

NORTH LITTLE ROCK
WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, JULY 8, 2025

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, July 8, 2025, in the administrative offices located at 7400 Baucum Pike, North Little Rock, Arkansas 72117.

The meeting was called to order by Chairman Matthews at 12:12 p.m. The roll was called and a quorum was present. Those in attendance at the meeting were Chairman Matthews, Mr. Ed Nelson, Mr. Gabe Stephens and Ms. Karen Bryant. Also in attendance were Mr. Michael Clayton, Director, Ms. Shelley Cline, Director of Finance, Ms. Toni Martin, Human Resources Administrator, Mr. Brian Grant, executive assistant, Ms. Tonya Wallace, head of capital projects, Mr. Sam Hilburn with Hilburn & Harper, Ltd. and Dawn Harmon.

First the Committee reviewed the minutes of its June 10, 2025 meeting. Mr. Nelson noted that on page 3, under item 1, the word "East" was misspelled. There being no additional questions or comments, a motion was made by Mr. Stephens, seconded by Ms. Bryant, to approve the minutes of the June 10, 2025 meeting with the correction being made, as submitted. The motion carried unanimously.

Next, the Committee reviewed the Financial Report for June 2025. Director Clayton noted that resident charges are up, overall revenue is in line with the budget projections and expenses are down. There being no further questions or comments, a motion was made by Mr. Nelson, seconded by Mr. Stephens, to approve the Financial Report for the month of June 2025. The motion carried unanimously.

Director Clayton then advised the Committee that the Utility recently received delivery of a new Vac-Con truck (Unit #173) on June 11, 2025. This unit was previously approved for purchase by the Committee on January 14, 2025. With Unit #173 now in service, the Staff recommends the formal decommissioning of the replaced Unit #142. A motion was made by Mr. Stephens, seconded by Ms. Bryant, to authorize the Staff to dispose of Unit #142 by offering it for sale to a local entity or listing in on GovDeals.com through the competitive bidding

process. The motion carried unanimously.

Director Clayton then presented several updates:

1. The reserves fell to \$1,762,250 after the Maumelle acquisition in 2016. Then in October 2018, there was major fire damage to the Vac Trucks, CCTV trucks and building occurred resulting in several large unexpected expenditures. There was no rate increase in 2021. Then in 2021, \$1.4 million was invested in the Solar Array resulting in annual electric savings of \$105,000. In 2022, the investment strategy was overhauled to increase the Utility's returns. The Utility has been working diligently to build up its reserves and currently has one (1) year of operating reserves built up, \$24 million in certificates of deposit and treasury bills. This also affects the Utility's credit rating which is crucial for better interest rates for bond issues in the future.
2. Director Clayton then presented to the Committee the "Trouble Crew Numbers" with two of those numbers being highlighted. These numbers are taken from the first 6 months of 2021 compared to the first 6 months of 2025. There were 421 trouble crew calls in 2021 and 254 trouble crew calls in 2025. These numbers demonstrate how the cleaning of lines and rehab activities have impacted the Utility's system and the progress it continues to make.
3. Director Clayton called the Committee's attention to the PAgis newsletter for the Second Quarter of 2025, which contains an article about NLRW and Jim Milum, GIS Coordinator and Assistant Superintendent of Engineering of the North Little Rock Wastewater. The article explains how, under the direction of Mr. Milum, the Utility is using the PAgis system in a very advanced way to improve planning and logistics with the cleaning crews.
4. The Utility is moving forward with the utilization of EPA Community Grant funds which have been allocated to North Little Rock Wastewater from the City of North Little Rock to further economic development.
5. On June 17, 2025, representatives from Arkansas Energy & Environment

(formerly ADEQ) facilitated a meeting with the City of Sherwood and North Little Wastewater (NLRW) to address ongoing issues within the fragmented sanitary sewer systems serving the Five Mile Creek Basin. Sherwood operates the "Old Sherwood" collection system, which serves approximately 2,169 customers. Wastewater from this area is treated at the Five Mile Creek Water Reclamation Facility (WRF). Sanitary Sewer Overflows (SSOs) remain a chronic issue in the Old Sherwood area, primarily due to inflow and infiltration (I&I), which overwhelms the system during multi-day rainfall events. Currently, NLRW maintains approximately 184 miles of sewer line in the basin, which Sherwood maintains about 35.7 miles. Historical data indicates a significant disparity in performance: from 2018 to 2019, Sherwood averaged 57.5 SSOs annually, compared to NLRW's five-year average of 4.4. DEQ officials emphasized the need for unified control of the basin infrastructure, strongly recommending Sherwood and NLRW pursue a single entity approach. As a result, both parties agreed to begin weekly meetings to explore either an updated agreement - modifying the existing 1989 Chancery Court Agreement - or a full regionalization plan. This effort is driven, in part, by the planned consolidation of Five Mile Creek WRF with the Faulkner Lake WRF, which necessitates new cost sharing arrangements. The goal is to report back to DEQ with a recommended course of action within ninety (90) days.

6. Mr. Nelson then questioned the number of SSOs last month. Director Clayton explained that April 2025 was a rough month with five back to back major rainfall events.

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 12:50 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



GABE STEPHENS, VICE-CHAIRMAN/
SECRETARY