

**NORTH LITTLE ROCK  
WASTEWATER TREATMENT COMMITTEE**

**MINUTES OF A MEETING HELD TUESDAY, AUGUST 9, 2022**

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, August 9, 2022, at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:17 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, Mr. Ed Nelson and Ms. Karen Bryant. Also in attendance were Mr. Michael Clayton, Director, Ms. Gina Briley, Ms. Tangelia Marshall, Human Resources Director, Mr. Sam Hilburn with Hilburn & Harper, Ltd., and Dawn Harmon.

First, Director Clayton introduced Ms. Tangelia Marshall, the new Human Resources Director for the Utility.

The Committee reviewed the minutes of its July 12, 2022, meeting. After review, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to approve the July 12, 2022, minutes as submitted. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of July 2022. Mr. Nelson questioned check number 55066 made payable to Global Energy Solutions for "rebuild aerator Maumelle Surge, Basin, rewind and repair motor and aerator at 5-Mile Creek." Director Clayton explained that due to the large expenses at the Maumelle Plant, this is one of the reasons to eventually decommission that plant. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the cash disbursements for July 2022 reflecting total cash disbursements of \$3,114,435.30 and fund transfers between accounts of \$2,786,800.00. The motion carried unanimously.

Mr. Nelson then questioned the emergency repairs set out in the Financial Statement for July 2022. Director Clayton explained that this item was for the 67/167 joint venture project with Sherwood which the cost is being shared 55/45. There being no further questions or comments, a motion made by Mr. Nelson, seconded by Mr. Smith, to unanimously approve the Financial Statement for July 2022. The motion carried unanimously.

The Committee then reviewed the 2022 Budget amended midyear. The highlights of the amended Budget include:

1. The operating revenue has incorporated the new rate ordinance which was effective with the billed usage beginning April 1, 2022. The actual usage and revenue were used for January through June of 2022. The new rates were applied to the 2021 billed usage for July through December.
2. The labor expense shows the actual expense as of June 30, 2022, and the projected expense for the rest of the year. It includes the 2% CPI pay increase effective on July 1, 2022, and one-half year costs for 12 unfilled positions.
3. The other operating expense shows the actual expense as of June 30, 2022, and the projected expense for the rest of the year. It includes a 10% increase over the average as of June 30. Other changes since the original budget are an amount of \$100,000 added to the administration expense for an engineering study on economic development projects and an amount of \$50,000 added to the treatment expense for stabilization of the bank along the Faulkner Lake outfall line. The stabilization project will continue into 2023.
4. The non-operating revenue is based on the interest rates as of June 30, 2022.
5. The non-operating expense is based on the new 1.75% interest rate for the 2008, 2012, 2016 and 2022 bonds. It also assumes an anticipated draw amount for the 2022 loan, which may or may not be achieved.
6. Changes in the capital additional and major projects have been highlighted. These changes were made based on awarded contract amounts, changes in estimates or new projects added.

After an in-depth discussion of the highlights set out above, a motion was made by Mr. Smith, seconded by Mr. Nelson, to approve the Mid-Year Amended Budget for 2022. The motion carried unanimously.

Next, the Committee discussed the ESRI 3-year license agreement. Director Clayton explained that Environmental Systems Research Institute, Inc. (ESRI) provides software and developer tools that support both our GIS and CMMS (City Works). NLRW implemented CityWorks several years ago to modernize work

orders and improve efficiency among the Collection Systems Maintenance, Engineering and Administration Departments. The ESRI Enterprise software is a critical and necessary component of NLRW workflow. Currently, approximately 77 employees utilize ESRI as part of their duties. It was also noted that an unlimited number of users are allowed to use the software. ESRI has quoted a 3-year Enterprise License Agreement at the rate of \$27,500 per year or, in total, \$82,500.00. A motion was then made by Mr. Nelson, seconded by Ms. Bryant, to authorize the staff to enter a 3- year Enterprise License Agreement with Environmental Systems Research Institute, Inc. at a total contract price of \$82,500.00. The motion carried unanimously.

Director Clayton then addressed the Committee regarding Change Orders # 1 and 2 for the Lower Riverside Interceptor CIPP 2017 Rehabilitation Project. He stated that the Utility opened bids on February 17, 2022, and a Notice of Award was issued to Insituform Technologies, LLC for \$4,272,238.44 on March 16, 2022, and was accepted by Insituform Technologies, LLC on March 21, 2022. The contract was executed on April 25, 2022, and a Notice to Proceed was issued on May 11, 2022, to be effective on May 25, 2022. The engineering staff has reviewed both change order requests provided in an email from Insituform Technologies, LLC. The staff agrees with Change Order #1 in the amount of \$46,000 which is a unit price addition to the contract and recommends approval. Change Order #2 asks for an increase of the contract price based on the cost increase of tube and resin materials in the amount of \$120,857 since the Notice to Proceed was issued on May 11, 2022, for construction to begin on May 22, 2022. While there has been a delay on securing the access across Kinder Morgan's property for the access pad site, the staff believes that the cleaning and televising upstream and downstream of the access road could have been performed during the period the access was being secured. Field measurements of the interceptor could have been taken and the tubes ordered for the project any time after the issuance of the Notice to Proceed. In addition to the cleaning and televising of the work, two of the manholes on the project could have been replaced during this period. Additionally, the second lowest bidder on this project was \$15,119.56 higher than Insituform Technologies, LLC. Currently, NLRW has five major rehabilitation contracts underway and material increases are typically absorbed by the contractor during the contract period. Since the cleaning, CCTV and construction of manholes has not started for this project, it is recommended for denial of Change Order #2. If the contractor does not want to proceed with the project without the increase of materials to be added to the contract, it is the Utility's recommendation to cancel the contract amicably. After a lengthy discussion, a motion was made by Mr. Nelson, seconded by Mr. Smith, to approve Change Order #1. The motion carried unanimously.

Additionally, a motion was made by Mr. Nelson, seconded by Mr. Smith, to reject Change Order #2 and offer the Insituform Technologies, LLC a Change Order #2 of up to \$70,000 and see if they will accept, if not, cancel the contract and proceed with a rebid. The motion carried unanimously.

The Committee was then informed that during the 2016 Faulkner Lake 54-inch gravity repair project, four large diameter manholes were constructed. Due to a 28-day cure requirement for concrete, only one manhole was eligible for and thus received a protective epoxy coating. For precaution, the other three manholes utilized a defensive additive manufactured by Xypex. Despite the effort, these three Xypex manholes have already experienced significant hydrogen sulfide corrosion. NLRW Utility staff has researched rehab options and recommends the geopolymer liner method. A local case study confirms this geopolymer was successfully installed in various corroded manholes for the City of Hot Springs. These particular manholes contained hydrogen sulfide levels up to 100 ppm greater than measured within the Faulkner Lake headworks. Unlike epoxy, this material may be applied with the manholes online and will not require by-pass pumping. Moreover, the geopolymer application is much more forgiving for the contractor versus typical epoxy coating processes. The geopolymer is manufactured by Quadex, a supplier of several products the Utility successfully utilizes. Quadex has been acquired by Vortex Companies and in essence became both a material supplier and application contractor. This prevents scenarios where the contractor and material manufacturer defer responsibility when things go awry, while also simplifying the inspection process for NLRW Utility staff. Vortex Companies offers this service through HGACBuy; hence this service has already gone through the public competitive procurement process compliant with state statutes. It was noted that the quote from Vortex includes a 5-year warranty. Additionally, an older degraded manhole on the Faulkner Lake plant and 15 collection system manholes with the Maumelle basin are also included. Combining these items into a single large project saves the Utility additional mobilization costs and provides a price break for the Maumelle manholes.

Mobilization	\$ 10,000.00
Belt Press Manhole Rehab	\$ 1,350.00
FL Influent Manhole #'s 5, 6 & 7	\$ 78,203.81
15 Maumelle Basin Manhole Rehab (Approximately 140 VF)	\$ 56,000.00
Infiltration Control - Chemical Grout (as needed)	\$350 per gallon
Infiltration Control - Quad Plug (as needed)	\$ 65 per 5 gallons
Performance & Payment Bonds (1.5%)	\$ 2,183.31
<b>Total:</b>	<b>\$147,737.12</b>



This 2022 budget includes \$200,000 for treatment plant manhole rehabilitation. After further discussion, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to utilize Vortex Companies for the manhole rehab at the Faulkner Lake Plant and Maumelle Collection System basin in the amount of \$147,737.12. The motion carried unanimously.

Director Clayton then advised the Committee that the Maumelle Diversion Project has a conflict with an existing force main, being the Counts Massie Pump Station #2 force main at Country Club Parkway. The staff recommends consolidating the two pump stations (Counts Massie #1 and Counts Massie #2) next year into one pump station to serve the basin. Furthermore, the staff recommends redirecting the force main for the consolidated pump station to the East along White Oak Crossing Road approximately 4,650 feet with a 12" pipeline to connect to the existing 18" gravity sewer line which flows into the recently constructed 36" White Oak Interceptor. A proposal has been received from Holloway Engineering (land development engineer) to provide the surveying and design services for the proposed force main using the fee schedule consistent with the Arkansas Building Authority Guidelines. The estimated cost of the project is approximately \$600,000.00. Using an eight percent design fee for engineering services for projects between \$500,001.00 and \$1,000,000.00, the projected design services fee is estimated to be \$48,000.00. A motion was then made by Mr. Smith, seconded by Mr. Nelson, to authorize the staff to enter into a design services agreement with Holloway Engineering for the Consolidated Counts Massie Pump Station Force Main. The motion carried unanimously.

Director Clayton then called to the attention of the Committee; the Director's Highlights attached to the Agenda dated August 4, 2022. Specifically, the ongoing issues with Union Pacific Railroad. The staff has submitted comments to Union Pacific representatives for the review process of the plans that were submitted to the City of North Little Rock Planning Department. As of today, there has not been an official submittal from Union Pacific or their representatives for the proposed improvements to the collection and treatment facilities. The staff has recommended to the City Planning Department to defer the project for another thirty days until the staff is satisfied with the submittals with an approval letter. Union Pacific Railroad has not made an official submittal, nor have they complied with the written or verbal requests made by the staff. Director Clayton went on to say that he is working with Hilburn & Harper, Ltd. on a letter to Union Pacific Railroad to comply with the NLRW Utility's requirements and give them thirty days to come into compliance.

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

Chairman Matthews then expressed his thanks to Director Clayton and Ms. Briley for all their hard work on the bond rate swap for the years 2008, 2012, 2016 and 2022. With the new interest rate of 1.75% the Utility will save more than \$2,000,000.00 over the life of the bonds. Additionally, Chairman Matthews made a motion, seconded by Mr. Nelson, to give Director Clayton and Ms. Briley each a bonus of \$2,500.00. 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 1:11 p.m.

**APPROVED AS TO FORM:**

**RESPECTFULLY SUBMITTED,**

*K.W. Matthews* By *Edward Nelson*  
K. W. MATTHEWS, CHAIRMAN  
*acting Chair*

*Sylvester Smith* by *[Signature]*  
SYLVESTER SMITH,  
VICE-CHAIRMAN/SECRETARY