

# NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

## MINUTES OF A MEETING HELD TUESDAY, MARCH 10, 2020

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, March 10, 2020 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, and in addition, Mr. Jack Stowe, representative from the City of Maumelle and Scott Grummer, Chief of Staff for the Mayor of Maumelle. Also in attendance were Mr. Marc Wilkins, Director, Mr. Michael Clayton, Assistant Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Lyle Leubner, Ms. Marybeth Eggleston, Mr. Tad Bohannon and Mr. Jeff Mascagni with Central Arkansas Water, Mr. Scott Hilburn with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its February 11, 2020 meeting. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the minutes of its February 11, 2020 meeting. The motion carried unanimously.

Mr. Jeff Mascagni, then addressed the Committee with regard to the CAW Billing Services Agreement. He went through a power point presentation which highlighted their 2017 Cost of Service Study. The purpose of this study was to update billing fees to more closely align with operating cost of providing service. For the Utility's level of service, level three (3), the fee per bill was \$1.6882. In 2001, the proposed billing fee was \$1.84. Currently, the fee charged is \$0.98. The new rate proposed for 2020 is \$1.01, which is a three percent (3%) increase. The Committee also addressed with the CAW representatives the items noted in the Hilburn Law Firm's letter to the Utility dated February 27, 2020. Chairman Matthews asked Mr. Scott Hilburn to get with CAW to discuss the other changes in the contract. Additionally, CAW confirmed that NLRW and LRWR were the only two hold outs on approving the new billing agreement. After further discussion, CAW stated they would agree to the following changes to the billing agreement:

6. Service Charge. Beginning on April 1, 2019, CAW shall receive \$0.983 per bill that CAW transmits or delivers to each customer on behalf of the Utility (Service Charge). Service Charge shall be annually adjusted on April 1, 2020, 2021,

2022, 2023 and 2024 by three percent (3%). On April 1, 2025, 2026, 2027, 2028 and 2029, the service charge shall be adjusted by three percent (3%) or if the previous calendar year's change in the Consumer Price Index – All Urban Consumers (case year 1982-84 = 100) as published by the Bureau of Labor Statistics, United States Department of Labor exceeds 3%, the parties shall negotiate in good faith to determine the service charge adjustment for that year. Major upgrades, expenditures or changes to CAW's billing system may require renegotiation of the Service Charge.

16. Term. The initial term of Agreement shall begin on January 1, 2020, for a period of ten (10) years. Thereafter, Agreement shall automatically renew for additional one (1) year periods (each a "Renewal Term") thereafter.

After further discussion, A motion was then made by Mr. Nelson, seconded by Ms. Bryant, to approve the revised language to the Billing Agreement which is:

6. Service Charge. Beginning on April 1, 2019, CAW shall receive \$0.983 per bill that CAW transmits or delivers to each customer on behalf of the Utility (Service Charge). Service Charge shall be annually adjusted on April 1, 2020, 2021, 2022, 2023 and 2024 by three percent (3%). On April 1, 2025, 2026, 2027, 2028 and 2029, the service charge shall be adjusted by three percent (3%) or if the previous calendar year's change in the Consumer Price Index – All Urban Consumers (case year 1982-84 = 100) as published by the Bureau of Labor Statistics, United States Department of Labor exceeds 3%, the parties shall negotiate in good faith to determine the service charge adjustment for that year. Major upgrades, expenditures or changes to CAW's billing system may require renegotiation of the Service Charge.

16. Term. The initial term of Agreement shall begin on January 1, 2020, for a period of ten (10) years. Thereafter, Agreement shall automatically renew for additional one (1) year periods (each a "Renewal Term") thereafter.

The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of February 2020. Mr. Nelson asked a question regarding check number 48934 to the Arkansas Municipal League in the sum of \$95,601.88. Mr. Wilkins and Ms. Briley confirmed the payment covered a twelve (12) month period and this policy carried the \$5,000.00 deductible. After a brief discussion, a motion was made by Mr. Nelson, seconded by Mr. Stephens, to approve the cash disbursements for February 2020 reflecting total cash disbursements of \$2,013,295.21 and fund transfers between accounts of \$1,493,416.67. The motion carried unanimously.

The Committee then reviewed the Financial Statement for February 2020. Mr. Nelson asked why the industrial rate fees were down by approximately \$60,000.0. Mr. Wilkins and Ms. Briley advised Mr. Nelson and the Committee that Kimberly Clark and the VA have decreased flows. Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously approved the Financial Statement for February 2020.

Mr. Wilkins then advised the Committee that the erosion of a creek bank has exposed a section of an existing 10-inch concrete gravity sewer line creating the need for emergency corrective actions. The section exposed is approximately 35 - 40 feet in length and is located about a quarter mile upstream from the bridge on Avondale Road (locally known as Snake Hill). The staff took immediate action to try to safe up the pipeline over the weekend of February 20 through March 1 in response to predictions of a significant rainfall event. Diamond Construction, Inc., has been called in to construct a concrete protective barrier. The estimated cost of the repair is \$32,000 - \$42,000.00 which will be funded through general revenues. The 2020 budget includes \$1,000,000.00 for emergency repairs. A motion was then made by Mr. Stephens, seconded by Ms. Bryant, to authorize the use of Diamond Construction Co., Inc. for the emergency corrective actions for the Lakewood Valley Drive - Bank Stabilization 2020 project. The motion carried unanimously.

The Committee then discussed the Upper Riverside Interceptors CIPP 2020 Rehabilitation Project (FEMA Projects 111006 and 111015). Mr. Wilkins informed them that the staff prepared bid documents for the cured-in-place rehabilitation of interceptor sewer lines in response to the damages incurred from the 2019 flood. The project includes debris removal or heavy cleaning and internal lining of approximately 6,116 linear feet of 30-inch and 36-inch reinforced concrete pipe interceptor sewer lines using CIPP. By-pass pumping, heavy cleaning and detailed CCTV of the interceptors will be part of the CIPP activities. The estimated cost for this project is \$3,016,123 with 75% to be reimbursed from FEMA and 25% from NLRW reserves based on actual cost. The Utility will pay the costs associated with this project up front and FEMA will then reimburse the 75%. A motion was then made by Ms. Bryant, seconded by Mr. Nelson, to authorize the staff to advertise for bids for the Upper Riverside Interceptors CIPP 2020 Rehabilitation Project. The motion carried unanimously.

The Committee was then advised that the bids for the 2019 Auxiliary Generators and Transfer Switches were opened Thursday, March 5, 2020 at 10:00 a.m. The project consists of installing four (4) generators and automatic transfer switches at the following existing pump stations:

Mid-State	30 kW
Rixie RR	30 kW
Maumelle High School	60 kW
Osage Hills	45 kW

Lock-Wood Electric, Inc. of Conway, Arkansas submitted the low bid in the amount of \$135,850.00. The 2020 budget includes \$160,000.00 for this project. A motion was then made by Ms. Bryant, seconded by Mr. Stephens, to authorize the staff to enter into a contract with Lock-Wood Electric, Inc. of Conway, Arkansas for the 2019 Auxiliary Generators and Transfer Switches project in the amount of \$135,850.00. The motion carried unanimously.

The Committee then discussed the White Oak All-Weather Access Road. Bids for this project were opened on Thursday, March 5, 2020 at 10:30 a.m. The project consists of constructing an all weather access road to the White Oak WTP one foot above the Base Floodplan Elevation. Burkhalter Technologies, Inc. of North Little Rock, Arkansas submitted the low bid in the amount of \$151,406.00. This project is not included in the 2020 budget. However, it is included in the State Hazard Mitigation Grant 2020 and will be eligible for 50% funding. The remaining 50% will come from general revenues. It was also noted that Mr. Clayton is working with Gene Pfeifer to secure the necessary easement for the access road. A motion was then made by Ms. Bryant, seconded by Mr. Stephens, to authorize the staff to enter into a contract with Burkhalter Technologies, Inc. of North Little Rock, Arkansas for the White Oak WTP All-Weather Access Road project in the amount of \$151,406.00. The motion carried unanimously.

Mr. Wilkins then advised the Committee that payment in the sum of \$358,533.62 was received from the insurance company during the month of February for the fire bay loss. To date, the Utility has been reimbursed the sum of \$1,608,533.00 with a claim balance of \$686,856.15 still outstanding.

Mr. Wilkins then informed the Committee that an email communication was received from Larry Martin, a resident, who claimed the Utility employees put out rat poison that killed his pet. After an investigation, Mr. Wilkins stated that the Utility did not do this and was further not responsible for Mr. Martin's pet.

Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously excused the absence of Mr. Smith from the meeting.

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 1:20 p.m.

**APPROVED AS TO FORM:**

A handwritten signature in blue ink that reads "K. W. Matthews". The signature is written in a cursive style with a large initial "K".

**K. W. MATTHEWS, CHAIRMAN**

**RESPECTFULLY SUBMITTED,**

A handwritten signature in blue ink that reads "Sylvester Smith". The signature is written in a cursive style with a large initial "S".

**SYLVESTER SMITH,  
VICE-CHAIRMAN/SECRETARY**