

**NORTH LITTLE ROCK
WASTE WATER TREATMENT COMMITTEE**

MINUTES OF A MEETING HELD TUESDAY, MAY 18, 2010

A meeting of the North Little Rock Waste Water Treatment Committee was held on Tuesday, May 18, 2010 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. Those in attendance at the meeting were: Mr. K.W. Matthews, Mr. Ed Nelson, Mr. Clark McGlothlin and Mr. Sylvester Smith. Also in attendance were Mr. Gary Mills, Director, Mr. Marc Wilkins, Assistant Director, Ms. Gina Briley, Mr. Ric Roll, Mr. Bill Staggs, Mr. Vince Hotho with Garver Engineers, LLC, three representatives of Crystal Bay Condominiums, Mr. Larry Gaddis with Crist Engineers, Mr. Bruce Engstrom and Ms. Lindsay Baker with EGP, PLLC, Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd., and Dawn Harmon.

The Committee first reviewed the minutes of its April 13, 2010 meeting. A motion was made by Mr. McGlothlin, seconded by Mr. Nelson to approve the minutes of its April 13, 2010 meeting as submitted. The motion carried unanimously.

The Committee then reviewed the voucher disbursements for April 2010. After a brief discussion, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin to approve the voucher disbursements for April 2010 reflecting total cash disbursements of \$1,155,187.18 and transfers between accounts of \$805,566.67. The motion carried unanimously.

After a few comments, a motion was made by Mr. McGlothlin, seconded by Mr. Nelson to approve the Financial Statement for April 2010. The motion carried unanimously.

Mr. Wilkins then advised the Committee that on February 19, 2010, the Utility sent one of the influent pumps (Pump No.3) at the Five Mile Creek Sewer Treatment Plant to Jack Tyler Engineering of Arkansas, Inc. for an emergency rebuild. The cost of the rebuild was \$8,671.01 which he authorized since the cost was less than \$10,000.00. While Pump No. 3 was in the shop, the technician noted that the impeller had excessive wear and needed to be replaced. The cost to replace the impeller was \$7,615.08, and Mr. Wilkins also approved that repair. The shop made the repairs and billed both on the original purchase order in the amount of \$16,286.09. Additionally, before Pump NO.3 could be put in the shop, Influent Pump No.1 also went down constituting a need for emergency action. It was later discovered that the impeller on Pump No. 1 also had excessive wear. Pump No. 3 is back in service and as soon as Pump No. 1 is put back in service, the Utility will pull Pump No. 2 to inspect the impeller and replace it if necessary. It was noted that all three influent pumps were installed in mid-1996. After further discussion of the repairs and maintenance of the pumps, a motion was made to

authorize the emergency repairs of Influent Pump No. 1 and Pump No. 3 at the Five Mile Creek Sewer Treatment Plant in the amount of \$16,286.09 each. The motion carried unanimously.

The Utility has received bids for the Lakewood Lake No.2 Sewer Improvements project. The low bid was submitted by Building & Utility Contractors, Inc. in the amount of \$890,315.00 for PVC and \$1,106,440.00 for ductile iron. Garver, LLC has completed their review of the bids and has recommended that the Utility award the bid to Building & Utility Contractors, Inc. based on using PVC pipe. This project is part of the Utility's \$14,000,000.00 Revolving Loan Fund loan. Additionally, the engineer's estimate was \$1,221,320.00 for PVC and \$1,295,360.00 for ductile iron. A copy of the bid tabulation and the engineer's recommendation was attached to the Agenda for review. After a review of the bids and a discussion regarding same, a motion was made by Mr. Nelson, seconded by Mr. Smith, to authorize the staff to award the bid for Lakewood Lake No.2 Sewer Improvements project to Building & Utility Contractors, Inc. of Redfield, Arkansas in the amount of \$890,315.00 contingent upon receipt of authorization from The Arkansas Natural Resources Commission. The motion carried unanimously.

Next, Mr. Mills updated the Committee on the Eureka Gardens Sewer Improvement District. The Eureka Gardens Public Facilities Board is proposing to construct sewerage facilities to extend sewer service to approximately 250 households in the Eureka Gardens area. The proposed improvements will include approximately 10 miles of gravity sewer, one pump station and a 7,100 LF force main and will connect to the Five Mile Creek Sewer Treatment Plant. At the Committee's last meeting, they authorized the Hilburn Law Firm to work with the District's attorney for modifications to the Utility's standard Sewer Improvement District contract to accommodate ownership of the District's improvements by the District pending payment of bonds. However, the area is outside the City limits and the Utility needs authorization from the City Council to provide service. A motion was made by Mr. Nelson, seconded by Mr. Smith, to authorize the staff to put before the City Council a Resolution authorizing extension of sewer service to the Eureka Gardens Sewer Improvement District. The motion carried unanimously.

The Committee then discussed the replacement of Industrial Pretreatment Unit #73. This vehicle is a 2001 Ford Windstar which has 117,374 miles and is in need of replacement. The requested replacement vehicle is a Ford Ranger pick-up which can be purchased on the State Contract for \$12,937.00. This vehicle replacement is included in the 2010 budget in the amount of \$16,000.00. Unit #73 will be used as a replacement for the Lab-spare vehicle (Unit #66). Unit #66 is a 2000 Dodge Caravan which will be taken to the next City auction. A motion was made by Mr. McGlothlin, seconded by Mr. Smith, to authorize the staff to purchase a Ford Ranger pick-up for the Industrial Pretreatment technician on the State Contract in the amount of \$12,937.00. The motion carried unanimously.

Three representatives from Crystal Bay Condominiums appeared before the Committee with regard to payment of the pump station fees. Crystal Bay had previously

appeared before the Committee asking for relief in the form of structured payments to repay these fees. At the March 2010 meeting, the Committee authorized a payment of the pump station fees to be paid out over a twelve (12) month period beginning April 10, 2010. The representatives advised the Committee that they did not think they could afford the payments under the one year payout and asked the Committee for assistance in forming a sewer improvement district. The representatives stated that the condominiums have been converted to zero lot line patio homes therefore making financing more available. The Committee members did not think it was in the best interest of Crystal Bay to form a sewer improvement district due to the work and costs involved in establishing same. A motion was then made by Mr. McGlothlin, seconded by Mr. Smith to authorize the staff to accept a Promissory Note from Crystal Bay Condominiums for payment of the pump station fees to be paid out over a forty-eight (48) month period. The motion carried unanimously.

The staff then reported that the Utility has received a proposal for engineering services for the Faulkner Lake Phase III Sewerage Improvements. The project is included in the current Revolving Loan Fund loan and consists of modifications to the influent pump station, primary clarification, gravity thickening and other miscellaneous hydraulic and electrical components. The total estimated cost of construction is \$3,900,000.00. After a review of the proposal, a motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to authorize the staff to enter into a contract with Crist Engineers, Inc. for engineering services related to Faulkner Lake Phase III Sewerage Improvements contingent upon approval from the Arkansas Natural Resources Commission. The motion carried unanimously.

EGP, PLLC has completed the audit for the years ended December 31, 2009 and 2008. Mr. Bruce Engstrom and Ms. Lindsay Baker were present at the meeting to present the audit findings and answer any questions. Mr. Engstrom stated that the Utility broke even and showed no deficit in its pension plan under the standard rules of accounting. However, he did want to point out to the Committee that as of July 1, 2009, under their reporting guides lines, the pension plan is only funded 63%, based largely on the stock market conditions. He also wanted to praise the Committee for taking the necessary steps in making a larger than normal contribution to the pension plan during the calendar year. After further discussion, a motion was made by Mr. Nelson, seconded by Mr. Smith, to accept the audit report and authorize distribution. The motion carried unanimously.

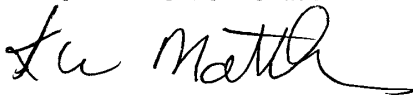
Mr. Roll then advised the Committee that the staff has received the bids for replacement of the laboratory building flooring. The low bid was submitted by Carpet One of Little Rock, Arkansas in the amount of \$16,500.00. This item was included in the 2010 Budget in the amount of \$40,000.00. A motion was made by Mr. McGlothlin, seconded by Mr. Smith, to authorize an award of a contract to Carpet One for replacement of the laboratory building flooring in the amount of \$16,500.00. The motion carried unanimously.

In August 2009, Utility crews made an emergency repair below the water table on Roseclair Drive. The work involved three point repairs beneath the water table, and construction of 320 LF of new main above the water table. Then services were relocated from the deep sections of the main to the new shallow mains. To complete the restoration, the staff has advertised for and received bids for replacement of 596 square yards of asphalt pavement. The only bid received was from Redstone Construction Group, Inc. of Little Rock, Arkansas in the amount of \$14,900.00. This item will be accounted for as a rehabilitation expense and was not budgeted for separately. A motion was made by Mr. McGlothlin, seconded by Mr. Nelson, to authorize an award of a contract to Redstone Construction Group, Inc. for asphalt repairs on Roseclair Drive in the amount of \$14,900.00. The motion carried unanimously.

Mr. Mills then asked the Committee to consider filling a position which was vacated approximately a year and a half ago. The position is for a coordinator between the chemical lab and the pretreatment department and is a grade 11 position with a salary in the mid \$40,000 range. After discussion, a motion was made by Mr. Smith, seconded by Mr. Nelson, to authorize the staff to advertise for the position. The motion carried unanimously.

There being no further action to come before the Committee, a motion was made by Mr. McGlothlin to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at approximately 1:25 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



PATTI JULIAN, SECRETARY