's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 30, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with North Little Rock Waste Water Utility, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as North Little Rock Waste Water Utility's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing North Little Rock Waste Water Utility's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

We applied certain limited procedures to management's discussion and analyses (MD&A), the budgetary comparison schedule, schedule of pension funding progress, schedule of changes in the net pension liability and related ratios, schedule of contributions and schedule of other post-retirement benefit funding progress, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

We were not engaged to report on the introductory information, which accompanies the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the North Little Rock Waste Water Utility Treatment Committee, and management of North Little Rock Waste Water Utility and is not intended to be and should not be used by anyone other than these specified parties.

EGP, PLLC

Certified Public Accountants & Consultants

NORTH LITTLE ROCK WASTE WATER UTILITY
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017
(With independent auditor's report thereon.)

Table of Contents

	Page
Introduction	1
Independent Auditor's Report	2 – 3
Required Supplementary Information: Management's Discussion and Analysis	4 – 9
Basic Financial Statements:	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Notes to Financial Statements	13 – 32
Required Supplementary Information:	
Budgetary Comparison Schedule	33
Schedule of Changes in the Net Pension Liability and Related Ratios	34
Schedule of Contributions	35
Schedule of Changes in the Other Post-Retirement Benefit Liability and Related Ratios	36
Other Supplementary Information:	
Schedule of Operating Expenses	37
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38-39

INTRODUCTION

The North Little Rock Waste Water Utility, hereafter referred to as the “Utility” is pleased to present its financial report for the years ending December 31, 2018 and 2017 developed in compliance with Governmental Accounting Standards.

Mission

The mission of the Utility is to provide safe, low cost, high quality sewer service to the citizens of North Little Rock, Arkansas and other areas as directed. This service in general includes the collection, treatment and disposal of the treated water into the Arkansas River in an environmentally sound matter.

Summary of Organization

The Utility was established by the North Little Rock City Council in 1962. The City Council appointed a five member commission to oversee its operations. Each commissioner is appointed for a five year period, with any reappointment approved by the City Council. The commission meets in open public session on the second Tuesday of each month. The Utility’s day to day operations are managed by a professional Director with assistance from the senior management. The Utility has no taxing power. Operational and maintenance costs are funded from customer fees and charges. At the end of 2018, the utility provided service to approximately 39,900 customers. The acquisition and construction of capital assets are funded by customer revenues, contributions from developers and sewer improvement districts and from construction loans. The Utility maintains and operates four treatment plants, 74 pump stations and hundreds of miles of sewer lines. As of December 31, 2018, the Utility had 87 full time employees dedicated to providing sewer service to the customer base.

Responsibility and Controls

The Utility has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books reflect only authorized transactions. The internal accounting controls are evaluated on an ongoing basis by the Finance Administrator. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Utility’s operations are conducted according to management’s intentions and to a high standard of business ethics. In management’s opinion, the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unqualified opinion of our independent auditors, EGP, PLLC, is included in this report.

Independent Auditor's Report

North Little Rock Waste Water Treatment Committee
North Little Rock Waste Water Utility

Report on the Financial Statements

We have audited the accompanying financial statements of North Little Rock Waste Water Utility (a component unit of the City of North Little Rock, Arkansas), which comprise the statement of net position as of December 31, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of North Little Rock Waste Water Utility, as of December 31, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the North Little Rock Waste Water Utility and do not purport to, and do not, present fairly the financial position of the City of North Little Rock, Arkansas, as of December 31, 2018 and 2017, the changes in its financial position, or, where applicable, its cash flows for the

years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, pension funding progress, changes in the net pension liability and related ratios, contributions and changes in other post-retirement benefit liability and related ratios on pages 4 through 9 and 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the North Little Rock Waste Water Utility's financial statements as a whole. The introductory section and schedule of operating expenses on pages 1 and 37 are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of operating expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued our report dated March 30, 2019, on our consideration of North Little Rock Waste Water Utility's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Little Rock Waste Water Utility's internal control over financial reporting and compliance.

EGP, PLLC

March 30, 2019
North Little Rock, Arkansas

Certified Public Accountants & Consultants

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents management's analysis of the Utility's financial condition and activities for the year. This information should be read in conjunction with the financial statements.

Financial Highlights

Our current rate ordinance was adopted on October 26, 2015 and it includes rate adjustments effective on January 1st of the years 2016 through 2020. The rate of \$17.01 for a minimum usage of 400 cubic feet and \$4.88 per 100 cubic feet of usage after 400 was effective for the January, 2018 usage which was billed in February. The rate which was in effect for the January, 2018 billing for the December, 2017 usage was \$4.48 per 100 cubic feet with a minimum amount of \$16.36 for 400 cubic feet. There is a minimum charge of four 100 cubic feet for all customers.

The Utility was able to increase its cash and certificates of deposit balance by around \$4,700,000 during 2018. The Utility was able to invest excess funds in three new certificates of deposit during the year.

The Statement of Net Position as of 12/31/18, includes an insurance receivable. In late October, there was a fire at the Utility's Faulkner Lake treatment plant location. This fire destroyed five high value pieces of equipment, a large metal building, building contents and inventory items. There was also extensive smoke damage to one office building. As of the end of the year, the Utility had received \$500,000 from its insurance company and the receivable is the anticipated additional amount that will be paid by the insurance company for the replacement value of the destroyed property as well as expenses related to clean up.

The Utility increased its property value less depreciation by around \$3,300,000 during 2018. This increase was mainly due to construction in progress projects.

The Arkansas Natural Resources Commission approved loan funds from the Arkansas Clean Water State Revolving Loan Fund in the amount of \$30,000,000 on October 15, 2016. The interest rate is 1.25 percent with an annual servicing fee of 1.00 percent. The Utility will pay interest only on the loan funds received until April, 2021 at which time principal payments commence. At the end of December in 2018, the Utility had been disbursed the total amount of \$10,786,227 for this bond issue.

The Utility paid off two bond issues during 2018 which were with the Arkansas Natural Resources Commission. One was a \$7,000,000 issue and the other one was a \$4,000,000 issue. Both bond issues were dated in 1995 and repayment of principal started in 1998.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Utility's financial condition and performance.

The financial statements report information about the Utility using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows; notes to the financial statements and other supporting schedules.

The statement of net position presents the financial position of the Utility on a full accrual historical cost basis. This statement presents information on all of the assets and liabilities with the difference reported as net position. Over time, increases and decreases in net assets are one indicator of whether the financial position is improving or deteriorating.

While the statement of net position provides information about the nature and amount of resources and obligations at year-end, the statement of revenues, expenses and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing and investing activities. This statement presents cash receipt and disbursement information only.

The notes to the financial statements and supplementary information are provided to disclose information that is essential to a full understanding of the material data provided in the statements.

The financial statements were prepared by the Utility's staff from its detailed transactions for the years ending December 31, 2018 and 2017. The financial statements were audited and adjusted, if material, during the independent external audit process.

Financial Analysis

The comparative financial statements provide information about the financial activities of the North Little Rock Waste Water Utility. The following information is an analysis of the comparison between the two years presented in the financial statements. The amounts for the year ending December 31, 2016 are also shown for reference purposes.

Statement of Net Position:

This statement indicates that the Utility had an adequate amount of liquid assets as of the end of the year and a reasonable level of unrestricted net position. The increase in current assets is the result of a higher certificate of deposit and cash balance, as well as an insurance receivable which was not present in 2017. The increase in the property value is mainly due to the completion of projects during the year. The other non-current assets include the deferred outflow related to pension account, which increased from 2017 to 2018 by approximately \$415,700.

The increase in current liabilities is due to a higher balance in accounts payable at the end of 2018. Equipment in the amount of \$1,622,476 was received before the end of the year and a construction estimate in the amount of \$298,668 was also received. Both are included in accounts payable. The other non-current liability total amount for 2018 includes an amount of \$2,330,871 for the reserve for bio-solid removal. This reserve account was set up to accrue a liability for the cost of removing sludge from the lagoons at all of the treatment plants. The estimate for one of the lagoons was increased by \$1,535,650 in 2017, which was a higher increase than usual based on estimates received for sludge removal services. The Utility removed sludge from two of its treatment plants during 2018 at a cost of \$861,509.

The current ratio is an indication of short-term liability and is calculated by dividing current assets by current liabilities. A resulting number greater than one indicates current assets in excess of current needs which can be applied to future periods. The current ratio as of December 31, 2018 was 3.15 and the ratio for 2017 and 2016 was 2.90 and 1.81, respectively. Another ratio which is shown on this statement is the debt utilization ratio which indicates what percentage the total debt is to total assets. This ratio is calculated by dividing total notes payable by total assets and deferred outflows of resources and was 31% for the year ended December 31, 2018. The debt utilization ratio for 2017 and 2016 was 32% and 31%, respectively.

Analysis of Statement of Net Position

	2018	2017	2016
Current Assets	\$ 17,144,171	\$ 11,361,147	\$ 7,588,493
Net Property & Equipment	\$ 117,665,611	\$ 114,351,953	\$ 108,421,949
Other Non-Current Assets	\$ 2,741,870	\$ 2,326,188	\$ 1,497,554
Current Liabilities	\$ 5,438,903	\$ 3,911,339	\$ 4,181,497
Bonds Payable	\$ 40,514,451	\$ 38,552,096	\$ 33,481,334
Other Non-Current Liabilities	\$ 6,116,099	\$ 6,740,914	\$ 4,323,313
Invested in Capital Assets, net of related debt	\$ 75,043,661	\$ 73,371,696	\$ 72,209,609
Restricted Net Assets	\$ 494,648	\$ 620,505	\$ 697,462
Unrestricted Net Assets	\$ 9,943,890	\$ 4,842,738	\$ 2,614,781

Statement of Revenues, Expenses and Changes in Net Position:

For the year ending December 31, 2018, the Utility had an operating income of \$6,344,119 with an overall increase in net position of \$6,647,260 after the non-operating income and expenses were accounted for.

Analysis of Statement of Revenues, Expenses and Changes in Net Position

	2018	2017	2016
Operating Revenue	\$ 22,091,555	\$ 20,619,957	\$ 18,557,149
Operating Expenses	\$ (15,747,436)	\$ (16,562,127)	\$ (14,840,777)
Operating Income	\$ 6,344,119	\$ 4,057,830	\$ 3,716,372
Non-Operating Revenue	\$ 1,273,454	\$ 206,258	\$ 381,615
Non-Operating Expenses	\$ (970,313)	\$ (951,001)	\$ (866,364)
Increase in Net Position	\$ 6,647,260	\$ 3,313,087	\$ 3,231,623

Of the total operating revenue for 2018, 95% comes from the rates that the customer base pays for their sewer service. The utilities customer base did increase in 2016 due to the addition of the Maumelle service area.

The operating revenue besides that amount directly from the customer base includes late fees collected on past due billings, tie-on and permit fees, a treatment fee accessed to another city per a court order agreement and plan review charges. The operating revenue increase between 2018 and 2017 is due to the rate change which was effective with the February 2018 billings. There was also a rate increase between 2017 and 2016.

The total operating expense is comprised of labor, depreciation and other. The labor cost includes benefits (insurance, training, matching FICA, and pension) as well as salary. The other operating expenses include supplies, utilities, routine repair and maintenance, outside services and any other non-labor or depreciation expense. The decrease in operating expenses between 2018 and 2017 is mainly due to the recording of a larger adjustment for the bio-solid removal in 2017.

The non-operating revenue increase for 2018 is due to the gain on property disposals being recorded for the assets which were destroyed by the fire. The replacement value received was greater than the book value of the assets by the amount of \$980,681. The non-operating revenue decrease between 2017 and 2016 was due to a lower amount of donated property being recorded.

The increase in non-operating expense for 2018 and 2017 is due to more projects being completed which were funded by loans, thus a higher interest expense was recorded.

Capital Asset Information:

As of December 31, 2018, the Utility had a property value after accumulated depreciation of \$117,665,611. This amount includes construction in progress as well as fixed assets. Some of the increase in the property value before depreciation is listed below:

Various Construction in Progress Jobs-Completed	\$ 10,826,611
Various Construction in Progress Jobs-In Progress	\$ 5,468,899
Transportation Equipment	\$ 2,169,962
Various Pump Replacements	\$ 227,233

The construction in progress jobs included various projects for lining and pipe bursting of sewer lines, an interceptor line going to the White Oak Treatment Plant, a pump station replacement project and a pump station generator project. The capital asset additions were funded with both bond proceeds and reserves. An amount of \$1,868,123 in property value was disposed of during the year. Some items were sold, some were removed due to replacement and some were removed due to being destroyed by the fire mentioned earlier.

Debt Information:

The following schedule shows the debt activity for the year.

**SCHEDULE OF BONDS PAYABLE
DECEMBER 31, 2018**

DESCRIPTION	1/1/2018 BALANCE	DRAWS RECEIVED	PAYMENTS	12/31/18 BALANCE
SERIES "A"	\$ 240,573.98		\$ 240,573.98	\$ -
SERIES "B"	\$ 137,504.01		\$ 137,504.01	\$ -
SERIES 2001	\$ 3,978,220.61		\$ 559,108.06	\$ 3,419,112.55
SERIES 2008	\$ 10,569,828.74		\$ 628,359.14	\$ 9,941,469.60
SERIES 2012	\$ 19,337,755.00		\$ 862,614.28	\$ 18,475,140.72
SERIES 2016	\$ 6,716,374.00	\$ 4,069,853.00	\$ -	\$ 10,786,227.00
	<u>\$40,980,256.34</u>	<u>\$ 4,069,853.00</u>	<u>\$ 2,428,159.47</u>	<u>\$42,621,949.87</u>

The payments recorded for the revolving loan funds were the scheduled six-month payments. The Series "A" and Series "B" loans were paid off in April, 2018. The Series 2001 loan will be paid off in April, 2024. The Series 2008 loan will be paid off in October, 2031. The Series 2012 loan will be paid off in October, 2035. The Series 2016 loan was issued in October of 2015 for an amount of \$30,000,000. Interest only payments will be made until April, 2021 at which time principal payments will commence until October, 2040.

Budget to Actual Comparison:

The schedule on page 33 shows a comparison between what the Utility budgeted for 2018 and the actual amounts for the year. The budget is prepared by the Utility's Financial Administrator and is based on the previous year's dollar amounts. The previous years' amounts are adjusted to reflect the projected activity for the current year. As with any budget, there were differences with the actual amounts recorded for the year.

The total operating revenue was 4.0 percent higher than the amount budgeted. There was a higher amount of industry regular charges and violation charges recorded than budgeted. There were also some tie-on charges recorded which was not budgeted for. Tie on charges depend on developer activity and cannot be estimated for budget purposes.

The total operating expenses were about 9.0 percent less than the amount which was budgeted. The budget included the amount of \$1,000,000 for emergency repairs and none were recorded in 2018. The budget also included \$142,000 for the development of a computerized maintenance management system which was not done.

The actual non-operating revenue amount is higher than the amount budgeted due to the gain on property disposed of amount. Such an amount is not budgeted for.

The actual non-operating expenses were lower than the amount budgeted due to some interest expense being capitalized into the cost of the projects for a longer period of time than anticipated.

Analysis of Planned Activity for 2019:

There are a number of lining, pipe bursting and open cut projects planned for various locations within the service area. These projects will increase the life of various sized sewer lines and will be funded through the Series 2016 loan. There will also be a contract for another Sewer System Evaluation Survey which will be paid out of general revenue. Also, engineering will continue for the Maumelle to White Oak diversion and will also be paid out of general revenue. The Utility's plan is to divert the flow from the Maumelle service area to the White Oak Treatment Plant and decommission the current Maumelle Treatment Plant.

Contacting the Management:

The financial report is designed to provide our customers, citizens and creditors with a general overview of the Utility's finances and to show the accountability for the money it receives. If you have any questions about this report or need additional financial information, contact our administration office.

North Little Rock Waste Water Utility
Statement of Net Position
December 31, 2018 and 2017
(See independent auditor's report.)

	2018	2017
<u>Assets and Deferred Outflows of Resources</u>		
Current Assets		
Cash - non-restricted	\$ 4,475,007	3,075,709
Certificates of deposit - non-restricted	8,034,114	4,743,520
Accrued interest receivable	52,418	14,934
Accounts receivable (net of allowance of \$10,000)	2,888,748	2,844,708
Insurance receivable	1,146,219	-
Inventory	24,845	38,516
Prepaid expenses	28,172	23,255
Other current assets - restricted	494,648	620,505
Total Current Assets	17,144,171	11,361,147
 Noncurrent Assets		
Property, plant and equipment, net	117,665,611	114,351,953
Notes receivable, net of current portion	176,055	176,055
Total Noncurrent Assets	117,841,666	114,528,008
 Total Assets	 134,985,837	 125,889,155
 Deferred Outflows of Resources		
Deferred outflows related to pensions	2,565,815	2,150,133
Total Deferred Outflows of Resources	2,565,815	2,150,133
 Total Assets and Deferred Outflows of Resources	 \$ 137,551,652	 128,039,288

The accompanying notes are an integral part of these financial statements.

	<u>2018</u>	<u>2017</u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>		
Current Liabilities		
Accounts payable	\$ 2,197,216	365,298
Other current liabilities	491,641	472,044
Accrued absences	642,547	645,836
Current portion of long-term debt	2,107,499	2,428,161
Total Current Liabilities	<u>5,438,903</u>	<u>3,911,339</u>
Noncurrent Liabilities		
Reserve for bio-solids disposal	2,330,871	2,840,950
Pension liability	2,685,571	2,786,093
OPEB obligation	285,680	170,593
Bonds payable, net of current portion	40,514,451	38,552,096
Total Noncurrent Liabilities	<u>45,816,573</u>	<u>44,349,732</u>
Total Liabilities	<u>51,255,476</u>	<u>48,261,071</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	813,977	943,278
Total Deferred Inflows of Resources	<u>813,977</u>	<u>943,278</u>
Total Liabilities and Deferred Inflows of Resources	<u>52,069,453</u>	<u>49,204,349</u>
Net Position		
Net investment in capital assets	75,043,661	73,371,696
Restricted for debt service	494,648	620,505
Unrestricted	9,943,890	4,842,738
Total Net Position	<u>85,482,199</u>	<u>78,834,939</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 137,551,652</u>	<u>128,039,288</u>

North Little Rock Waste Water Utility
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2018 and 2017
(See independent auditor's report)

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Service charges	\$ 18,986,722	18,300,758
Service charges - industry	2,032,760	1,557,576
Service charges - violations	590,642	362,867
Users' forfeited discounts	305,927	296,949
Permits and inspections	51,395	44,935
Other operating income	124,109	56,872
Total Operating Revenues	<u>22,091,555</u>	<u>20,619,957</u>
Operating Expenses		
Cost of sales	8,883,186	10,213,579
Operating expenses	6,864,250	6,348,548
Total Operating Expenses	<u>15,747,436</u>	<u>16,562,127</u>
Operating Income	<u>6,344,119</u>	<u>4,057,830</u>
Non-Operating Income		
Interest income	104,907	37,514
Donated property	-	154,014
Gain on disposal of assets	1,122,903	-
Other non-operating income	45,644	14,730
Total Non-Operating Income	<u>1,273,454</u>	<u>206,258</u>
Non-Operating Expenses		
Interest expense	970,313	908,700
Loss on disposal of assets	-	42,301
Total Non-Operating Expenses	<u>970,313</u>	<u>951,001</u>
Increase in Net Position	6,647,260	3,313,087
Net position - beginning of period	<u>78,834,939</u>	<u>75,521,852</u>
Net Position - End of Period	<u>\$ 85,482,199</u>	<u>78,834,939</u>

The accompanying notes are an integral part of these financial statements.

North Little Rock Waste Water Utility
Statement of Cash Flows
For the Years Ended December 31, 2018 and 2017
(See independent auditor's report.)

	2018	2017
Cash Flows From Operating Activities:		
Cash received from:		
Customers	\$ 21,923,406	20,165,965
Other operating income	124,109	56,872
Cash payments for:		
Cash paid to suppliers for goods and services	(7,500,801)	(6,632,500)
Cash paid to or on behalf of employees for services	(3,049,201)	(4,225,192)
Net Cash Provided (Required) by Operating Activities	11,497,513	9,365,145
 Cash Flows From Capital and Related Financing Activities:		
Repayment of long-term debt and bonds payable	(2,428,160)	(2,731,003)
Proceeds from draws on bond	4,069,853	7,498,920
Acquisition and construction of capital assets	(8,097,953)	(9,848,435)
Proceeds from disposal of property, plant and equipment	505,885	9,739
Interest paid	(970,313)	(908,700)
Net Cash Provided (Required) by Capital and Related Financing Activities	(6,920,688)	(5,979,479)
 Cash Flows From Investing Activities:		
Proceeds from maturity of certificates of deposit	(8,034,114)	2,932,625
Investment in certificates of deposit	4,743,520	(4,743,520)
Interest and other income received	113,067	42,886
Net Cash Provided (Required) by Investing Activities	(3,177,527)	(1,768,009)
 Net Increase (Decrease) in Cash and Cash Equivalents	1,399,298	1,617,657
Cash and cash equivalents at beginning of year	3,075,709	1,458,052
Cash and Cash Equivalents at End of Year	\$ 4,475,007	3,075,709

The accompanying notes are an integral part of these financial statements.

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 6,344,119	4,057,830
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation	4,255,094	4,020,405
(Increase) decrease in assets:		
Accounts and notes receivable	(44,040)	(397,120)
Inventory	13,671	(11,697)
Other assets	120,940	74,073
Deferred outflows	(415,682)	(828,634)
Increase (decrease) in liabilities:		
Accounts payable	1,831,918	43
Accrued absences	(3,289)	(7,294)
Other liabilities	(475,917)	2,090,928
Deferred inflows	(129,301)	366,611
Net Cash Provided by Operating Activities	<u><u>\$ 11,497,513</u></u>	<u><u>9,365,145</u></u>

Supplemental Disclosure of Noncash Transactions Investing and Financing Activities:

Donated property	<u><u>\$ -</u></u>	<u><u>154,014</u></u>
Insurance proceeds receivable on disposal of property, plant and equipment	<u><u>\$ 1,146,219</u></u>	<u><u>-</u></u>

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

1. Summary of Significant Accounting Policies

Principles of Operation

The North Little Rock Waste Water Utility (the “Utility”) (a component unit of the City of North Little Rock) is financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The financial statements present only the North Little Rock Waste Water Utility and do not purport to, and do not, present fairly the financial position of the City of North Little Rock, Arkansas, as of December 31, 2018 and 2017, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Utility follows Government Accounting Standards Board (“GASB”) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates Financial Accounting Standards Board (“FASB”) pronouncements and Accounting Principles Board (“APB”) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of management’s estimates. Actual results may differ from estimates.

The Utility uses the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred regardless of the related cash flows. The Utility distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Accounts Receivable

Sales of sewer services are made on open account to customers located in North Little Rock, Arkansas and surrounding areas. The Utility utilizes the allowance method of accounting for uncollectible accounts receivable. The Utility reviews its customer accounts on a periodic basis and records a reserve for specific amounts that management determines may not be collected. In addition, the Utility has established a general reserve for potential uncollectible accounts based on historical bad debts. Amounts are written off at the point when collection attempts have been exhausted, which is usually 120 days after the account is past due. Management uses significant judgment in estimating uncollectible amounts. In estimating uncollectible amounts, management considers factors such as current overall economic conditions, industry-specific economic conditions, historical customer performance and anticipated customer performance. While management believes the Utility’s processes effectively address its exposure to doubtful accounts, changes in economic, industry or specific customer conditions may require adjustment to the allowance recorded by the Utility. Accounts receivable are net of an allowance for doubtful accounts of \$10,000 at both December 31, 2018 and 2017.

Inventory

Inventory consists of materials and supplies valued at the lower of cost or market, using the first-in, first-out method.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

1. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost unless otherwise noted. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets ranging from three to fifty years. Assets are constructed and acquired by four methods: utility work crews, independent contractors financed by utility funds, contributions to the utility by independently financed waste water improvement districts, and contributions to the utility by real estate developers in conjunction with a property development. Assets acquired from improvement districts and real estate developers result in donated capital and have been so classified. Donated fixed assets are valued at their estimated fair market value on the date donated. Interest costs are capitalized when incurred on debt where proceeds were used to finance the construction of assets. The Utility capitalizes all purchases over \$1,000 that have at least a three year useful life. Costs of repairs and maintenance that do not improve or extend the assets lives are charged to expense as incurred.

Restricted Assets

The Utility restricts certain assets for the payment of debt service, capital improvements, and repairs and maintenance of the Utility.

Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Net investment in capital assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted for debt service

This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the Utility's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Unrestricted

This component of net position consists of net assets that do not meet the definition of "net investment in capital assets" or "restricted."

Accrued Absences

Each employee may accumulate a maximum of thirty days of vacation and sixty days of sick leave. The Utility has accrued a liability for vacation and sick leave pay, which has been earned but not taken by employees.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Utility considers certificates of deposits and all highly liquid cash investments with original maturities of three months or less to be cash equivalents.

Reserve for Bio-Solids Disposal

The Utility provides annually for the estimated cost of bio-solids removal from the treatment plant lagoons, which occurs every five to fifteen years for each lagoon.

Budgets and Budgetary Accounting

Budgeted revenues and expenses are prepared using the economic resources measurement focus and the accrual basis of accounting. The original budgets adopted by the Utility were not amended during the years ended December 31, 2018 and 2017.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are financial statement elements distinct from assets and liabilities and represent a consumption or production of net position that applies to future period and so will not be recognized as an outflow or inflow of resources until then. The Utility's deferred outflows and inflows of resources consist of deferred outflows/inflows of resources related to the Utility's pension plan activities, as further discussed in Note 6.

Recently Adopted Accounting Standards

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, addresses accounting and financial reporting by state and local governments that provide postemployment benefits other than pensions (OPEB) to their employees and for state and local governments that finance OPEB for employees of other governments. This statement supersedes the requirements in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Plans*, and GASB Statement No. 57 OPEB, *Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement requires state and local governments to report a liability on the face of the financial statements for the OPEB as well as related deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The adoption of Statement No. 75 resulted in an increase to the OPEB obligation of \$39,943. Note disclosures and Required Supplementary Information (RSI) were incorporated to comply with Statement No. 75.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard for Practice for financial reporting purposes and (3) the classification of payments made by employees to satisfy employee (plan member) contribution requirements. GASB Statement No. 82 had no impact on the Utility's financial statements. Note disclosures and RSI were incorporated to comply with Statement No. 82.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

1. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Standards

GASB Statement No. 87, *Leases*, provides a new framework for accounting for leases under the principle that leases are financings. No longer will leases be classified between capital and operating. Lessees will recognize an intangible asset and a corresponding liability. The liability will be based on the payments expected to be paid over the lease term, which includes an evaluation of the likelihood of exercising renewal or termination options in the lease. Lessors will recognize a lease receivable and related deferred inflow of resources. Lessors will not derecognize the underlying asset. An exception to the general model is provided for short-term leases that cannot last more than 12 months. Contracts that contain lease and nonlease components will need to be separated so each component is accounted for accordingly. This standard becomes effective for the Utility in fiscal year 2020. Management of the Utility has not yet determined the impact that adoption of this statement will have on the Utility's financial statements or related disclosures.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, provides guidance on debt information that is to be disclosed in the notes to governmental financial statements. The statement clarifies which liabilities are to be included in the disclosures and requires additional information to be disclosed. In addition, the statement requires information about debt incurred through direct borrowings or direct placements to be disclosed separately from other debt. The standard becomes effective for the Utility in fiscal year 2019. Management of the Utility has not yet determined the impact that adoption of the statement will have on the Utility's financial statements or related disclosures.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, established accounting requirements for interest cost incurred before the end of a construction period. The statement requires such interest cost be recognized as an expense in the period in which the cost is incurred in financial statements prepared using the economic resources measurement focus. Currently, GASB Statement No. 62 requires some interest costs to be included in the historical cost of a capital asset reported in an enterprise fund or business-type activity. When effective, this statement will no longer require interest cost to be included in historical cost. This standard becomes effective for the Utility in fiscal year 2020. Management of the Utility has not yet determined the impact that adoption of this statement will have on the Utility's financial statements or related disclosures.

2. Description of Funds

The Utility complies with all state and local laws and regulations as well as the provisions of certain contracts requiring the use of separate funds. The required funds used by the Utility include the following:

Sewer Fund

The Sewer Fund was established for the purpose of depositing all revenues derived from the operation of the system. Revenues are restricted to the payment of reasonable and necessary expenses of operation and maintenance of the system, payment of principal, interest and trustee's fees on bonds, reserve for contingencies, and providing for a depreciation fund.

Operating and Maintenance Fund

The Operating and Maintenance Fund is used to pay the reasonable and necessary monthly expenses of operation, and repair and maintenance of the Utility. The fund is maintained by required monthly transfers from the Sewer Fund.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

2. Description of Funds (continued)

Sewer Depreciation Fund

The Sewer Depreciation Fund is restricted to paying the costs of needed capital improvements or replacements; provided, however, that monies in the Sewer Depreciation Fund may be used to the extent necessary to prevent a default in the payment of the principal and interest on bonds as they become due. The fund is maintained by required monthly transfers from the Sewer Fund.

Series A Revolving Loan Fund

The Series A Revolving Loan Fund was established in 1995 and is restricted to the recording of activity in connection with the Series A Revolving Loan Fund. Matured during the year ended December 31, 2018.

Series B Revolving Loan Fund

The Series B Revolving Loan Fund was established in 1995 and is restricted to the recording of activity in connection with the Series B Revolving Loan Fund. Matured during the year ended December 31, 2018.

Rehabilitation Fund

The Rehabilitation Fund was established in 2007 by city ordinance #7973 (as amended by city ordinance #8083) to provide for system repairs and replacements from the proceeds of 2007 rate increases. The ordinance requires that a monthly transfer of \$41,667 (\$500,000 annually) be made from the Sewer Fund to provide for repairs and replacements.

2001 Revolving Loan Fund

The 2001 Revolving Loan Fund was established in 2001 and is restricted to the recording of activity in connection with the 2001 Revolving Loan Fund.

2008 Revolving Loan Fund

The 2008 Revolving Loan Fund was established in 2008 and is restricted to the recording of activity in connection with the 2008 Revolving Loan Fund.

2012 Revolving Loan Fund

The 2012 Revolving Loan Fund was established in 2012 and is restricted to the recording of activity in connection with the 2012 Revolving Loan Fund.

2016 Revolving Loan Fund

The 2016 Revolving Loan Fund was established in 2016 and is restricted to the recording of activity in connection with the 2016 Revolving Loan Fund.

3. Cash and Certificates of Deposit

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Utility manages its exposure to declines in fair values by limiting investments to securities with a maturity of not more than five years from the date of purchase.

Credit risk is the risk that the issuer of counterparty will not fulfill its obligations. To minimize exposure to credit risk, the Utility's investment policy specifies the types of securities in which the Utility may invest.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

3. Cash and Certificates of Deposit (continued)

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to the Utility. At December 31, 2018 and 2017, the Utility's deposits with two financial institutions were fully insured or collateralized and totaled \$12,888,810 and \$8,226,080, respectively.

4. Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31:

	2017	Additions	Transfers	Disposals	2018
Land	\$ 3,139,809	-	-	-	3,139,809
Plant and equipment	170,560,341	2,588,319	10,826,611	(1,868,123)	182,107,148
Construction in process	10,785,876	5,509,634	(10,826,611)	-	5,468,899
	<u>184,486,026</u>	<u>8,097,953</u>	<u>-</u>	<u>(1,868,123)</u>	<u>190,715,856</u>
Less accumulated depreciation	(70,134,073)	(4,255,094)	-	1,338,922	(73,050,245)
	<u>\$ 114,351,953</u>	<u>3,842,859</u>	<u>-</u>	<u>(529,201)</u>	<u>117,665,611</u>
	2016	Additions	Transfers	Disposals	2017
Land	\$ 3,139,809	-	-	-	3,139,809
Plant and equipment	167,315,381	1,289,305	2,224,423	(268,768)	170,560,341
Construction in process	4,297,155	8,713,144	(2,224,423)	-	10,785,876
	<u>174,752,345</u>	<u>10,002,449</u>	<u>-</u>	<u>(268,768)</u>	<u>184,486,026</u>
Less accumulated depreciation	(66,330,396)	(4,020,405)	-	216,728	(70,134,073)
	<u>\$ 108,421,949</u>	<u>5,982,044</u>	<u>-</u>	<u>(52,040)</u>	<u>114,351,953</u>

The Utility experienced a fire during the year ended December 31, 2018, resulting in the loss of equipment with a net book value of \$449,319 and damage to a building and equipment resulting in repairs totaling \$216,219. See note 13 for information on insurance proceeds.

5. Long-Term Debt

The Utility received two program awards totaling \$11,000,000 in 1995 available for approved construction with interest and financing fee only payments semi-annually until October 15, 2000. The interest rate on the 1995 revolving loan fund loans is at 2.5% and the financing fee is 1% of outstanding principal. Repayment of the 1995 loan began in October of 1998 with payments to be made semi-annually over twenty years, including interest. These matured and were repaid in full during the year ended December 31, 2018.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

5. Long-Term Debt (continued)

In 2001, the Utility received a \$10,000,000 program award available for approved construction. The interest rate on the 2001 revolving loan fund is at 2.25% and a financing fee at 1% of the outstanding principal. Repayment of principal, interest and financing fee of the 2001 loan began in October 2005 with payments to be made semi-annually over twenty years.

In 2008, the Utility received a \$14,000,000 program award available for approved construction. The interest rate on the 2008 revolving loan fund is at 1.75% and a financing fee at 1% of the outstanding principal with semi-annual payments of interest and financing fee during the project construction period. Repayment of principal, interest and financing fee of the 2008 loan began in April 2012 with payments to be made semi-annually over twenty years.

In 2012, the Utility received a \$21,000,000 program award available for approved construction. The interest rate on the 2012 revolving loan fund is at 1.5% and a financing fee at 1% of the outstanding principal with semi-annual payments of interest and financing fee during the project construction period. Repayment of principal, interest and financing fee of the 2012 loan will begin in April 2016 with payments to be made semi-annually over twenty years.

In 2016, the Utility received a \$30,000,000 program award available for approved construction. The interest rate on the 2016 revolving loan fund is at 1.25% and a financing fee at 1% of the outstanding principal with semi-annual payments of interest and financing fee during the project construction period. Repayment of principal, interest and financing fee of the 2016 loan will begin in April 2021 with payments to be made semi-annually over twenty years. As of December 31, 2018, \$19,213,785 was left to be drawn on this loan.

In 2016, the Maumelle Wastewater was merged into the Utility. As a result, the Utility assumed \$2,051,808 in long-term debt, which was paid in full at the time of closing.

The following is a summary of the bonds payable activity at December 31:

	<u>2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>2018</u>
Bonds payable	\$ 40,980,257	4,069,853	(2,428,160)	42,621,950
	<u>2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>2017</u>
Bonds payable	\$ 36,212,340	7,498,920	(2,731,003)	40,980,257

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

5. Long-Term Debt (continued)

Aggregate payments of the revolving loan fund balance outstanding are as follows for the years ending December 31:

	<u>2001</u>	<u>2008</u>	<u>2012</u>	<u>2016</u>	<u>Total</u>
Principal:					
2019	\$ 577,427	645,759	884,313	-	2,107,499
2020	596,346	663,639	906,560	-	2,166,545
2021	615,884	682,015	929,366	1,202,738	3,430,003
2022	636,063	700,900	952,745	1,229,951	3,519,659
2023	656,904	720,307	976,713	1,257,780	3,611,704
2024-2028	336,489	3,911,978	5,264,717	6,728,890	16,242,074
2029-2033	-	2,616,872	5,961,085	7,525,388	16,103,345
Thereafter	-	-	2,599,653	12,055,253	14,654,906
	<u>\$ 3,419,113</u>	<u>9,941,470</u>	<u>18,475,152</u>	<u>30,000,000</u>	<u>61,835,735</u>
Interest:					
2019	\$ 106,467	171,170	456,387	-	734,024
2020	87,548	159,791	434,140	-	681,479
2021	68,010	148,098	411,334	668,272	1,295,714
2022	47,831	136,080	387,955	641,059	1,212,925
2023	26,990	123,730	363,987	613,230	1,127,937
2024-2028	5,468	421,097	1,438,783	2,626,158	4,491,506
2029-2033	-	81,054	742,415	1,829,662	2,653,131
Thereafter	-	-	81,742	1,041,806	1,123,548
	<u>\$ 342,314</u>	<u>1,241,020</u>	<u>4,316,743</u>	<u>7,420,187</u>	<u>13,320,264</u>

6. Pension Plan

Plan Description

North Little Rock Waste Water Utility Defined Pension Plan (the "Plan") is a single-employer sponsored plan administered by North Little Rock Waste Water Utility (the "Utility"). The Plan provides retirement, death and disability benefits to plan members and beneficiaries. The Utility's Board of Commissioners establishes benefit provisions and all other requirements. The Plan does not issue stand-alone financial statements, nor is it included in another public employee retirement system plan's financial statements. Participants are not required to contribute to the plan.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

6. Pension Plan (continued)

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Retirement benefits are based on 2% of average annual compensation for the last five years of employment multiplied by the employee's years of credited service up to 30 years. Employees are fully vested after five years. Employees eligible for retirement benefits after attaining 65 years of age with five years of credited service and are eligible for early retirement after attaining age 55 with ten years of credited services. The Utility is required to contribute to the Plan at an actuarially determined rate.

The Plan does not provide for automatic cost of living adjustments (COLA) although the plan sponsor may make changes. The plan has not given a retiree increase.

As of the measurement date on July 1, 2018, the Plan had 82 active employees, 29 inactive employees entitled to, but not yet receiving benefits and 42 inactive employees or beneficiaries currently receiving benefits. As of July 1, 2017, the Plan had 80 active employees, 29 inactive employees entitled to, but not yet receiving benefits and 42 inactive employees or beneficiaries currently receiving benefits.

Contributions

Actuarially determined contributions are determined based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions are based on the employee's annual covered salary. The Utility's contribution rate and actuarially determined contribution for the years ended December 31, 2018 and 2017, were 16.5 and 19.1 percent and \$693,500 and \$702,970, respectively. Actual contributions for the years ended December 31, 2018 and 2017, equaled \$1,353,100 and \$702,970, or 195.0 and 100.0 percent of required contributions, respectively.

Net Pension Liability

The Utility's net pension liability was measured as of June 30, 2018 and 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, as of June 30:

	<u>2018</u>	<u>2017</u>
Inflation	3.0%	3.0%
Salary increases	3.5%, including inflation	3.5%, including inflation
Investment rate of return	6.5%, net of Plan investment expense, including inflation	6.5%, net of Plan investment expense, including inflation

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

6. Pension Plan (continued)

The actuarial assumptions used in the June 30, 2018 and 2017, valuation were based on a review of actuarial assumptions completed during the June 30, 2018 and 2017. The assumptions used were as follows:

Cost Method:	The "entry age normal cost method" has been used in determining retirement cost. The method used for the July 1, 2013, and previous valuations was the aggregate funding method.
Amortization Method:	The entry age normal cost method also requires an amortization method to be used in calculating the range of recommended contributions. The Unfunded Liabilities are amortized on a level of percentage of salary method and a range of 10 to 20 years is shown.
Pre-Retirement Mortality:	RP 2000 table.
Post-Retirement Mortality:	RP 2000 table. The mortality table used for the July 1, 2013, and previous valuation was the Unisex Pensioner 1984 table (UP84).
Mortality Projection:	Future mortality improvements were not considered in developing the suggested contribution for this report. The liabilities are significantly more volatile with regards to the other assumptions (i.e., investment return, retirement age, and turnover) than with mortality improvement.
Voluntary Terminations:	T-2 table.
Expected Retirement Pattern:	Retirement was assumed to occur on the Normal Retirement Date.
Assumed Investment Return:	6.50% beginning with July 1, 2017 (7.50% for prior years).
Salary Growth:	3.50% annually (4.50% for prior years).

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

6. Pension Plan (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as both of December 31, 2018 and 2017, are summarized in the following table:

2018		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	49%	4.50%
Fixed Income	30%	1.75%
Real estate	10%	4.25%
Foreign equity	6%	6.25%
Cash	5%	0.00%
Total	100%	
2017		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equities	49%	4.50%
International equities	6%	6.25%
Fixed income	30%	1.75%
Real estate	10%	4.25%
Cash	5%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.5 at December 31, 2018, and 2017. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be at least the actuarially determined contribution based on past contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

6. Pension Plan (continued)

Changes in Net Pension Liability

Changes in the net pension liability for the year ended December 31, 2018, were as follows:

	<u>Total Pension Liability</u>	<u>Total Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance, July 1, 2017	\$ 13,669,600	10,883,507	2,786,093
Changes for the year:			
Service cost	364,770	-	364,770
Interest	893,838	-	893,838
Difference between expected and actual experience	(64,567)	-	(64,567)
Changes in assumptions	-	-	-
Contributions—employer	-	702,970	(702,970)
Net investment income	-	577,978	(577,978)
Benefit payments including refunds			
of employee contributions	(566,646)	(566,646)	-
Administrative expense	-	-	-
Other charges	-	13,615	(13,615)
Net changes	<u>627,395</u>	<u>727,917</u>	<u>(100,522)</u>
Balance, June 30, 2018	<u>\$ 14,296,995</u>	<u>11,611,424</u>	<u>2,685,571</u>

Changes in the net pension liability for the year ended December 31, 2017, were as follows:

	<u>Total Pension Liability</u>	<u>Total Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance, July 1, 2016	\$ 12,322,588	9,934,713	2,387,875
Changes for the year:			
Service cost	325,043	-	325,043
Interest	927,980	-	927,980
Difference between expected and actual experience	(449,454)	-	(449,454)
Changes in assumptions	1,092,570	-	1,092,570
Contributions—employer	-	625,000	(625,000)
Net investment income	-	858,710	(858,710)
Benefit payments including refunds			
of employee contributions	(549,127)	(549,127)	-
Administrative expense	-	-	-
Other charges	-	14,211	(14,211)
Net changes	<u>1,347,012</u>	<u>948,794</u>	<u>398,218</u>
Balance, June 30, 2017	<u>\$ 13,669,600</u>	<u>10,883,507</u>	<u>2,786,093</u>

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

6. Pension Plan (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 6.5 and 7.5 percent for the year ended December 31, 2018 and 2017, respectively. Furthermore, the following represent the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	December 31, 2018			December 31, 2017		
	Discount Rate	Total Pension Liability	Net Pension Liability	Discount Rate	Total Pension Liability	Net Pension Liability
1% decrease	5.50%	\$15,916,481	4,305,057	5.50%	\$15,235,100	4,351,593
Current discount rate	6.50%	14,297,295	2,685,571	6.50%	13,669,600	2,786,093
1% increase	7.50%	12,906,798	1,295,374	7.50%	12,325,057	1,441,550

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2018 and 2017, the Utility recognized pension expense of \$707,595 and \$639,165, respectively.

At December 31, 2018 and 2017, the deferred outflows and inflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2018		
Differences between expected and actual experience	\$ 60,868	752,527
Changes of assumptions	801,218	-
Net difference between projected and actual earnings on Plan investments	350,629	61,450
	1,212,715	813,977
Employer contributions subsequent to measurement	1,353,100	-
Total	\$ 2,565,815	813,977
2017		
Differences between expected and actual experience	\$ 74,395	861,345
Changes of assumptions	946,894	-
Net difference between projected and actual earnings on Plan investments	425,874	81,933
	1,447,163	943,278
Employer contributions subsequent to measurement	702,970	-
Total	\$ 2,150,133	\$ 943,278

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

6. Pension Plan (continued)

Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) during the year ending December 31:

	2019	\$	174,904
	2020		52,667
	2021		(7,801)
	2022		65,108
	2023		83,900
	Thereafter		29,960
		<u>\$</u>	<u>398,738</u>

Components of Net Pension Liability

The components of the net pension liability at June 30, 2018, were as follows:

	<u>2018</u>		<u>2017</u>
Total pension liability	\$ 14,297,295	\$	13,669,600
Plan's fiduciary net position	11,611,424		10,883,507
Net pension liability	<u>\$ 2,685,871</u>	<u>\$</u>	<u>2,786,093</u>
Plan fiduciary net position as a percentage of total pension liability	81.21%		79.62%

7. Post-employment Benefits Other Than Pensions (OPEB)

GASB requires that employers providing post-employment benefits other than pensions record and disclose annual other post-employment benefit ("OPEB") cost and a net OPEB liability in their financial statements and disclose other information about their OPEB plans, including the unfunded actuarial liability.

Plan Description

The Utility's defined benefit OPEB plan (the "OPEB plan") provides OPEB for Utility employees resulting from Arkansas statutes which provide that any municipal official or employee vested in any retirement plan that has 20 years of service and attains 55 years of age may continue to participate in the Utility's healthcare plan after retirement provided that they pay 100% of the group premium. The OPEB plan is a single-employer defined benefit OPEB plan is administered by the Utility. Standalone financial statements are not issued for the OPEB Plan.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

7. Post-employment Benefits Other Than Pensions (OPEB) (continued)

Benefits Provided

The OPEB plan provides medical, pharmacy, dental, and vision insurance to participants after retirement provided that they pay 100% of the group premium.

As the measurement date of December 31, 2018, the Plan had 85 active employees with no inactive employees entitled to, but not yet receiving benefits and no inactive employees or beneficiaries currently receiving benefits.

Annual OPEB Cost and Net OPEB Liability

The Utility's annual OPEB cost and liability is calculated using the Entry Age Normal Actuarial Cost Method as required by GASB 75. The Actuarially Determined Contribution and the Amortization Payment are not applicable due to the plan not being prefunded. The Utility recognizes a liability due to the implicit subsidy rate that is inherent of retiree healthcare costs by active employee healthcare costs when healthcare premiums paid by retirees and active employees are the same.

As of both December 31, 2018 and 2017, the actuarial accrued liability for benefits was \$285,680 and \$170,593, respectively, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the year ended December 31, 2018 and 2017, was \$4,051,934 and \$4,312,328, respectively, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 7.05% and 3.96%, respectively. The actuarial assumptions included a 3.64% investment rate of return and projected annual salary increases of 2.8%.

Health Insurance Premiums

Health insurance premiums are paid monthly and are the same for both pre-age 65 and ages 65 or older. Benefits pay secondary to medicare. For the year ended December 31, 2018, annual retiree health insurance premiums were \$5,376 for a single coverage and \$11,910 for family coverage.

Healthcare Cost Trend Rate

The cost trend numbers used in the analysis were developed consistent with the Getzen model promulgated by the Society of Actuaries for use in long-term trend projection. The ACA excise tax will ultimately affect all plans. Due to the variability of the ACA excise tax by plan, the user needs to estimate the impact and adjust the trend. The excise tax could raise the average annual trend rate by 0.5% or more in each year.

Actuarial Cost Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017**

7. Post-employment Benefits Other Than Pensions (OPEB) (continued)

The following represent the key actuarial assumptions:

Age Adjustment Factor:	2.085998
Average Retirement Age:	63
Employer Future Premium Contribution:	Remain a level % of the total cost over time
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Assets Backing OPEB Liability:	\$0
Plan Asset Return:	0.000%
Bond Yield:	3.640%
Discount Rate:	3.640%
Measurement Date:	12/31/2018
Prior Measurement Date:	12/31/2017
Prior Year Discount Rate:	4.000%
Projected Salary Increases:	2.80%
Amortization Period:	20 years, if applicable
Percentage Participation:	6.00%
Healthcare Cost Trend:	Healthcare costs are expected to increase annually 4.6% to 4.8% for medical, 4.7% to 7.6% for pharmacy, 3.0% to 3.5% for dental and 3.0% for vision.
NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology.
Mortality Table:	RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvements in longevity.
Turnover Assumption:	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of employee group covered by the Federal Employees Retirement System.
NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology.
Mortality Table:	RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvements in longevity.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

7. Post-employment Benefits Other Than Pensions (OPEB) (continued)

Turnover Assumption: Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of employee group covered by the Federal Employees Retirement System.

Changes in Net OPEB Liability

Changes in the net pension liability were as follows:

	<u>Total OPEB Liability</u>	<u>Total Fiduciary Net</u>	<u>Net OPEB Liability</u>
	<u>2018</u>	<u>Position</u>	
Balance, January 1, 2018	\$ 170,593	-	170,593
Changes for the year:			
Service cost	15,645	-	15,645
Interest on OPEB liability	9,047	-	9,047
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	31,724	-	31,724
Effect of assumption changes or inputs	58,671	-	58,671
Net changes	<u>115,087</u>	<u>-</u>	<u>115,087</u>
Balance, December 31, 2018	<u>\$ 285,680</u>	<u>-</u>	<u>285,680</u>
	<u>2017</u>		
Balance, January 1, 2017	\$ 150,189	-	150,189
Changes for the year:			
Service cost	14,453	-	14,453
Interest on OPEB liability	5,951	-	5,951
Net changes	<u>20,404</u>	<u>-</u>	<u>20,404</u>
Balance, December 31, 2017	<u>\$ 170,593</u>	<u>-</u>	<u>170,593</u>

Sensitivity of the OPEB to Changes in the Discount Rate and Healthcare Trend Rate

The following presents the OPEB liability calculated using the discount rate of 2.64 and 4.64 percent for the year ended December 31, 2018. Furthermore, the following represent the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate</u>	<u>Net OPEB Liability</u>	<u>Changes from Baseline</u>
1% decrease	2.64%	\$ 347,872	62,192
Current discount rate	3.64%	285,680	-
1% increase	4.64%	237,540	(48,140)

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

7. Post-employment Benefits Other Than Pensions (OPEB) (continued)

The following presents the OPEB liability calculated using the healthcare trend rates 1 percent lower or 1 percent higher than the current rate:

	<u>Baseline Trend - 1%</u>	<u>Baseline Trend</u>	<u>Baseline Trend + 1%</u>
Net OPEB Liability	\$231,409	\$285,680	\$356,738
Change from Baseline	(\$54,271)	\$0	\$71,058

8. Average Number of Sewer Users

The average number of residential, commercial, and industrial customers for the year ended December 31, 2018, was 36,512; 3,553; and 19, respectively. The average number of residential, commercial, and industrial customers for the year ended December 31, 2017, was 36,234; 3,543; and 18, respectively.

9. Insurance Coverage

The Utility was insured at December 31, 2018 and 2017, for general liability, automobile liability and all risk replacement cost except worker's compensation with the Arkansas Public Entities Risk Management Association with claims administered by Gallagher Bassett Insurance Services of Little Rock. The Utility was insured with the Municipal League Workers' Compensation Trust for worker's compensation. The policy effective dates are for a calendar year for all aforementioned insurance policies. The Utility was insured at December 31, 2018 and 2017, with RSUI Indemnity Co. for blanket property coverage.

The following schedule lists the coverage and limits:

<u>Type of Insurance</u>	<u>Limits</u>
1. General liability	
a. General aggregate	\$350,000 per member/per policy period
b. General liability	\$350,000 each occurrence, bodily injury and property damage
c. Medical expenses	\$5,000 per person/\$25,000 each occurrence loss
2. Automobile liability	\$100,000 each occurrence, bodily injury and property damage
3. All risk replacement cost	\$100,000,000
4. Blanket property coverage	
a. Earthquake coverage	\$100,000,000
b. Flood coverage	\$100,000,000

10. Current Sewer Rates

The current sewer rates were established by Ordinance No. 8768 by the City Council of the City of North Little Rock on October 26, 2015. The classes of users include residential, commercial, and significant industrial customers. The rates for each residential customer are computed based on the average monthly usage for the billing months of October, November, December, January, February and March. The rates for each commercial customer are computed based on the actual usage.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

10. Current Sewer Rates (continued)

In the case of new residential customers for whom records are not available for the entire six-month period, the rates are computed on actual water usage until an average monthly usage can be calculated. The minimum monthly charge for the first four hundred cubic feet or less of the average monthly usage is a rate equal to \$17.01.

For each one hundred cubic feet, or fraction thereof, the monthly rate for residential, commercial and industrial customers is equal to \$4.88 per one hundred cubic feet charged with a minimum of \$17.01 per four hundred cubic feet for existing users. Existing users are defined as users physically located within the city limits of North Little Rock or when they are physically located within the now existing territorial boundaries of an improvement district that received services from the system on the date of the enactment of ordinance 8768. Any user not deemed to be an existing user shall be deemed to be an outside user, but will have the same monthly rate as an existing user.

Significant industrial customers are defined by the ordinance as any non-residential customer which normally discharges wastewater to the system in quantities of 25,000 gallons per day or greater or whose wastewater contains or has the potential to contain toxic pollutants, restricted pollutants, or non-compatible pollutants. The minimum monthly charge and additional monthly charge as stated above applies. In addition, penalties are assessed for biochemical oxygen demand, total suspended solids, ph, fats, oils and greases, and other limited parameters in excess of maximum limits established by the ordinance.

11. Total Annual Billable Water

The total annual billable water for the year ended December 31, 2018, was 3,903,275 one-hundred cubic feet, comprised of 2,452,354 one-hundred cubic feet annual billable water for residential customers and 1,450,921 one-hundred cubic feet annual billable water for commercial customers. The total annual billable water for the year ended December 31, 2017, was 3,872,689 one-hundred cubic feet comprised of 2,436,378 one-hundred cubic feet annual billable water for residential customers and 1,436,311 one-hundred cubic feet annual billable water for commercial customers.

12. Restricted Funds

The Utility has certain debt services funds with the Arkansas Development Finance Authority (“ADFA”), which are restricted to various uses. The Utility is required to deposit monthly with the ADFA, to be held in trust, an amount equal to 1/6 of the interest to become due on the next ensuing interest payment plus 1/6 of the next installment of principal next due on the Bonds. The required deposits shall be reduced by any amount in the Debt Service Fund available for meeting the purpose for which a deposit is required to be made. The total deposits, held in trust as of December 31, 2018 and 2017, were \$494,648 and \$620,505, respectively.

13. Contingency

The Utility was involved in a case that alleges the use by North Little Rock Waste Water customers of certain sewer lines located in the city limits of Sherwood. This use was considered to constitute a trespass and public nuisance. North Little Rock Waste Water Utility plans to vigorously defend its case. A favorable outcome is expected and no estimation of a loss or range of loss can be made at this time in the event of an unfavorable outcome.

North Little Rock Waste Water Utility
Notes to Financial Statements
December 31, 2018 and 2017

13. Contingency (continued)

The Utility had a fire that damaged or destroyed buildings and equipment in 2018. Management has been working with contractors and obtaining bids for repairs and replacements through year end and subsequent to year end and a final determination has not been made on proceeds from the insurance claim. As of December 31, 2018, insurance had agreed to pay \$1,646,219 for the damages and loss of equipment known at that time. As of December 31, 2018, \$500,000 had been received.

North Little Rock Waste Water Utility
Combined Statement of Revenues, Expenses, and Changes in Net Position
Budgetary Comparison Schedule
For the Year Ended December 31, 2018
(See independent auditor's report.)

	Original and Final Budget	Actual	Actual Over (Under) Budget
Operating Revenues			
Service charges	\$ 18,919,600	18,986,722	67,122
Service charges - industry	1,625,700	2,032,760	407,060
Service charges - violations	263,700	590,642	326,942
Users' forfeited discounts	337,600	305,927	(31,673)
Permits and inspections	43,000	51,395	8,395
Other operating income	55,700	124,109	68,409
Total Operating Revenues	<u>21,245,300</u>	<u>22,091,555</u>	<u>846,255</u>
Operating Expenses			
Cost of sales	10,485,000	8,883,186	(1,601,814)
Operating expenses	6,826,400	6,864,250	37,850
Total Operating Expenses	<u>17,311,400</u>	<u>15,747,436</u>	<u>(1,563,964)</u>
Operating Income	<u>3,933,900</u>	<u>6,344,119</u>	<u>2,410,219</u>
Non-Operating Income			
Interest and other income	47,200	1,273,454	1,226,254
Total Non-Operating Income	<u>47,200</u>	<u>1,273,454</u>	<u>1,226,254</u>
Non-Operating Expenses			
Interest expense	1,077,100	970,313	(106,787)
Total Non-Operating Expenses	<u>1,077,100</u>	<u>970,313</u>	<u>(106,787)</u>
Increase in Net Position	2,904,000	6,647,260	3,743,260
Net position - beginning of period	78,834,939	78,834,939	-
Net Position - End of period	<u>\$ 81,738,939</u>	<u>85,482,199</u>	<u>3,743,260</u>

North Little Rock Waste Water Utility
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Four Years Ended December 31, 2018
(See independent auditor's report.)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability			
Service cost	\$ 364,770	325,043	289,654
Interest	893,838	927,980	871,343
Benefit changes	-	-	-
Differences between expected and actual experience	(64,567)	(449,454)	101,449
Assumption change	-	1,092,570	-
Benefit payments	(566,646)	(549,127)	(536,212)
Net change in total pension liability	627,395	1,347,012	726,234
Total pension liability - beginning	13,669,600	12,322,588	11,596,354
Total Pension Liability - Ending	<u>14,296,995</u>	<u>13,669,600</u>	<u>12,322,588</u>
Plan Fiduciary Net Position			
Contributions - employee	-	-	-
Contributions - employer	702,970	625,000	600,000
Net investment income	577,978	858,710	416,717
Benefit payments	(566,646)	(549,127)	(536,212)
Administrative expense	-	-	-
Other	13,615	14,211	(2,632)
Net change in plan net position	727,917	948,794	477,873
Plan fiduciary net position - beginning	10,883,507	9,934,713	9,456,840
Plan Fiduciary Net Position - Ending	<u>11,611,424</u>	<u>10,883,507</u>	<u>9,934,713</u>
Net pension liability	<u>\$ 2,685,571</u>	<u>2,786,093</u>	<u>2,387,875</u>
Plan fiduciary net position as a percentage of total pension liability	81.22%	79.62%	80.62%
Covered employee payroll	3,843,866	3,675,206	3,621,125
Net pension liability as a percentage of covered employee payroll	69.87%	75.81%	65.94%

Note: A full 10 year schedule will be completed as information is available. Valuation date is July 1 or 6 months prior to the end of the fiscal year in which contributions are reported.

2015

273,092
881,729
-
(786,365)
-
(510,798)
(142,342)
11,738,696
11,596,354
-
642,000
94,153
(510,798)
-
(558)
224,797
9,232,043
9,456,840
2,139,514

81.55%

3,288,939

65.05%

North Little Rock Waste Water Utility
Schedule of Contributions
For the Four Years Ended December 31, 2018
(See independent auditor's report.)

Fiscal Year ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as % of Payroll
2015	\$ 577,750	642,000	(64,250)	3,125,501	20.54%
2016	551,811	600,000	(48,189)	3,288,939	18.24%
2017	616,644	625,000	(8,356)	3,621,125	17.26%
2018	702,970	1,353,100	(650,130)	3,675,206	36.82%

Note: A full 10 year schedule will be completed as information is available. Valuation date is July 1 or 6 months prior to the end of the fiscal year in which contributions are reported.

Key assumptions for actuarially determined contribution:

Cost method:	Entry Age Normal
Amortization method:	Level Percent of Salary
Remaining amortization:	10 years
Asset valuation:	Market Value
Investment rate of return:	6.5% (7.5% for prior years)
Mortality:	RP 2000 Combined Healthy Lives

North Little Rock Waste Water Utility
Schedule of Changes in the Other Post-Retirement Benefit Liability and Related Ratios
For the Two Years Ended December 31, 2018
(See independent auditor's report.)

	<u>2018</u>	<u>2017</u>
Total OPEB Liability		
Service cost	\$ 15,645	14,453
Interest	9,047	5,951
Benefit changes	-	-
Differences between expected and actual experience	-	-
Effect of economic/demographic gains or losses	31,724	-
Assumption change	58,671	-
Benefit payments	-	-
Net change in total pension liability	<u>115,087</u>	<u>20,404</u>
Total OPEB liability - beginning	<u>170,593</u>	<u>150,189</u>
Total OPEB Liability - Ending	<u>285,680</u>	<u>170,593</u>
 Plan Fiduciary Net Position		
Contributions - employee	-	-
Contributions - employer	-	-
Net investment income	-	-
Benefit payments	-	-
Administrative expense	-	-
Other	-	-
Net change in plan net position	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending	<u>-</u>	<u>-</u>
 Net OPEB liability	 <u>\$ 285,680</u>	 <u>170,593</u>
 Plan fiduciary net position as a percentage of total pension liability	 0.00%	 0.00%
 Covered employee payroll	 4,051,934	 4,312,328
 Net OPEB liability as a percentage of covered employee payroll	 7.05%	 3.96%

Note: A full 10 year schedule will be completed as information is available.

North Little Rock Waste Water Utility
Schedule of Operating Expenses
For the Years Ended December 31, 2018 and 2017
(See independent auditor's report on other supplementary information.)

	<u>2018</u>	<u>2017</u>
Administrative and General		
Advertising	\$ 3,348	2,723
Audit and other professional fees	28,959	36,500
Contributions	750	-
Employee physicals expense	1,053	40
Equipment repair and maintenance	14,356	4,916
Executive salary	137,707	133,578
Gas - transportation equipment	180	192
Holiday pay	19,373	19,352
Insurance - general	8,950	8,346
Insurance - group	75,741	70,768
Insurance - transportation equipment	2,778	2,778
Janitorial	5,224	5,208
Labor expense - office	276,696	244,839
Legal	21,523	27,404
Longevity pay	64,316	67,393
Maintenance and repairs - general	-	4,764
Miscellaneous	124,806	80,922
Miscellaneous leave pay	2,825	2,484
OPEB expense	115,087	21,822
Payroll taxes	45,623	42,640
Postage expense	1,844	1,529
Rent/lease expense	1,595	1,464
Sick leave expense	20,922	16,077
Subscription and dues	4,900	5,209
Supplies expense	20,618	16,113
Telephone	11,651	11,343
Training	9,004	14,746
Travel, meetings, and conventions	3,450	4,568
Uniform	350	473
Utilities	9,839	8,933
Vacation	40,153	38,465
Workers' compensation insurance	9,572	10,892
Total Administrative and General	<u>1,083,193</u>	<u>906,481</u>

	<u>2018</u>	<u>2017</u>
Undistributed Expense		
Depreciation - nonfunded	3,890,196	3,697,455
Employee pension	707,595	639,165
Pension plan administration	10,845	10,685
Total Undistributed Expense	<u>4,608,636</u>	<u>4,347,305</u>
Utilities Accounting		
Billing and collecting - North Little Rock district	621,156	592,290
Billing and collecting - other districts	32,841	31,767
Depreciation	364,898	322,950
Gas - transportation equipment	2,052	1,578
Holiday pay	5,789	5,720
Insurance - transportation equipment	1,389	1,389
Labor expense	117,713	112,330
Maintenance and repairs - transportation equipment	2,541	4,764
Sick pay	4,705	6,564
Supplies expense	2,822	1,493
Telephone expense	5,885	4,312
Vacation pay	10,630	9,605
Total Utilities Accounting	<u>1,172,421</u>	<u>1,094,762</u>
Total Operating Expenses	<u>\$ 6,864,250</u>	<u>6,348,548</u>

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

North Little Rock Waste Water Treatment Committee
North Little Rock Waste Water Utility

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Little Rock Waste Water Utility as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise North Little Rock Waste Water Utility's basic financial statements, and have issued our report thereon dated March 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Little Rock Waste Water Utility's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Little Rock Waste Water Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of North Little Rock Waste Water Utility's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Little Rock Waste Water Utility's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do

not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EGP, PLLC

March 30, 2019
North Little Rock, Arkansas

Certified Public Accountants & Consultants

(6)

PURCHASE NEW VEHICLE FOR PLUMBING INSPECTOR

The Plumbing Inspector's current vehicle is a 2009 Chevrolet Colorado pickup truck. This vehicle has more 187,000 miles on it and is budgeted for replacement in 2019. The budgeted Amount is \$28,000. The suggested replacement is a 2019 RAM 1500 Classic Crew Cab from the State Contract at \$21,196.

ACTION REQUESTED:

Authorize the purchase of a 2019 RAM 1500 Classic Crew Cab from the Vehicle State Contract to replace the Inspector's current vehicle for the amount of \$21,196.

