

LITTLE ROCK SANITARY SEWER COMMITTEE
Minutes of the Meeting Held
July 16, 2008

The Little Rock Sanitary Sewer Committee met at 4:00 p.m., Wednesday, July 16, 2008, in the conference room of Little Rock Wastewater Utility. Those attending included:

Little Rock Sanitary Sewer Committee

Charles G. Goss, Chair
James R. Pender, Vice Chair
Dale J. Wintroath, Secretary

Little Rock Wastewater

Reggie A. Corbitt, P.E., CEO
James A. Barham, Manager of Finance
Stanley Miller, Manager of Operations
Mack M. Vought, Manager of Maintenance & Construction
Don F. Hamilton, General Counsel
Howell Anderson, Director of Engineering Services

Others attending included Craig Johnson of Camp Dresser McKee, S. Vincent Hotho of Garver Engineers, Wallie Sprick and Bryan Adams of Wittenberg Delony & Davidson Architects, Mary Dornhoffer of the Pinnacle Valley Neighborhood Association, Larry Storthz of LARS Land Co., Hal Joseph Kemp, Attorney, Lamar Williams of the *Arkansas Democrat-Gazette* and support staff from Administration and Community Relations, Engineering Services, Environmental Assessment Division, and Information Services. Sewer Committee Members, Andrew L. Harper, Jr. and Cindy Miller, and Ex Officio Member, Brad Cazort did not attend.

The meeting was called to order by Mr. Goss and on motion duly made and seconded the Minutes of the June 18, 2008 meeting were approved as written. Mr. Goss then called for Public Comments and there were none.

Wallie Sprick and Bryan Adams of the Wittenberg Delony & Davidson architectural firm presented a virtual tour of the proposed Little Maumelle Treatment Facility construction sites, showing the improvements to date. Ms. Dornhoffer asked how much more

excavating or clearing would be done at the Little Maumelle site. Mr. Anderson stated that approximately 75-80% of the site grading was complete and that the remainder of this work had been transferred to Contract II. He stated that so far as clearing is concerned, most of the clearing is completed until such time as the resource center is constructed. Mr. Sprick stated that the drawings did not attempt to depict actual tree density but were simply intended to show the wooded areas versus land or buildings. After discussion, Mr. Sprick, Mr. Adams, Ms. Dornhoffer and Mr. Storthz were excused from the meeting.

Howell Anderson presented the results of a bid opening held July 2, 2008, for the Allsop South Rehabilitation project. Mr. Anderson stated that the low bid was submitted by Building and Utility Contractors in the amount of \$4,020,550 and the engineer's estimate of probable construction cost for this project was \$4,000,000. He stated that it is staff's recommendation that the contract be awarded to Building and Utility Contractors and that Mr. Corbitt be authorized to execute the appropriate contract documents. After discussion, and on motion by Mr. Pender, seconded by Mr. Wintroath, the Sewer Committee voted unanimously to award the contract to Building and Utility Contractors for \$4,020,550 and authorized Mr. Corbitt to execute the contract documents.

Mr. Anderson presented a request for the Sewer Committee to authorize Mr. Corbitt to execute the documents for three separate contracts pertaining to the Fourche Creek Wastewater Facility Cogeneration Facility Upgrade. He reminded the Sewer Committee of the bids received May 13, 2008, for a single contract to supply and install the complete generator replacement package. The low bid received at that time exceeded the budgeted amount and staff was unable to successfully negotiate a reduced contract amount. At the May Sewer Committee meeting, staff recommended rejection of the bids and requested authorization to pursue the direct purchase of equipment by LRW and contract only the installation. This restructuring resulted in a savings of approximately \$400,000, and the total bid amount for all three contracts under consideration at the July meeting totaled \$1,736,108, as follows:

Perennial Energy	\$175,067	Fuel Conditioning Skid
Nixon Energy Solutions	\$751,666	Engine Generator Set
Nabholz Client Services	\$809,375	Installation

Mr. Pender questioned the fact that there was only one bidder on the installation portion of the project and asked whether the Utility had made various contractors aware of the project. Mr. Anderson said that the bids were advertised twice in the Arkansas Democrat-Gazette and that Dodge Reports, a division of McGraw Hill Informational Services, also picks up plans and makes the information available to the construction industry. After discussion, and on motion by Mr. Pender, seconded by Mr. Wintroath, the Sewer Committee unanimously approved awarding the contracts as recommended by staff and authorized Mr. Corbitt to execute the necessary documentation.

Mr. Anderson also presented a request to Approve the Evaluation Committee's ranking of outside firms to serve as an on-call engineering consultant. He explained that Little

Rock Wastewater, based on the five year capital plan and future overflow mitigation projects, anticipates a possible need for an engineering consultant, will negotiate a standard hourly fee schedule with the selected firm, and will have the option to utilize their services over the next five years. Mr. Anderson stated that eight engineering firms submitted proposals in response to the advertised Request for Qualifications, and a selection committee composed of five members of the LRW staff initiated the process by ranking the eight submittals. He requested that the Sewer Committee's ratify the selection committee's ranking of engineering firms and authorize Mr. Corbitt to enter into negotiations with the top three firms determined by the committee. He said those firms are Garver Engineers, McClelland Consulting Engineers, Inc., and Crest Engineers, Inc. in that order. After discussion, and on motion by Mr. Wintroath, seconded by Mr. Pender, the Sewer Committee voted unanimously to authorize Mr. Corbitt to enter negotiations with the above mentioned firms. The final contract will be submitted to the Sewer Committee for approval and final acceptance.

After discussion, and on motion duly made and seconded, the Sewer Committee unanimously approved the following Purchase Approval Request:

<u>Item</u>	<u>Vendor</u>	<u>Amount</u>
Backhoes/Mini Track hoes	J. A. Riggs	\$515,794
Less Buyback Option		<u>451,192</u>
Net		\$ 64,602

Mack Vought reported two dry weather overflows during the month of June and 13 dry weather overflows so far this year. He mentioned 75% of maintenance time was spent on scheduled maintenance. The Sewer Committee asked for location of the overflows and Mr. Vought said he would secure that information for the next meeting and have the information added to future reports.

Jim Barham, Manager of Finance, presented the financial report for the month of June, 2008. After discussion and upon motion duly made and seconded, the financial reports were approved by the Sewer Committee, including the payment of Operations & Maintenance expenditures in the amount of \$1,863,941. The Consolidated Statement of Cash Receipts and Disbursements reflect receipts of \$4,314,966 and disbursements of \$9,319,087, decreasing funds available for the month by \$5,004,121. Net income for the month is \$1,132,593 and net income for the year to date is \$1,344,274.

Mr. Barham reported that the City had asked that the Utility delay any rate increases for at least two years which would have the effect of delaying Revolving Loan Funds 10 through 13 for the same time frame. Approximately, \$50 million in construction projects are associated with those RLF's and would also be delayed.

Howell Anderson reported that construction of the peak flow attenuation facility is going well. Work is continuing on the access road, site grading, and off site utilities for the Little Maumelle Treatment Facility. CDM is completing the final contract for the Little

Maumelle facility and is working on the contracts for the Arch Street Pump Station renovations, the study for the Fourche Creek hydraulic upgrade and design of the hydraulic upgrade. Repairs to the manhole in the Little Rock Port area have been completed, the manhole is in operation and the road is open. Final cost estimates have been requested but not yet been received. He mentioned that, so far in 2008, there has been approximately \$580,000 in developer funded projects compared to \$2 million at this time in 2007, and \$1.5 million in 2006, so it appears that there is less development underway.

Mr. Goss then called on Mr. Hamilton for his report. He stated that the appraisal on the land to be purchased from Entergy had been received and it amounted to \$49,000.00 for the 2.44 acres to be purchased, and Entergy is having the environmental site assessment done. He said that although the Sewer Committee had passed a resolution last year approving the purchase that the Entergy counsel had indicated that he wanted additional documentation. Mr. Hamilton, therefore, had prepared a new resolution specifically approving the purchase of this land for the sum of \$49,000.00, which Mr. Hamilton handed out to the Sewer Committee members at the beginning of the meeting. He stated that it would be helpful to have this resolution to clarify the purchase and further document the transaction. After discussion, a motion was duly made and seconded to adopt the resolution authorizing this purchase for \$49,000.00, and the motion was unanimously passed, and the resolution was approved, as follows:

“A Resolution Approving the Purchase from Entergy Arkansas, Inc. of Certain Land Identified on Exhibit “A” Attached Hereto for Sanitary Sewer Lines and Appurtenances Thereto Necessary for the Construction and Operation of the Little Maumelle Treatment Plant and Authorizing Little Rock Wastewater Chief Executive Officer (“LRW CEO”) and Staff to Take the Necessary Action to Purchase Said Property for the Sum of \$49,000, as Determined by Appraisal and Further Authorizing the LRW CEO to Sign All Documents in Connection Therewith”

Mr. Hamilton then stated that with respect to the Diamond Bear Brewery unpaid account, Russ Melton, President, had left a telephone message with John Jarratt on July 3, 2008, requesting to appear before the Sewer Committee either in August or September to discuss the account. Mr. Pender then stated that Mr. Melton had told him that he would like to appear in September.

As to the Petey King sewer backup claim for #1 Ridgeview Court, Mr. Hamilton stated that by letter dated June 23, 2008, Mr. Corbitt had replied to the letter dated June 16, 2008, from Mr. King’s attorney, Kathy Perkins, denying liability for the claim, but nothing further has occurred on this matter. Copies were attached to his written report to the Sewer Committee. Mr. Wintroath remarked that he expected that suit probably would be filed on the claim and Mr. Hamilton agreed.

Mr. Wintroath then asked about the status of the Ranch property easement needed for the Little Maumelle Treatment Plant sewer lines and Mr. Hamilton stated that he understood that Mr. Corbitt had been in contact with Mayor Stodola about that matter.

Mr. Corbitt then stated that he had met with Mayor Stodola and advised him that Little Rock Wastewater must obtain the easement in August and that the matter was still under discussion.

Howell Anderson then stated that Little Rock & Western Railway negotiations over the easement had not been resolved and Mr. Hamilton summarized the situation, saying that the Railroad wanted payment of \$47,000.00 for the crossing, Little Rock Wastewater countered with a \$10,000.00 offer, and then the Railroad then reduced its request to \$35,000.00. Mr. Hamilton said he thought that amount was excessive, based on the sums paid for comparable underground pipe crossings in the past from Union Pacific and Missouri Pacific railroads, and that although negotiations would continue, it looked like condemnation would be necessary. Mr. Hamilton asked if there were any additional questions on his report, and there were none.

Mr. Corbitt mentioned the rate advisory committee meeting scheduled for Thursday evening in the Clearwater Maintenance training room and invited Sewer Committee members to attend this meeting.

Mr. Corbitt also reported that this is Mr. Goss's final meeting with the Sewer Committee and that Mr. Goss had requested no observance such as a reception be held. Mr. Goss thanked the Utility and fellow Sewer Committee members for the opportunity to serve and said that he had appreciated and enjoyed the experience.

There being no other business and on motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

Dale J. Wintroath, Secretary