

**NORTH LITTLE ROCK
WASTEWATER TREATMENT COMMITTEE**

MINUTES OF A MEETING HELD TUESDAY, AUGUST 8, 2023

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, August 8, 2023, in 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. The roll was called. Those in attendance at the meeting were Chairman Matthews, Ms. Karen Bryant, Mr. Gabe Stephens and Ms. Marie Hollowell. Also in attendance were Mr. Michael Clayton, Director, Ms. Kayla Koba, Senior Accountant, Mr. Scott Kerby, Engineering Department Manager, Mr. Sam Hilburn and Ms. Paula Storeygard with Hilburn & Harper, Ltd. and Marolyn Dorman, Executive Assistant.

The Committee reviewed the minutes of its July 10, 2023, meeting. After review, a motion was made by Mr. Stephens, seconded by Ms. Bryant, to approve the July 10, 2023, minutes as submitted. The motion carried unanimously.

The Committee then reviewed the cash disbursements for July 2023. Director Clayton again pointed out items highlighted in red to more easily capture expenses related to FEMA claims from the March 31 tornado. Chairman Matthews questioned the deadlines for submitting claims. Ms. Koba indicated the next date is August 13. A motion was made by Ms. Bryant, seconded by Mr. Stephens, to approve the cash disbursements showing total cash disbursement of \$1,643,500.68 and fund transfers between accounts of \$1,189,530.63. The motion carried unanimously.

The July Financial Report as included in the Agenda Packet was incomplete due to a software problem that did not allow adjustments and depreciation modules to print. A corrected copy was provided to the Committee. Director Clayton pointed out that expenses are down, and revenue looks good. Higher interest rates on the Utility's investments are contributors to revenue. Year-to-date net income is \$5.7M. Upon motion made by Mr. Stephens, seconded by Ms. Bryant, the Committee unanimously approved the financial statement for July 2023.

Director Clayton reminded the Committee of the Notice received from ADEQ that he had advised of at the July meeting. A Consent Administrative Order has

been issued due to violation of the land application permit at Dougan Farms on June 30, 2022. Three violations existed and required action by NLRW. A meeting has taken place with ADEQ, and all actions required on the part of North Little Rock Wastewater to satisfy the CAO have been accomplished. With the approval of the Committee, the next step by ADEQ will be to open a 30-day Public Comment Period. The final action to clear the CAO is the payment of a fine of \$5,400.

Director Clayton explained that upon suspending the contractor that committed the violation, retainage of \$24,835.57 was held and the fine, if payment is approved, would be paid out of that retainage. Mr. Stephens moved to authorize the execution of the CAO with the anticipated fine payment. Ms. Bryant provided the second and the motion was approved.

Chairman Matthews requested again to defer action on Item (6), Broadway Area Pipe Bursting 2023 Collection System Renewal, due to the 2nd low bidder's challenge to the low bidder's contractor's license. Attorney Sam Hilburn and Attorney Paula Storeygard advised information received via the Arkansas Contractor's Licensing Board was somewhat unclear, and the Hilburn and Harper legal firm will have to further examine records. The item was again deferred pending a definitive legal opinion from Hilburn and Harper.

The Utility has received a request from North Little Rock Mayor, Terry Hartwick, for waiver of the connection fee for a substantial industrial development at Tulip Farms Subdivision, within the Hill Lake Pump Station Area. The project working name is *Project Cedar* and is on Lot 2 which is a site of 115.193 acres. The projected connection fee for this site is \$162,076.55. Mr. Stephens moved to comply with the Mayor's request and waive the connection fee. Ms. Bryant seconded, and the motion was approved unanimously.

The final agenda item at this meeting proposes the acquisition of 30 acres of land North of the Faulkner Lake Water Reclamation Facility. The City of North Little Rock owns this site which is adjacent to State Highway 165 and across the road from FLWRF. Director Clayton's presentation pointed out the proximity offers opportunities to minimize cost and complexities associated with potential infrastructure improvements required in the handling and treatment of biosolids.

The property is zoned "I-2" and aligns with the intended land use, enhancing long-term planning and operational stability. The City has a planned solar array project adjacent to the eastern boundary of the property.

Discussions with the City have resulted in a mutual agreement for the acquisition. Approximately 15 acres are designated wetlands and are valued at

\$6,000/acre. The other approximately 15 acres are agreed to at \$12,000/acre. Following further discussion, a motion was made by Ms. Bryant, and seconded by Mr. Stephens with unanimous approval, to authorize Director Clayton to enter into an Offer and Acceptance Contract and proceed with the acquisition of the property at \$252,000.

Director Clayton then updated the Committee with regard to the following which required no action at this time:

1. Ms. Alice Fulk has accepted the position of Human Resources Director and will come on board August 14.
2. A dedicated North Little Rock Wastewater Website is being created and expected to be in first rendition by the end of August.
3. With the announced closing of the Tyson plant in North Little Rock, the Utility will lose about \$440,000 in annual revenue due to the loss of this second largest pretreatment account.
4. At the NCWAA meeting attended by Director Clayton in Louisville, Kentucky, North Little Rock Wastewater received three (3) platinum awards for 100% compliance at our Faulkner Lake, Five Mile and White Oak Treatment Plants for five consecutive years. Mayor Hartwick is planning a Public Relations event on the second Monday in September and will include this recognition.

Mr. Nelson's absence from this meeting was moved to be excused by Mr. Stephens and Ms. Bryant and was approved.

There being no further action to come before the Committee, a motion was made by Ms. Hollowell to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 1:05 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



VICE-CHAIRMAN/SECRETARY