

# **NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE**

**MINUTES OF A MEETING HELD TUESDAY, MARCH 12, 2024**

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, March 12, 2024, in the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:10 p.m. The roll was called, and all Committee members were present. Those in attendance at the meeting were Chairman Matthews, Mr. Gabe Stephens, Mr. Ed Nelson, Ms. Karen Bryant and Ms. Marie Hollowell. Also in attendance were Mr. Michael Clayton, Director, Ms. Alice Fulk, Human Resources Director, Mr. Sam Hilburn and Mr. Scott Hilburn with Hilburn & Harper, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its February 13, 2024, meeting. There being no questions or comments, a motion was made by Ms. Hollowell, seconded by Ms. Bryant, to approve the minutes of the February 13, 2024, meeting as submitted. The motion carried unanimously.

Next, the Committee discussed the Service Line Replacement Incentive Program. Director Clayton stated that the Utility is proposing this new program which is designed to encourage and assist homeowners with the replacement of aging sewer service lines. Since 2012, decreasing and eliminating inflow and infiltration (I/I) has been the number one objective for North Little Rock Wastewater to reduce or eliminate Sanitary Sewer Overflows (SSO). During the last ten years, 542,431 linear feet of gravity sewer mains have been either rehabilitated or are under contract for rehabilitation, which is nearly 16% of the collection system for a total cost of \$42 million. In addition to the efforts to reduce I/I, the staff has been aggressively repairing and rehabilitating existing manholes throughout the collection system. During the same period, 10,041 manholes out of the 17,556 manholes, which is 57% of the manholes throughout the collection system, have been repaired or rehabilitated. There are three major components of the collection system vulnerable to I/I. The first major component is the sanitary sewer gravity collection system consisting of 6" through 54" mains. The second component is the manholes or structures within the collection system and the last final component is the private service lines. North Little Rock Wastewater has been aggressively working to reduce the I/I in two of the three components within the overall collection system. According to the Water Research Federation, 40 to 60% of total I/I is attributed to failing private service lines and by implementing a program

to incentivize homeowners to modernize their service lines will have a positive impact reducing long-term I/I. The SLIP program was originally approved by the Committee on July 13, 2021, for up to 100% of the first \$2,500 reimbursement to an eligible customer for replacing the service line for a residential structure. At the time the original SLIP program was submitted to the Committee, the average cost for a residential service line replacement was around \$3,500. Since July of 2021, construction inflation has increased the average cost of a residential service line replacement to around \$5,000. It is therefore recommended to increase 100% of reimbursement from \$2,500 to \$3,500 for eligible customers to replace service lines. Director Clayton went on to add that the major changes to the program from the previous draft are as follows (1) streamlined the appeals process; and (2) removed commercial business from being ineligible. Additionally, whole line replacements only and no point repairs are allowed under this program. After further discussion, a motion was made by Mr. Nelson, seconded by Mr. Stephens, to authorize the Director to utilize the services of Hilburn & Harper, Ltd. to develop an ordinance implementing the Service Line Incentive Program with proposed program fee and submit the proposed program to the mayor for approval by the North Little Rock City Council. The motion carried unanimously.

Director Clayton then informed the Committee that bids were received for the Levy/Pershing Area Pipe Bursting 2024 Collection System Renewal on February 22, 2024, at 2:00 p.m. The project includes rehabilitation using the pipe bursting method for approximately 44,183 linear feet of 6", 8" and 10" gravity sewer mains. Bids were submitted by Arkansas Cleaning and Televising LLC, Heller Company and Horseshoe Construction, Inc. The lowest bidder was Horseshoe Construction, Inc. at \$5,496,929.30, the second lowest bidder was Arkansas Cleaning and Televising LLC at \$5,760,012.00 and the third bidder was Heller Company which came in at \$6,308,010.50. A copy of the Bid Tabulation was attached to the agenda for review by the Committee members. Director Clayton went on to add that the bid form was set up as a unit price contract whereas the actual quantities to complete the job will be controlling the final price for the contract to complete the project. He stated unit price is the best approach for the Utility and the contractor on a project. On this project, there are 48 items used to determine the pricing on a unit basis which will and can vary greatly from the estimated quantities to complete the project. There are concerns with several of the unit pricing items creating an unbalanced bid for the overall project. Public entities have the discretion to determine a bidder's responsibility, which includes assessing the fairness and balance of unit prices to ensure they are reasonable and reflective of the actual quantities needed to complete the project. This is important to prevent unbalanced bids that could lead to issues during the project execution. Further, it is recommended to carefully review the unit price items along with the historical

performances of other contracts regarding complaints from City officials and customers affected by the construction projects. Additionally, it was noted that Horseshoe Construction, Inc. has been prohibited from bidding on certain jobs with Little Rock utilities. After further discussion, a motion was made by Mr. Stephens, seconded by Mr. Nelson, to authorize the staff to award the contract for the Levy/Pershing Area Pipe Bursting 2024 Collection System Renewal to the lowest responsible bidder, Arkansas Cleaning and Televising LLC. The motion carried unanimously.

The Committee then reviewed the bids received on Thursday, February 22, 2024, at 1:00 p.m. for the 2024 Annual Biosolids Removal and Beneficial Reuse. The project consists of removal of biosolids from the polishing pond at the Five Mile Creek WRF and the west lagoon at Faulkner Lake WRF and land applying the biosolids at NLRW permitted fields located at Dougan Farms in the Galloway area. The contract is renewable for 2 additional years at the sole discretion of the landowner. Director Clayton reminded the Committee that he hopes the Consent Administrative Order will be closed out prior to application but the Utility cannot wait too long due to the biosolids buildup in the cells. A motion was then made by Ms. Hollowell, seconded by Mr. Stephens, to authorize the staff to award the contract for the 2024 Annual Biosolids Removal and Beneficial Reuse project for the Five Mile Creek and Faulkner Lake Water Reclamation Facilities to DRT Biosolids, Inc. of Bloomer, Wisconsin, in the amount of \$1,055,500.00 upon confirmation that they are properly licensed in Wisconsin and Arkansas. The motion carried unanimously.

Director Clayton then explained to the Committee that the cash disbursements and the financial statement for February were not attached to the agenda due to software problems. The Utility recently upgraded their system and went from backing up their information on a server to a cloud-based service. There is a glitch between the way they communicate with each other. Hopefully, this issue will be resolved in the very near future and the financials for February and March 2024 will be available at the April Committee meeting.

Director Clayton then updated the Committee on the following:

1. The staff is still in a “deep dive” into customer billing. The Utility is working on a situation involving St. Vincent Hospital located in Sherwood and the RV Park located on the river. Director Clayton will continue to update the Committee on billing.

2. The staff is also performing a cleanup on insurance policies/premiums being paid. They are making sure that all property and vehicles are insured and confirming that the Utility is not paying premiums on property/vehicles no longer owned by the Utility.
3. The Utility is still working with the City Attorney on the 15' easement for the new Baptist Health Clinic. Since the last Committee meeting, the property has been condemned.

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 1:02 p.m.

**APPROVED AS TO FORM:**



K. W. MATTHEWS, CHAIRMAN

**RESPECTFULLY SUBMITTED,**



VICE-CHAIRMAN/SECRETARY