

**NORTH LITTLE ROCK  
WASTEWATER TREATMENT COMMITTEE**

**MINUTES OF A MEETING HELD TUESDAY, DECEMBER 14, 2021**

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, December 14, 2021, 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 and Mr. Gabe Stephens. Also in attendance were Mr. Michael Clayton, Director, Ms. Gina Briley, Mr. Dan Jackson of Willdan Financial Services, Ms. Sarah Smith, Chief of Staff, Mayor's Office, City of Maumelle, Mr. Sam Hilburn, Ms. Paula Storeygard and Marolyn Dorman.

The Committee reviewed the minutes of its November 9, 2021, meeting. After review, a motion was made by Mr. Stephens, seconded by Mr. Nelson, to approve the November 9, 2021, minutes. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of November 2021. Mr. Nelson requested information regarding the emergency repair expenditure on check number 53514 made out to Horseshoe Construction. Director Clayton explained this was necessary due to a leaking underground fuel tank which had polluted the sewer main on Landski Drive. Mr. Nelson and Attorney Hilburn suggested pursuing reimbursement by either the party owning the fuel tank or an insurance company or ADEQ trust fund set up for such issues. A motion was made by Mr. Nelson, seconded by Mr. Stephens, to approve the cash disbursements for November 2021 reflecting total cash disbursements of \$1,725,532.32 and fund transfers between accounts of \$1,341,900.00. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously approved the Financial Statement for November 2021. Following approval Mr. Nelson enquired regarding expenditures from the emergency fund. Director Clayton indicated emergency funds will be carried over as little has been used.

Preceding Mr. Dan Jackson's presentation, Mr. Clayton advised the forty-five (45) million-dollar loan from ANRC will go before their approving committee tomorrow and will be primarily used (along with a projected rate increase) to fund major projects over the next few years. At that point Mr. Jackson presented his analysis which takes into account this new ANRC loan. He advised he has twenty-two (22) years' experience with North Little Rock utility rate analysis and has done

five (5) previous rate studies for NLRW, the last having been done six (6) years ago. Currently rates are up 5%-6% per year across the US and this trend is expected to continue. 30%-40% of utilities have rates in place that do not cover their costs. Based on his experience with North Little Rock Wastewater and NLRW's sound financial basis, the Utility will require seventy-two (72) million dollars over the next ten (10) years to accomplish the capital improvement plan. This will be financed by phasing in over four-years and raising rates. Proposed increases of 5% per year beginning in March of 2022 and continuing through January of 2024; then 6% in 2025 and 8% in 2026. Additional funds will come from ANRC loan funding and NLRW reserves.

Director Clayton brought up the need for a storm water allowance through industrial permits prior to a rate increase. A capacity allowance formula must be developed. Storm water drainage released into the sanitary sewer reduces the capacity of the sanitary sewer and is currently not figured in rates. After further discussion, Mr. Nelson moved that a request for a rate increase be taken to the City Council. Ms. Bryant provided a second, the motion was unanimously approved.

The Committee then discussed construction engineering services required to handle the on-site construction inspections, construction administration, project coordination and field services for two (2) pipe bursting projects. Halff Associates, Inc. has proposed to provide these services for both projects. The first is the Rose City and Military Basins Pipe Bursting 2021 Rehabilitation Project. Ms. Bryant moved for approval for an amount up to \$114,560 and Mr. Nelson seconded, and Committee's vote was unanimous. The other project is the Dixie and Baring Cross Pipe Bursting 2021 Rehabilitation Project. Halff Associates would provide construction engineering services for this for an amount up to \$95,000. Mr. Nelson moved to accept this contract and Ms. Bryant provided the second with unanimous approval by the Committee.

Mayor Hartwick has requested a connection fee waiver for an unnamed development to the Hill Lake Pump Station and Force Main. The development site is 142 acres, and the projected connection fee is \$184,463.69. Mr. Stephens moved to honor the request of the Mayor and Mr. Nelson seconded. The Committee approved unanimously. Mr. Matthews requested Ms. Briley to determine how much revenue has been waived in total of connection fees.

Last on the agenda was the Municipal League Workers' compensation Trust 2022 billing. The Utility received a lowered experience rating which lowered our billing to \$59,518 versus \$63,800 which had been budgeted. Mr. Clayton noted it has been emphasized to Supervisors to find light duty assignments for injured employees so that time loss is reduced. Only 6 claims were recorded in 2021. Mr. Nelson moved to approved payment of \$59, 518 to the Municipal League Workers' Compensation Trust and Ms. Bryant was the second with Committee approval.

The absence of Mr. Sylvester Smith was moved to be excused by Mr. Stephens and seconded by Mr. Nelson. Committee's approval was unanimous.

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 1:30 p.m.

**APPROVED AS TO FORM:**

K. W. MATTHEWS, CHAIRMAN

**RESPECTFULLY SUBMITTED,**

  
SYLVESTER SMITH,  
VICE-CHAIRMAN/SECRETARY

