

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, SEPTEMBER 10, 2019

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, September 10, 2019 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. Sylvester Smith, Ms. Karen Bryant and Mr. Gabe Stephens, and in addition, Mr. Jack Stowe, representative from the City of Maumelle, Mr. Richard Penn, City Engineer with the City of Sherwood. Also in attendance were Mr. Marc Wilkins, Director, Mr. Michael Clayton, Assistant Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Lyle Luebner, Ms. Kris Ramon, Mr. Sam Hilburn with Hilburn, Calhoon, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its Special Call Meeting held August 7, 2019. There being no questions or comments, a motion was made by Mr. Smith, seconded by Ms. Bryant, to approve the minutes of the August 7, 2019 Special Call Meeting. The motion carried unanimously.

The Committee then reviewed the minutes of its August 13, 2019 meeting. There being no questions or comments, a motion was made by Mr. Smith, seconded by Ms. Bryant, to approve the minutes of its August 13, 2019 meeting. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of August 2019. After discussion, a motion was made by Mr. Stephens, seconded by Ms. Bryant, to approve the cash disbursements for August 2019 reflecting total cash disbursements of \$2,289,403.89 and fund transfers between accounts of \$1,695,666.67. The motion carried unanimously.

Upon motion made by Mr. Stephens, seconded by Ms. Bryant, the Committee unanimously approved the Financial Statement August 2019.

Mr. Wilkins then advised the Committee that the staff received a quote from CBM Construction Co. to remove the abandoned Bryant's building (McSwain) and a wood frame structure from the property along the east side of the Faulkner Lake WRF.

Previous studies revealed the presence of asbestos in the roofing and in the floor covering. The cost to remove the structures completely including asbestos abatement, demolition, removal and project management is \$30,852.00. This item was not included in the 2019 budget, but will be paid for as a change order to the Collections Systems Building Addition and Renovations Project. A motion was then made by Mr. Stephens, seconded by Ms. Bryant, to authorize the staff to execute a change order to the Collections Systems Building Addition and Renovations Project for the removal of the abandoned Bryants' building (McSwain) and secondary structure in the amount of \$30,852.00. The motion carried unanimously.

Next, Mr. Wilkins advised the Committee that while performing routine maintenance on lagoon surface aerators, the staff discovered that the high water levels from the flood had caused aerator anchor points to break off from six of the fiberglass aerator floats. The staff has obtained a quote for six replacement floats from the existing equipment supplier, Environmental Technical Sales. For mitigation, mooring springs were also quoted to accommodate higher than normal water levels. Each aerator float has four mooring cables that anchor it in place, and adding the springs will allow the aerators to accommodate another 2.5 feet in water depth. Since the damages were flood related, this expense has been submitted to FEMA.

Aerator Float Assembly	6@	\$3,195 each	\$19,170
Mooring Springs with Snap Hooks	128@	\$ 74 each	<u>\$ 9,472</u>
Total			\$28,642

After discussion, a motion was made by Ms. Bryant, seconded by Mr. Stephens, to authorize the staff to purchase the float assemblies and mooring springs from Environmental Technical Sales in the amount of \$28,642.00. The motion carried unanimously.

The Committee then discussed the "Julian Street Sanitary Sewer Improvements Project." The staff received bids for this project on August 13, 2019 at 10:00 a.m. and the bids were read aloud. The project consists of rerouting approximately 442 linear feet of 12" PVC within the rights-of-way of Julian Street. The low bid was submitted by Diamond Construction, Inc. in the amount of \$88,985.00. The project is included in the 2019 budget for \$120,000.00. A motion was made by Mr. Smith, seconded by Ms. Bryant, to authorize the staff to award the contract for the Julian Street Sanitary Sewer Relocation Project to Diamond Construction, Inc. in the amount of \$88,985.00. The motion carried unanimously.

Next, the Committee discussed the fact that the Utility's agreement for audit services ended with the 2018 audit, and the Utility requested a proposal from EGP, PLLC for audit services for the years 2019, 2020 and 2021. Mr. Wilkins confirmed that the three year proposal submitted by EGP was:

We expect our professional fees to perform the audit for the Utility for the single year ended December 31, 2019, to be \$25,000 - \$30,000 for a financial audit or \$40,000 - \$35,000 for a single audit under Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200 *Uniform Administrative requirements, Cost Principles, and Audit requirements for Federal Awards*. The fees would be subject to a 3% - 5% increase annually following the first year. Travel, report processing and out-of-pocket expenses will be billed separately.

A motion was then made by Ms. Bryant, seconded by Mr. Smith, to authorize the staff to enter into an agreement with EGP, PLLC for audit services for the years of 2019, 2020 and 2021. The motion carried unanimously.

Mr. Wilkins then update the Committee as follows:

Fire Insurance Status - no additional payments have been received since the initial check. Mr. Wilkins stated that final payment would be forthcoming pending completion of the construction project.

APERMA - the Utility's rates have stayed the same over the last several years. APERMA has lost clients over the past few years to ACC and Municipal League. Last week, Mr. Wilkins and Mr. Clayton attended a meeting with APERMA regarding this matter. To maintain coverage through APERMA, they will raise the Utility's rates approximately 33% over the next three years. The first years increase of 15% will be approximately \$18,000.00. APERMA will send out letters in October so that current members can budget for the increase.

Conference Room in Administration Building - the floor has become unlevel and looking into the cause, mold was discovered under the floor that was most likely caused by a leaking toilet. A mold expert has been called to assess and remove the mold. Additionally, the following will need to be fixed and/or replaced - floor and carpet in the conference room, restroom, insulation needs to be replaced under the floor and the vapor barrier will need to be replaced. Mr. Wilkins stated that since CBM Construction is still on site, it would like to obtain a quote from them and use this as part of the ongoing construction project. After further discussion, a motion was made by Mr. Stephens, seconded by Mr. Smith, to negotiate a price with CBM Construction and use this repair as part of the ongoing construction project. The motion carried unanimously.

FEMA - Mr. Wilkins then advised the Committee as to the categories and amounts under review due to the flood.

Solar Project - the sub committee met on August 21 and a determination was made to target the small generation services. A letter was forwarded to Scenic Hill Solar, LLC on August 26th requesting pricing for:

- (1) a qualifying solar service agreement under A.C.A. § 23-18-603(7)©; and in the alternative
- (2) a design-build contract under A.C.A. §22-9-203(j). The facility will have the following characteristics:

Location:	NLRWW File Mile Treatment Plant in Sherwood, Arkansas
Capacity:	1,000kW (DC)
First-year production:	1,400,000 kWh (AC) minimum
Commissioning:	Six (6) months after execution of agreement
Energy attributes:	To be held by NLRWW
Media releases:	NLRWW approval required until commissioning + 60 days
Liquidated damages:	\$150/day after scheduled commissioning

Additionally, Mr. Smith asked Mr. Wilkins to check with Scenic Hill Solar to determine what the actual cost difference would be between a 1, 2 or 2.5 array. Mr. Smith wants to be certain that the Utility is being prudent with its customers money.

A motion was then made by Mr. Smith, seconded by Mr. Stephens, to excuse the absence of Mr. Ed Nelson. The motion carried unanimously.

There being no further action to come before the Committee, a motion was made by Mr. Smith to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 12:47 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY