

LITTLE ROCK SANITARY SEWER COMMITTEE
Minutes of the Meeting Held
October 15, 2008

The Little Rock Sanitary Sewer Committee met at 4:00 p.m., Wednesday, October 15, 2008, in the conference room of Little Rock Wastewater. Those attending included:

Little Rock Sanitary Sewer Committee

Dale J. Wintroath, Vice Chair
Cynthia C. Miller, Member
Ken Griffey, Member

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, P.E., Director of Engineering Services

Others attending included S. Vincent Hotho of Garver Engineers, Russ and Sue Melton and Sheri Collazo of Diamond Bear Brewery, Larry Burk of the Friday Law Firm, Craig Johnson and Joe Dollerschell of Camp Dresser McKee, Carson Harris, Tom Wolfe and Karon Gray of Carson & Associates, Pat Gee of Southwest Little Rock Neighborhood Association, Clyde A. Jester of CSUSA, AR, Keith A. Wingfield of River Rock Builders, Lamor Williams of *The Arkansas-Democrat Gazette*, Joe Burak of the Home Builders Association of Greater Little Rock, and support staff from Administration and Community Relations, Environmental Assessment Division, Engineering Services, and Information Services. Sewer Committee Chair James R. Pender, Secretary Andrew L. Harper, Jr. and Brad Cazort Ex Officio Member did not attend.

The meeting was called to order by Mr. Wintroath and on motion duly made and seconded, the Minutes of the September 17, 2008 meeting were approved as written. Mr. Wintroath then asked for public comments and there were none.

Mr. Corbitt then introduced Larry Burk of the Friday, Eldredge & Clark firm and a member of the Rate Advisory Committee. Mr. Burk reminded those present of the complaint filed against LRW by the Sierra Club in 2000 because of the number of sanitary sewer overflows occurring in the City of Little Rock. A settlement was reached in 2001, and a Consent Administrative Order was given to LRW which outlined projects to be constructed and completed within a certain time frame. Some of those projects included upgrades of the two existing treatment facilities, construction of an attenuation facility in Southwest Little Rock, and construction of a new treatment facility in West Little Rock.

Mr. Burk presented a power point presentation during which he stated that, at the recommendation of the Little Rock Mayor and City Manager, Little Rock Wastewater retained the professional services of Raftelis Financial Consultants, Inc. of Kansas City to prepare a review and update of LRW's ancillary charges, conduct a feasibility study of alternative system growth charges (System Development Fees), analyze LRW's cost of wastewater collection, treatment and disposal services, recommend adjustments to the rate structure, and conduct an asset management study of LRW's property, plants and equipment. The Raftelis group was assisted by MWH Global of Broomfield, CO, with the asset management elements. During this process, LRW and the consultants felt it was imperative to include input from various representatives of Little Rock, and the Rate Advisory Committee (RAC) was established to provide vital information regarding the rate analysis and rate making processes.

Meetings of the RAC, facilitated by an outside consultant, began in March, 2008, and concluded in July, 2008, and focused on three primary areas of concern: 1) the present rate structure, 2) the addition and expansion of fees for servicing customers who produce distinct and heavier sewage loads but for which the sewage rates are not currently commensurate with the sewage loads, and 3) service line issues which improperly increase the wastewater load and contribute to raw sewage discharge. The RAC concluded that it is proper and necessary to charge appropriate fees to prevent sewer overflows, keep sewage flows in the sewer mains and service lines, and adequately and safely process wastewater for the public health. Mr. Burk listed as the primary purposes of the RAC the provision of feedback and guidance in the rate analysis and rate making process, to ensure the best interests of the City are met for the present and in the future, and, in addition, to gain a sound understanding of LRW's purpose, infrastructure and their role in serving Little Rock while protecting the environment; to provide thoughtful and considered input regarding issues important to the community, how those issues affect wastewater rate structures; and to integrate those issues and principles into the recommendations for support of the long term sustainability of LRW.

At the April 17, 2008, meeting of the RAC the various objectives of the City of Little Rock that should be incorporated into the pricing for wastewater service were identified as the Cost of Service Recovery to ensure that each customer class (residential, commercial, wholesale, etc.) is contributing equally towards revenue requirements based upon the cost of providing service to each customer. Other objectives included

development of a rate structure such that adverse rate impacts on each customer class are minimized, a rate structure consistent with accepted industry standards and local and state statutes and contractual obligations, to encourage water conservation and assist in managing system demand, minimize dramatic rate increases or decreases over the planning period, provide a steady and predictable revenue so that the Utility meets financial requirements, implement system development charges to ensure that growth pays for growth and intergenerational equity is promoted. Other objectives are that the rate structure should be easy for customers to understand and effectively maintained by City staff in future years, the rate structure should recognize the costs associated with replacement of aging infrastructure, be compatible with the City's billing system, should incorporate practices or procedures so that economically disadvantaged customers can afford water and wastewater service, and should incorporate a preferential rate that may be used to attract economic development.

The objectives were then ranked and a preliminary financial plan prepared with overall rate increases proposed by the financial consultants as follows:

<u>Year</u>	<u>Rate Increase</u>	<u>Year</u>	<u>Rate Increase</u>
2009	4.0%	2014	5.0%
2010	8.5%	2015	5.0%
2011	5.0%	2016	5.0%
2012	5.0%	2017	3.5%
2013	5.0%	2018	3.0%

Mr. Burk noted that the City Board had previously approved rate increases of 4% in 2009 and 5% in 2010 and the proposed increases include the previously approved percentage. He stated that the general rate increases proposed by RAC are reasonable and prudent and will provide LRW with adequate financial resources for operation and maintenance, the capital investment necessary to provide safe and reliable wastewater service and comply with federal and state regulations, and ensure the continued viability of the Utility.

Mr. Burk also stated that the financial consultants propose the implementation of a differential rate for commercial customers of \$.21 per hundred cubic feet of volume which would generate an additional \$750,000 per year of revenue, increasing as rates increase. He also discussed the fact that LRW had expended significant resources to provide sewer service to previously unsewered areas of the City; however, not all properties in these areas have connected to the sewer system. The financial consultant recommended that in cases where sewer service is available to a customer, but not used, it may be appropriate to assess these properties a charge for the available service, and that customers within 300 feet of a sewer line but not currently connected be assessed a minimum monthly charge to recover the cost of providing this service even though they choose not to connect to the service.

Mr. Burk explained that System Development Fees are a tool used by governments to recover a proportional share of the capital costs related to services provided to new

construction in a service area. Without these fees, the cost of system capacity are recovered solely from existing customers through rates. Raftelis Financial Consultants calculated a System Development Fee for the Utility using the system buy-in methodology commonly used for determining fees based on the value of a utility's existing assets, which would amount to \$274 per single dwelling unit. A schedule of fees for other uses will be developed by LRW using the same formula. He mentioned that Arkansas enacted a statute which provides that a municipality may assess these fees by ordinance, specifically, §14-56-103 of the Arkansas State Code of 2003. The RAC recommended that LRW and the City of Little Rock implement the System Development Fees.

Mr. Burk said that there were numerous challenges facing the City of Little Rock and LRW, and mentioned two of the immediate problems being the impact of infiltration and inflow and the impact of exfiltration or the leakage of raw sewage out of sewer service lines into the environment. Both are primarily the result of broken or dilapidated service lines, owned by the individual property owners and the responsibility of the property owner and are presently beyond the control of LRW. LRW engineers estimate that 40% of wastewater comes to the treatment facilities from inflow and infiltration (I&I). The RAC recommends that LRW and the City implement measures to reduce the amount of I&I by requiring a clearance statement or letter from LRW that the service lines are in good condition before closing of the sale of any property. The service lines must be inspected by LRW or by a plumbing company approved by LRW. If the service line is deemed in need of repair/replacement, the improvements must be completed and approved by LRW prior to closing. Any property owner who has replaced the service line within five years or less will be exempt from the inspection requirement, but the owner will be required to provide proof of the inspection date or age of the sewer lines or home to LRW. In addition, all service lines, including lines serving residential, multi-residential, and commercial units connected to the sanitary sewer system will be cleaned and tested when a property is remodeled, additional toilet facilities are added, use changes (from residential to business or commercial or from non-restaurant to restaurant), repair or replacement of all or part of a sewer service line, and/or the addition of living quarters to structures.

In closing, Mr. Burk stated that it is the opinion and recommendation of the Rate Advisory Committee that all of the RAC recommendations be implemented as a single plan and not separated. He further stated that the members of the RAC believe they can provide valuable insight and advice to LRW, the Sewer Committee, and the City Board regarding financial and rate issues and therefore recommends that the committee continue to meet periodically to discuss additional issues involving LRW and the City of Little Rock. Mr. Wintroath expressed the Sewer Committee's appreciation for the work and effort the members of the Rate Advisory Committee devoted to this endeavor and their willingness to serve on this important committee. Mr. Corbitt requested the Sewer Committee's approval for Mr. Burk to present the Rate Advisory Committee's report to the Little Rock Board of Directors, and on motion duly made and seconded, the Sewer Committee gave unanimous approval.

The Sewer Committee discussed the possibility of offering some type of insurance for replacement of service lines. Mr. Wintroath suggested that the Committee continue to study this matter and give their recommendation to the Sewer Committee at the November or December meeting as to how rates for this service should be compiled and structured. Mr. Burk, Ms. Gee, Mr. Baker, Mr. Jester, Mr. Wingfield, and Mr. Burak were then excused from the meeting.

Mr. Wintroath then called for Agenda Item No. 4, pertaining to Diamond Bear Brewery and Mr. Melton said that he had nothing to add to his previous letter and the request made to the Sewer Committee at the September meeting unless he had questions after hearing LRW staff's report.

Stan Suel presented the staff response to issues presented to the Sewer Committee at the meeting on September 17th, during which he explained that sewer rates for Little Rock customers are based on meter size with different charges for customers inside and outside city limits, a volumetric charge in excess of 200' per month, and unit strength surcharges in excess of domestic wastewater strengths with specific parameters. Mr. Suel also mentioned the City of Little Rock Franchise Fee of 10% which is billed to customers. He explained that the U.S. Environmental Protection Agency established the pretreatment program requirements under the Clean Water Act, addressing direct and indirect charges from industrial and commercial dischargers to protect the environment and public health. Indirect surcharges were explained as the release of raw or partially treated wastewater through a publically owned treatment works (POTW) and direct discharge as treated effluents released directly into a receiving body of water. EPA's pretreatment program is required when a publicly owned treatment works has a designed flow of more than 5 million gallons per day or, for smaller POTWs when there is a significant industrial user.

Mr. Suel stated that to compensate for the discharge of wastewaters having an excessive biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), oil and grease (O&G) or pH constitute an added expense in the operation and maintenance of the treatment facilities and these should be accompanied by payment of an Extra Strength Surcharge. He gave the dictionary definition of excessive as exceeding the normal, usual, reasonable or proper limit.

Mr. Suel also stated that Federal EPA Requirements specifies a User Charge requirement for treatment works constructed with grant funds awarded under Title II of the Clean Water Act such as the Revolving Loan Funds which LRW has obtained for construction and upgrading of the treatment facilities . He said failure to meet the user charge requirements can result in the annulment and repayment of all construction grant funds.

Mr. Suel mentioned Industrial Pretreatment Ordinance No. 19,895 adopted by the City of Little Rock under which Diamond Bear Brewing Co. was classified and permitted as a non-significant industrial user, meaning any industrial or commercial facility with pollutant levels above domestic background. He further stated that the Pretreatment

Ordinance requires that the POTW shall develop and implement procedures to identify and locate all possible Industrial Users which may be subject to the pretreatment program and also specifies that no user shall ever increase the use of process water or in any way attempt to dilute a discharge as a partial or complete substitute for adequate treatment in order to achieve compliance with a discharge limitation unless expressly authorized by an applicable pretreatment standard or requirement. Users who are using dilution to meet pretreatment standards may have mass limitations imposed.

Mr. Suel said that Diamond Bear challenges LRW's surcharge because they are in a multi tenant building. Little Rock Ordinance 17,965 prohibits LRW from requiring separate sewers, and it is LRW's viewpoint that the issue of who pays what portion of the water and sewer bill is an issue between the building owner and tenants. He said Diamond Bear also stated that all other breweries in Little Rock are not being surcharged and gave as an example Bosco's and Vino's . Mr. Suel explained that these entities are brew pubs which serve their beverages in their restaurants while Diamond Bear is a production craft brewery of beers, soft drinks, and a bottle/keg distributor. Mr. Suel said that restaurants in Little Rock fall under requirements of the Industrial Pretreatment Program and spend significant funds complying with the City of Little Rock pretreatment ordinance. He said restaurants have a large initial investment for interceptor and sampling /inspection manhole installation plus ongoing operations and maintenance costs for cleaning and pumping of grease traps every 30 to 90 days, with fees assessed for non-compliance.

Mr. Suel stated that Diamond Bear had also stated that all other breweries across the USA under 15,000 barrels per year are not being surcharged. Staff contacted the city contacts on the list provided by Diamond Bear and all but one are paying a higher than domestic sewer rate,; however, not all cities use the term "surcharge". Some of the ways other cities have chosen to meet the EPA requirements are by assessing a plant investment fee, establishing customer classes and charging a rate based upon "industry average" concentrations, charging industrial and/or commercial rates higher than those of domestic users, applying residential equivalent units to non-domestic users, charging impact fees, charging infrastructure improvement fees, or establishing fees for monitored and non-monitored non-domestic users.

Mr. Suel also said that in May, 2008, LRW staff was asked to calculate the chemical oxygen demand equivalent for Diamond Bear Brewery and the result of the calculation from Diamond Bear was an average COD population equivalent of 556 people, a maximum monthly COD population equivalent of 1,189 people, and a minimum monthly COD population equivalent of 231 people.

In response to a comment in a letter from Diamond Bear Brewery dated October 5, 2008, which stated that among the many people DBB consulted was the staff of North Little Rock Wastewater and they stated that if DBB moved to North Little Rock, the sewage rates would be half of what they are paying in Little Rock. LRW staff asked NLRWU staff if Diamond Bear would be surcharged should their place of business be located there, and the answer was affirmative. Mr. Suel presented a comparison of

sewer rates between the LR and NLR utilities and the estimated total annual costs were \$12,515.77 for Little Rock and \$20,553.75 for North Little Rock, or actually \$8,037.99 higher for North Little Rock.

In response to Diamond Bear's statement that only a small amount of water is discharged into the sanitary sewer, Mr. Suel stated that based on Diamond Bear data for 2007, 8.54% of water consumed went into their product with 91.46% going elsewhere, including into the sanitary sewer system. Mr. Suel said Diamond Bear had also stated that samples obtained were not representative of the actual discharge. Mr. Suel said that since June, 2007, LRW has surcharged Diamond Bear Brewing based on sampling results from a representative sample point approved by both parties and installed to standard specifications for a sample/inspection manhole. When flowing, a sample is collected every 15 minutes at 100mLs per sample. He said that during the past few months, LRW has been concerned about possible intentional acts which could be considered a violation of Section 2.6 of City of Little Rock Ordinance 19,985 pertaining to dilution prohibition in order to meet a limit. He said that staff has witnessed dilution (tap water) running after the 24 hour sampler was set up and staff returned at a later time that same day. He said that samples were also being collected downstream of Diamond Bear in the public sewer main and are yielding some interesting information and monitoring data. He displayed photographs showing solids buildup in the first manhole downstream from Diamond Bear on August 28, 2008, and another photograph taken on September 11, 2008, after cleaning. He also displayed photographs showing flow sampling from the manhole from 2:00 p.m., September 10, 2008 to 2:00 p.m., September 11, 2008, showing full samples of process wastewater with clear water during non-operational hours and a photograph showing flow sampling from 2:00 p.m. September 11, 2008 to 2:00 p.m. September 12, 2008, showing no dilution water during nonoperational hours and excessive solids discharge at 7:00 a.m. on September 12th.

Other photographs of discrete samples collected showed discharge of dilution water during overnight hours on September 10th and discrete samples collected September 11th during overnight hours showing no dilution discharge. A close-up photograph of samples taken between 7:00 a.m. to 2:00 p.m. on September 12th showed heavy solids discharge. A comparison of data from normal surcharge settling inside Diamond Bear Brewing and samples taken immediately downstream in manhole 11G042 on sampling dates from September 10, 2008, and October 1, 2008, show that, when sampling is concurrent, values drop due to Diamond Bear's use of dilution water and all other dates show elevated pollutant loading.

In response to DBB's statement that sewer costs are a burden to other small industrial users, Mr. Suel presented an overview of other smaller industrial users paying surcharges in Little Rock such as the I-30 Tank Wash and Scales with an average surcharge of \$129 per month, Good Old Days Food with an average surcharge of \$882 per month, Griffin Industries with an average surcharge of \$263 per month, and Diamond Bear Brewery with a maximum billing of \$1,055 per month, a minimum billing of \$44 per month, and the August 2007 to Present average billing of \$261 per month.

As to Diamond Bear's and their consultant's charge that wastewater flows from the brewery are not measurable and flow monitoring methods are not accurate, Mr. Suel responded that LRW only requires an accuracy of the flow measurement system of + or - 10%, which is the accuracy required by EPA and ADEQ. It was determined that only 8.54% of water consumed goes into beer, leaving a large amount of water to be disposed of somewhere. LRW's instrumentation supervisor arranged on behalf of DBB to have Steve Maxwell assess the flow measurement capabilities at Diamond Bear and he proposed a flow meter that would meet the 10% accuracy requirement of EPA and LRW.

Mr. Suel stated in response to Diamond Bear statement that it costs LRW more to monitor them than LRW collects in surcharge revenue, that the annual estimated net to LRW is \$3,884.92 from DBB in surcharge revenue only.

During the September 17, 2008, meeting of the Little Rock Sanitary Sewer Committee, the President of DBB asked the Sewer Committee to consider eliminating all outstanding past due invoices for high strength surcharges, to be removed from LRW's surcharge program, to be removed from LRW's industrial pretreatment program, that all monies previously paid to LRW be refunded, and that LRW pay DBB's legal expenses related to these issues. Mr. Suel said that at this point Diamond Bear had paid \$2,066.17 in surcharges and was currently \$6,481.58 in arrears.

Mr. Wintroath then asked Russ Melton, President of Diamond Bear Brewery whether he had any comments, and Mr. Melton then explained his disagreement with Mr. Suel's remarks in the presentation. Mr. Griffey stated that he thought Mr. Suel's presentation was a good one, and Ms. Miller stated that she thought the presentation was very good. Mr. Griffey commented about the pictures of the samples shown by Mr. Suel in the presentation and Mr. Suel replied that it looked like dilution water which the sample picked up, but there may be some other explanation. Mr. Melton asked what was the next step and Mr. Corbitt said the Sewer Committee would take the matter under advisement. Mr. Griffey then asked Mr. Melton if he was willing to discuss the matter with Utility staff and, upon his agreement, Mr. Griffey asked Mr. Corbitt to make one more effort to arrive at an understanding and negotiate an agreement with Mr. Melton. Mr. and Mrs. Melton and Ms. Collazo were then excused from the meeting.

Reggie Corbitt presented the recommendation for award of Contract III, the Little Maumelle Pump Station Improvements, stating that this is the third of four contracts for the construction of the Little Maumelle Wastewater Treatment Facility. Contract III will reconfigure the existing Little Maumelle Pump Station to pump sewage to the new treatment facility. The advertisement for bids appeared in the *Arkansas Democrat-Gazette* on August 31st and September 7th, with the bid initially scheduled to be received on October 2nd. Through an addendum, the bid opening date was delayed to October 7th and bids were opened and read aloud at 10:00 a.m. on that date. Six bids were received and the low bid of \$4,291,000 submitted by Carson & Associates of Little Rock, AR. CDM reviewed the qualifications of the low bidder and it is the recommendation of CDM that the contract be awarded to Carson & Associates. After

discussion, and on motion duly made and seconded, the Sewer Committee voted unanimously to award the contract to Carson & Associates. Carson Harris and Karon Gray were then excused from the meeting.

Howell Anderson presented a request for sewer easement abandonment at the Shackelford Crossing Shopping Center, stating that certain sewer mains were relocated to serve the planned locations and the existing sewer main serving the previous Comcast Building site was abandoned and the abandoned sewer mains were either removed or grout filled. After discussion, the Sewer Committee unanimously approved the following resolution:

A Resolution Recommending and Consenting That Certain Sanitary Sewer Easements in Favor of the City of Little Rock for the Use and Benefit of the Little Rock Sanitary Sewer Committee Located within Shackelford Crossings Addition, Little Rock, Arkansas, Filed in Book 1269, Page 261, and as Instrument No. 80-4902, respectively, be Abandoned.

Mr. Corbitt then requested Sewer Committee approval of requesting qualifications from firms interested in providing a feasibility study for an electrical energy generating facility to provide electric power to the Little Rock National Airport facility and the Adams Field Treatment Plant. He explained that the combined electrical demand of both facilities and the availability of a large natural gas transmission pipe on site warranted a study of this nature, and, if approved, the airport will split the cost which is estimated to be \$30,000 to \$40,000. After discussion, and on motion by Mr. Griffey, seconded by Ms. Miller, the Sewer Committee gave their unanimous approval.

Mack Vought reported three dry weather or non-capacity overflows during the month of September, stating there had been 22 year to date. He listed the causes as one from roots in the line, one line failure, and one equipment failure. Mr. Vought also reported 83% of time spent on scheduled maintenance.

Jim Barham, Manager of Finance, presented the financial report for the month of September, 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 \$1,773,294. The Consolidated Statement of Cash Receipts and Disbursements reflect receipts of \$5,188,446 and disbursements of \$7,290,985, decreasing funds available for the month by \$2,102,539. Net income for the month is \$671,458 and net income for the year to date is \$3,072,685.

Stanley Miller reported there were no NPDES violations at either of the treatment facilities during the month of September, despite the 7.5 inches of rain resulting from Hurricane Gustav. He stated that the No Discharge Permit for the urban forestry project at the Fourche Creek Treatment facility was submitted to the Arkansas Department of Environmental Quality in August, 2008, and members of ADEQ were given a tour of the tree farm project.

Howell Anderson introduced Joe Dollerschell of Camp Dresser McKee, stating that Mr. Dollerschell will oversee all of the CDM construction projects, including the Little Maumelle Pump Station project. Work on the peak flow attenuation basin continues to progress well despite the heavy rains from Hurricanes Gustav and Ike. He stated that the contractor has reached substantial completion of the access road at the Little Maumelle Treatment Plant. Max Foote Construction was authorized to begin work on September 22, 2008, and the excavation for the administration building and entrance drive was performed. The bid for the conveyance system was advertised October 5th, with bids to be received on November 10th. The parallel force main between the Arch Street Pump Station and Fourche Creek Treatment Plant was advertised for bids on October 5th.

Mr. Hamilton said there were three significant matters of litigation, two of which were condemnation suits involving the Ranch Properties, Inc. and Gene Ludwig and his wife in connection with the Little Maumelle Treatment Plant conveyance lines. The third litigation matter is the suit filed by Angela Harrison and Petey King against Little Rock Wastewater, T. Raney Construction, Inc., and Building & Utility Contractors, Inc., which seeks damages for the sewer backup at #1 Ridgeview Court this past February.

As to the Ranch litigation, Defendant Ranch Properties, Inc. has filed a motion to dismiss putting in issue all of the matters involving the selection of the conveyance route including the statutory authority for suit to be filed and the feasibility study in the selection of the route of the sewer line of the Little Maumelle Treatment Plant. Mr. Hamilton said he is working with Steve Bingham on the Ranch litigation and a response on behalf of Little Rock Wastewater would be filed shortly. Since there is a possibility of a conflict with the bid opening date of November 10, and the notice to proceed date of November 15, Mr. Hamilton said that he had discussed this matter with Mr. Bingham to attempt to get a court ruling as early as possible, and that time is of the essence to proceed with these two condemnation cases to get possession of the land so as not to delay the project.

As to the Harrison/King litigation involving #1 Ridgeview Court sewer backup, Mr. Hamilton stated that Little Rock Wastewater's reply and supporting brief in opposition to Plaintiffs' response to the pending motion to dismiss had been filed on October 10, and also a separate renewal motion to dismiss on behalf of Little Rock Wastewater against the Plaintiffs' filed amended complaint dated 9/29/08 will be filed shortly.

Mr. Hamilton also mentioned there would be two other matters of litigation against Diamond Bear Brewery on the unpaid account, if the matter is not resolved by negotiations, and also the Mountain Pure Water Company unpaid account, which the Sewer Committee has authorized, but litigation has not been filed yet on that account.

Mr. Hamilton mentioned that the Welspun easements had been fully executed and now filed after the earlier easements had been lost at City Hall. He also mentioned that the Elmer P. Stewart EEOC charge filed on June 19th had been dismissed by notice dated 9/22/08, and claimant has 90 days from that date to file suit in court.

Finally, Mr. Hamilton mentioned that a default judgment dated 10/2/08 had been entered against defendant Joseph Dille in the amount of \$3,572.75, plus costs and interest, and that he would pursue collection of that account.

As to the force main condemnation suit against the Jack Tyler family land, Mr. Hamilton stated that suit had not been filed yet, but it would be filed as soon as the appraisal on the property by Sara Stephens is received, and that Steve Bingham of the Cross Law Firm would be filing that action. Mr. Hamilton stated that he had nothing further to add to his report, but that he would be glad to answer any questions, and there were none.

Reggie Corbitt reported that he attended the public hearing at the Little Rock Board of Directors meeting on September 21st for the second reading of the bond ordinance. He stated that Jim Alexander, the bond underwriter, said that it was necessary to pay 6% on the small offering of bonds sold to date, which reduces the net proceeds and that it would probably be advantageous to delay future offerings.

Mr. Corbitt also requested a volunteer from the Sewer Committee to serve on the Little Rock Wastewater Budget Subcommittee, and Dale Wintroath was selected to serve in that capacity.

Mr. Corbitt also displayed the plaque commemorating the ground breaking of the Little Maumelle Treatment Facility. Mr. Griffey commended the other Sewer Committee members, both past and present, and staff for accomplishing what he termed an amazing feat. He read a letter from Governor Mike Beebe congratulating the Utility on the groundbreaking.

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

Respectfully submitted,

Andrew L. Harper, Jr., Secretary