

**NORTH LITTLE ROCK
WASTEWATER TREATMENT COMMITTEE**

MINUTES OF A MEETING HELD TUESDAY, OCTOBER 12, 2021

(as corrected)

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, October 12, 2021 at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:16 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. Richard Penn, City Engineer with the City of Sherwood, Mr. Sam Hilburn and Dawn Harmon.

The Committee reviewed the minutes of its September 14, 2021 meeting. After review, a motion was made by Ms. Bryant, seconded by Mr. Stephens, to approve the September 14, 2021 minutes. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of September 2021. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the cash disbursements for September 2021 reflecting total cash disbursements of \$2,439,174.35 and fund transfers between accounts of \$1,917,900.00. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously approved the Financial Statement for September 2021. Director Clayton did note there are currently five (5) contracts underway with payments due in the near future.

The Committee then discussed the purchase of a new excavator. The Collections Systems currently maintains one excavator for each repair crew. One of the 18,000 lb. Kubota excavators is in need of costly repairs. The staff wishes to replace this machine with a new 24 HP Model 35G John Deere Compact Excavator which is smaller and able to navigate small areas. This item is available through Stribling Equipment in the amount of \$54,708.31 with an estimated lead time of 30-days.

Compact Excavator Comparison

John Deere	24HP	30-day lead	\$54,708.31	Stribling Equipment
Caterpillar	24HP	18-week lead	\$53,825.91	Riggs CAT
Kubota	40HP	Unknown	\$67,055.00	Web Quote
Caterpillar	40HP	16-week lead	\$66,673.00	Riggs CAT

The 2021 budget includes \$106,000.00 for the purchase of this item. After further discussion, a motion was made by Ms. Bryant, seconded by Mr. Stephens, to authorize the staff to purchase a Model 35G John Deere Compact Excavator from Stribling Equipment in the amount of \$54,708.31. The motion carried unanimously.

Mr. Nelson provided updates to the Committee for the North Little Rock Wastewater's Defined Benefit Pension Plan which met on September 21, 2021. The July 1, 2021 actuarial valuation report, provided by Jody Carreiro of Osborn, Carreiro & Associates, Inc., suggest a minimum contribution of \$500,000.00. In 2020 the rate of return for the plan was -2%; however, as of July 1, 2021, the rate of return was 21.3% and the plan was 98% funded. The Retirement Committee recommends a contribution amount of \$600,000.00. An amount of \$800,000.00 is included in the 2021 budget for the pension plan contribution. A motion was made by Mr. Nelson, seconded by Mr. Stephens, to authorize the contribution amount of \$600,000.00 to the North Little Rock Wastewater Utility Defined Benefit Pension Plan. The motion carried unanimously.

Director Clayton informed the Committee that an evaluation is necessary to determine the feasibility of maintaining the existing Five Mile Creek Water Reclamation Facilities with continued planning for future improvements, or to decommission the existing treatment facilities. The staff has discussed the possibility of converting the existing influent pump station to transport raw sewage to the Faulkner Lake Water Reclamation Facility. Doing so would economize the treatment of sewage, including the larger scale handling of biosolids. Significant planning and improvements will be necessary for regulatory compliance for the Five Mile Creek Water Reclamation Facilities. It is recommended that a well-qualified engineering firm that has not been previously engaged by the Utility be hired to provide an objective analysis for the long-term planning of the facilities at the Five Mile Creek Water Reclamation Facility. The staff has negotiated with HDR Engineering, Inc. of Little Rock to define the scope of a feasibility study for the Five Mile Creek and Faulkner Lake Water Reclamation Facilities with a proposal in the amount of \$111,540.00. A motion was made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to utilize HDR Engineering, Inc. to define the scope of

a feasibility study for the Five Mile Creek and Faulkner Lake Water Reclamation Facilities at a proposal cost of \$111,540.00. The motion carried unanimously.

Director Clayton then advised the Committee that after meeting with ANRC officials last month it was highly recommended that the North Little Rock Wastewater apply for a new loan. The original 2016 Revolving Loan Fund was in the amount of \$30,000,000.00. A ten-point project list has been developed, whereas nine of the projects are for investment into the gravity sewer interceptors within the collection systems. The estimated cost of the ten-point project list is \$46.8 million. It is recommended to proceed with a new loan application for \$45 million at an interest rate of 1.75% for a 20-year term. By moving the \$10,812.27 from the 2016 loan at 2.25% interest and applying it to the new loan using the lower interest rate, a savings of over \$50,000 a year can be realized for the next 20 years. The Utility plans to continue with secondary sewer rehabilitation using general revenues to invest \$4.0 million per year to replace 2% of the gravity sewer lines per year which is approximately 68,000 feet per year.

The following shows the status of the outstanding loans:

Series 2001 was for \$10,000,000 at an interest rate of 3.25%. The outstanding balance as of 9.30.2021 is \$1,939,880.00. (The Utility is exploring the option of paying off the loan early)

Series 2008 was for \$14,000,000 at an interest rate of 2.75%. The outstanding balance as of 9.30.2021 is \$8,293,395.08. (Inquire with Natural Resources to refinance at 1.75% with the same terms remaining)

Series 2012 was for \$21,000,000 at an interest rate of 2.50%. The outstanding balance as of 9.30.2021 is \$16,222,465.40. (Inquire with Natural Resources to refinance at 1.75% with the same terms remaining)

Series 2016 was for \$30,000,000 at an interest rate of 2.25%. NLRW has drawn the amount of \$19,187,873 and has made two principal payment for an outstanding balance as of 9.30.2021 of \$18,589,868. (Transfer the remaining balance of \$10,812,127 to the new loan for reduction of interest rate by 0.50%)

After further discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to authorize the Finance Department and Director Clayton to proceed with an application for \$45.0 million loan with the Arkansas Department of Agriculture

Natural Resources Division to be considered at the November 17th ANRC Commission meeting. The motion carried unanimously.

Next, the Committee discussed the Faulkner Lake Clarifier Launder Cover Project. The plant discharges a clear, high quality effluent that is susceptible to extensive algae growth on the three, 120 ft diameter Final Clarifier Weirs and Launderers. The housekeeping of these weirs is one major focal point for ADEQ inspections. To comply, countless work hours have been spent over the years pressure washing and scrubbing these structures to remove algae growth. This constant washing has been detrimental to the concrete and has accounted for a significant Workers' Comp injury in the recent past. A common industry practice is to install covers over the clarifier weirs and outer launder. These covers block all sunlight and inhibit the growth of algae. The staff has advertised for bids for a contractor to furnish and install said covers and received two very competitive bids that fit within the \$350,000 budgeted for the project. They are summarized as follows:

Environmental Process Systems	(Fiberglass Reinforced Plastic Covers)	\$338,208
Rebuild-It Services Group	(Aluminum Covers)	\$348,140

Both contractors are capable of the installation, but with only a 3% cost difference, the Treatment Plant staff prefers the more durable aluminum option. A motion was made by Mr. Stephens, seconded by Mr. Nelson, to authorize the staff to award the contract to Rebuild-It Services Group, for the aluminum cover, in the amount of \$348,140.00. 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 1:15 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY