

## **NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE**

**MINUTES OF A MEETING HELD TUESDAY, APRIL 12, 2022**

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, April 12, 2022, 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. The roll was called, and a quorum was present. Those in attendance at the meeting were Mr. K.W. Matthews, Mr. Ed Nelson, Ms. Karen Bryant, Mr. Gabe Stephens and Mr. Sylvester Smith. Also in attendance were Mr. Michael Clayton, Director, Ms. Gina Briley, Mr. Sam Hilburn and Ms. Paula Storeygard with Hilburn & Harper, Ltd., Ms. Lindsay Baker of EGP, PLLC and Marolyn Dorman.

First, the Committee reviewed the minutes of its March 8, 2022, meeting. After review, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to approve the March 8, 2022, minutes. The motion carried unanimously.

Chairman Matthews then moved Agenda Item 5, *2021 Audit Report*, to be heard next, and Ms. Lindsay Baker presented the audit findings.

The financial statements for the year ended December 31, 2021, in the opinion of EGP, PLLC are found to be materially correct, requiring no modifications. North Little Rock Wastewater is financially sound based on opinion of findings and free from misstatements. It is noted that pension liabilities were down, and assets performed well in 2021. No deficiencies in internal control were identified. Performance testing was done and disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

A motion to accept the audited financial statement was made by Mr. Smith and a second was provided by Mr. Nelson. The motion passed unanimously.

Next, the Committee reviewed the cash disbursements for the month of March 2022. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Mr. Smith, to approve the cash disbursements for March 2022 reflecting total cash disbursements of \$2,137,815.26 and fund transfers between accounts of \$1,749,200.00. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously approved the Financial Statement for March 2022.

The staff received bids for the “Curtis Sykes and Meadow Park Basins Pipe Bursting 2021 Rehabilitation Project” on Thursday, March 10, 2022, at 1:00 p.m. The project includes pipe bursting of about 27,194 feet of 6 and 8-inch gravity sewer mains and reconnection of approximately 493 services. The low bid was submitted by Horseshoe Construction, Inc. in the amount of \$1,779,766.00. After some discussion, a motion was made by Mr. Smith, seconded by Mr. Stephens, to authorize the staff to award the contract for the Curtis Sykes and Meadow Park Basins Pipe Bursting 2021 Rehabilitation Project to Horseshoe Construction, Inc. of in the amount of \$1,779,766.00. The motion carried unanimously.

Director Clayton then reported regarding Entergy’s net metering accounts from the Solar Farm at Five-Mile Treatment Plant. Based on before and after solar online averages, annual savings of about \$107,000 are projected. This is close to what was projected when this project was proposed. Greater savings should be realized since Entergy is due to enact a 7.2% rate increase on one of the riders in the Entergy bills.

Copies of the 2021 Annual Report made to ADEQ were provided to the Committee. Mr. Clayton noted that it is no longer a requirement this report be made to ADEQ since NLRW has been released from Consent Order. However, it is good practice, and it is anticipated to be done annually going forward.

The Director advised regarding odor complaints from the public, especially neighbors near the Faulkner Lake Treatment Plant. Waste Management tripled charges for landfill costs to North Little Rock Wastewater. As a result, the filter press was shut down and sludge is being held in the lagoons until the biosolids can be hauled to permitted land application site. ADEQ has been onsite and reviewed operations process and a plan is in place to address the issue.

Mr. Clayton also reported on another citizen who regularly reports to ADEQ each time a manhole overflows in his area. The area is near Camp Robinson and is an area destined for rehabilitation. Director Clayton’s plan is to ‘ramp up’ rehabilitation projects.

He presented North Little Rock Wastewater’s request to the ANRC (at their suggestion) for a \$45,000,000 loan to include consideration of reducing interest rates on three outstanding loans. If approved as requested, on May 10, 2022, this loan would be at 1.75% interest and result in a savings of \$2,229,330.13 over the currently due interest over the life of the 3 outstanding bonds. This savings would allow for more money available for rehabilitation projects and as a counter measure to inflation pressures.

There being no further action to come before the Committee, the motion made to adjourn was approved, and the meeting was adjourned at approximately 1:00 p.m.

**APPROVED AS TO FORM:**



K. W. MATTHEWS, CHAIRMAN

**RESPECTFULLY SUBMITTED,**



SYLVESTER SMITH,  
VICE-CHAIRMAN/SECRETARY