

**LITTLE ROCK SANITARY SEWER COMMITTEE**  
**Minutes of the Meeting Held**  
**February 18, 2009**

The Little Rock Sanitary Sewer Committee met at 4:00 p.m., Wednesday, February 18, 2009, in the conference room of Little Rock Wastewater. Those attending included:

**Little Rock Sanitary Sewer Committee**

James R. Pender, Chair  
Cynthia C. Miller, Secretary  
Ken Griffey, Member  
Marilyn K. Perryman, Member

**Little Rock Wastewater**

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

Others attending included S. Vincent Hotho of Garver Engineers, Joe Dollerschell and Andrew Pownall of CDM, Martin Maner of Central Arkansas Water, Jordan Johnson of Cranford Johnson Robinson Wood and support staff from Administration and Community Relations, Environmental Assessment Division, Engineering Services, and Information Services. Sewer Committee Vice Chair Dale J. Wintroath, and Brad Cazort, Ex Officio Member, did not attend.

The meeting was called to order by Mr. Pender who welcomed Ms. Perryman to the Sewer Committee. On motion duly made and seconded, the Minutes of the January 21, 2009, meeting were approved as written. Mr. Pender then asked for public comments and there were none.

Mr. Pender stated that a special item, not listed on the meeting agenda, required Sewer Committee action and asked Howell Anderson to explain the resolution requesting Sewer Committee approval of immediate action to perform repair work on an existing 42 inch diameter force main located between the Arch Street and College Station Pump

Stations, along the west side of Lindsey Road, north of Rammel Road and south of Interstate 440. Mr. Anderson stated that, during the tie-in operations for the recently installed 30" bypass, Little Rock Wastewater crews were able to televise approximately 800 linear feet of 42" force main upstream of a recent failure. Mr. Anderson stated that there had been concern about the condition of this line, but until the flow was interrupted there was no way to inspect this section of pipeline. As feared, approximately 450 feet was severely deteriorated and in need of immediate repair. Mr. Anderson showed video obtained during televising of the pipeline. He asked that the Sewer Committee pass a resolution waiving the requirements for procurement of construction services and authorize Mr. Corbitt to execute a contract with Diamond Construction to begin immediate replacement. He said that Diamond Construction is on site for the parallel force main and had material already on site which would eliminate paying mobilization expense. Payment for the work under the contract will be on a cost-plus basis associated with equipment, labor and material costs for the repair. After discussion, and on motion by Ms. Miller, seconded Mr. Griffey, the Sewer Committee unanimously adopted the resolution dispensing with competitive bidding and authorizing Mr. Corbitt to execute the necessary documentation.

Mr. Corbitt then introduced Martin Maner, Director of Watershed Management for Central Arkansas Water. Mr. Maner stated that he was formerly a regulator with the Arkansas Department of Environmental Quality and there was a good rapport between ADEQ and LRW in dealing with the Environmental Protective Agency. He said the Board of Central Arkansas Water adopted the lake management plan in February, 2007, a \$1.2 million effort involving several stakeholders. The watershed is located in Pulaski, Perry, and Saline Counties and the management plan was developed to protect the water quality of Lake Maumelle. The plan went through an extensive scientific modeling evaluation of the topography in this area to determine the locations not located in the Ozark National Forest and not owned by Central Arkansas Water or in the State Park, that might potentially be developed. This land is basically controlled by two large landowners, Deltic Timber on the south side and Rick Ferguson on the north side. It was determined, that in order to maintain the water quality of the lake, upon full development of these potential subdivisions, there could be no surface point source discharge of wastewater to a creek or to the Big Maumelle River. The other scenario the plan envisions, if the terrain is suitable, is to collect the wastewater in a sewer system and pump it over the divide and out of the watershed.

Mr. Maner said that their consultant, TetraTech, felt that in order for the wastewater system to operate properly in the long term there should be a Responsible Management Entity (RME) and that the ideal RME would be Little Rock Wastewater. He said TetraTech also felt that the RME should be responsible for the planning, design, construction and installation, operation and maintenance of the wastewater treatment system, including the subsurface septic systems. He said that Central Arkansas Water is trying to implement the plan in the most pragmatic manner and felt that expecting LRW to be responsible for all of that would be very onerous. Mr. Maner said he had met with LRW staff a few weeks ago to discuss being the RME and all concerned felt that it didn't make sense for LRW to handle the design because CAW already has

professional engineers and a consulting firm for that purpose, but they felt that the RME should have input. He said that the RME did not have to be Little Rock Wastewater, but they felt that LRW was the most likely choice.

Mr. Maner cited his ADEQ experience with package plants stating that they typically require a lot of technical expertise in operations and maintenance and that generally, after the subdivision goes in, the property owners association takes control of the package plant and within a few years there are compliance problems and they are unable to meet permit. He said he understood that LRW had considered future development in the watershed area during the planning and design of the new wastewater treatment plant and the lines were sized to accommodate future growth.

Mr. Maner said that one of the things that had made implementation of the watershed plan difficult is that they are required to implement this plan through the proper regulatory government, in this case Pulaski County. He said he had been working with the county for approximately one year and had just obtained subdivision regulatory proposals for the Lake Maumelle watershed. He said Judge Villines had indicated that he would commit to zoning of the Lake Maumelle watershed. As part of the zoning, it would be logical that wastewater treatment and how it is handled should be included. Mr. Maner said that if LRW will consider serving as RME, they should be in from the beginning since the county does not have wastewater expertise. He said that he did not see this being a major priority at this time, given the present economy, but that once water is available to the area there is the potential for development and there should be a plan in place.

Mr. Maner said that CAW will take the matter to the Little Rock City Board and present it to the directors since there will be the issue of how rates will be structured. TetraTech has included the financial structure in the watershed management plan for perhaps quarterly payments, and, eventually, the developer and/or the property owner would be paying for sewer service so that this would not be an expense to LRW and it should provide additional income. He said that TetraTech had recommended that the RME only be responsible for the high risk systems handling large amounts of wastewater or mechanical treatment systems that could have line failures, etc. He said that funding of an enforcement officer is contained in the plan and they would enforce compliance of the septic systems, etc. Mr. Maner said he envisioned the next step as being the start of zoning that would be done in Pulaski County. He said that CAW had encountered quite a bit of resistance to the plan in Perry County, but he did not foresee immediate development of that area and most of the watershed in Saline County was Deltic property located well away from where water lines will be. He mentioned that even if LRW is not interested in serving as the RME, they might consider serving as a consultant during the zoning of the county and he thought a fee could be negotiated. Mr. Maner said that when the watershed becomes developed and Deltic goes forward with their plans for a large subdivision with the resulting sewage treatment method, the RME needs to be in place. He asked for the Sewer Committee's comments and questions.

Mr. Corbitt stated that Bruno Kirsch, Chief Operating Officer of CAW, had made a presentation on the Maumelle watershed and the need for the Responsible Management Entity about two years ago; however, only two of the Sewer Committee members who heard the presentation were presently serving on the Committee, and he thought it would be a good idea to have the three newer members briefed on this matter. He said that the Sewer Committee had tentatively agreed to move forward as the RME as plans progressed with the County. Mr. Maner said he had failed to mention that the subdivision rules and regulations would be presented to CAW's board next week, and would then be presented to the Quorum Court in March or April. He said there were some things in the plan that could be controversial to both CAW's board and the Quorum Court, such as CAW serving as the interim RME with authority to go onto property to assure compliance. He said if the plan is adopted by both the CAW board and the Quorum Court that is when an agreement needs to be reached with LRW on serving as the RME.

Mr. Pender said that before LRW could receive sewage from outside the city, we must first have approval by the City Board. He also questioned whether the Little Maumelle Treatment facility would have sufficient capacity to serve the watershed. Mr. Corbitt said that the area that could be developed in the Big Maumelle Basin is relatively small and would more than likely be a vacuum system which would have no inflow and infiltration and this would have to be evaluated against the zoning that would be put in place by the County as to density of development. Mr. Griffey asked whether Mr. Corbitt was concerned about LRW taking a lead role in this rather controversial issue. Mr. Maner asked to address that question and stated that the group opposed to the Lake Maumelle Watershed development had been part of the process of deciding on the need for an RME and was on board with Little Rock Wastewater serving in this capacity. He said the only resistance he could see might be from farther out in the county where the residents wanted to keep the rural lifestyle and might be opposed to a gated community and the resulting sewage treatment issues. Mr. Maner said there might be some resistance on the part of the City Directors and it was CAW's responsibility to present this issue to the City Board and allay their concerns. Mr. Maner said the presentation would first be given to the Little Rock Sanitary Sewer Committee and with their approval, taken to the City Board. Mr. Maner said that Lake Maumelle currently has no sewage discharge into the lake and no pharmaceuticals, and must be maintained as a pure source of drinking water in the future. He said he thought it was in the best interest of the citizens of Little Rock that LRW serve as the RME for this project and they should not bear the cost.

Ms. Miller asked how staff felt about serving as the RME, and Mr. Corbitt stated that LRW is interested in doing this from the standpoint that the citizens of Little Rock are going to be drinking the water and should be protected and that staff also has the expertise this will require. Mr. Corbitt said that it would not be unlike what LRW currently does in reviewing developers' plans and either approving the plan or requesting the necessary modifications through their consulting engineer. He said the rate structure would be the same as current property owners in that the charges would be handled through the CAW billing system even though the rate might be different than

the rate charged Little Rock citizens. After discussion, on motion by Ms. Miller, seconded by Mr. Griffey, staff was authorized to continue dialogue with Central Arkansas Water. Mr. Maner was then excused from the meeting.

After discussion and on motion duly made and seconded, the Sewer Committee approved the following resolution:

A Resolution to Authorize Little Rock Wastewater to Use the Houston Galveston Area Council Cooperative Contract as an Option for the Purchase of Equipment and Vehicles for the Current Year and Succeeding Years, as Needed, and for Other Purposes.

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

| <u>Item</u>        | <u>Vendor</u>  | <u>Amount</u> |
|--------------------|--|---------------|
| One Asphalt Zipper | Houston Galveston Area Council<br>Cooperative Contract | \$83,179      |

Don Hamilton presented the Sierra Club Annual Report and mentioned that copies were forwarded to the Sewer Committee last week for their review and approval. He asked if there were any questions, and there were none. He then stated that it would be appropriate for a motion to approve the report, if the Sewer Committee would do so. A motion duly made and seconded, to accept the Sierra Club Report for the year 2008, was unanimously approved by the members of the Sewer Committee.

Mack Vought reported two dry weather overflows during the month of January, and stated that a goal of no more than 28 dry weather or non-capacity overflows was established for 2009. Mr. Vought reported that he had met with Bobbie Gatewood and explained the public relations amount LRW offered for settlement of her property damage claim and she accepted the check and signed the release.

Jim Barham, Manager of Finance, presented the financial report for the month of January, 2009. 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 \$1,923,288. The Consolidated Statement of Cash Receipts and Disbursements reflect receipts of \$3,490,190 and disbursements of \$6,565,699, decreasing funds available for the month by \$3,075,509. Net income for the month is \$(864,878).

Mr. Barham called attention to a letter Mr. Corbitt wrote to Senator Mark Pryor requesting a part of the stimulus proceeds. Mr. Barham distributed a list of projects that will be included in the stimulus and stated that most of the items listed are included in RLF 10. The stimulus package is run by the Soil and Water Commission and funding will be RLF loans. He stated that, with the items included, there should be ample

coverage to proceed with the Revolving Loan Funding. Mr. Griffey asked if these projects would create additional jobs, and Mr. Barham stated that they did forecast how many jobs the stimulus would create and estimated approximately 212. Mr. Corbitt said that the projects included in the stimulus must be completed within two years and these projects were ready to begin, awaiting approval from Soil and Water. Mr. Barham stated that they were somewhat surprised that the Arch Street Pump Station was not included. Mr. Pender stated that he knew there was a lot of work involved in obtaining these funds and complimented Mr. Barham and staff for a job well done.

Stan Miller reported there were no NPDES permit violations during the month of January and brought the Sewer Committee up to date on notes of interest at the treatment facilities including staff's developing a method of identifying, finding the cause, and determining the solution to a foaming problem in the aeration basin at the Adams Field treatment facility.

Howell Anderson reported that there is not much work going on at the basin site other than electrical site-work, grading and access paving. He stated that installation of major equipment, bar screens, and large solids handling pumps took place during the past month. The Arch Street Pump Station was bid on February 17, and CDM's estimate was \$8.3 million. Mr. Anderson stated there were seven bidders, five of which were at or above CDM's estimate. However, two bids were below the estimate, and a low bid of \$7.35 million was received. Mr. Anderson said that there is a lot of rebar tying and concrete pouring at the Little Maumelle treatment facility site. The line contractor met with State Parks and the meeting went very well. The contractor appears to be good to work with and should begin in March. Mr. Anderson said the Fourche Creek redundant force main bypass was completed requiring that the flow to the plant be interrupted for 24 hours, and taking coordination between Engineering, Maintenance and Operations and everything went very smoothly. Mr. Anderson mentioned that the first meeting was held with CDM and all parties involved in the design of the Fourche Creek Treatment Plant. The cogeneration project is ahead of schedule and he mentioned that the generator is being manufactured in Austria and should be delivered in March. Mr. Anderson also mentioned that this was the first year that a contractor had been hired to clean the large diameter pipe and the contract is complete. Maintenance is televising these lines to be certain that lines are not being replaced due to overflows caused by debris in the lines rather than inadequate size.

Mr. Griffey asked that the Sewer Committee be kept posted on the status of these projects and a tour scheduled at the appropriate time.

Mr. Hamilton referred the Sewer Committee to his report and stated that the Diamond Bear Brewery unpaid account still has not been resolved although a demand letter had been sent requesting payment by March 1. Shortly thereafter, a representative of Diamond Bear Brewery had telephoned John Jarratt requesting a conference on this matter and that a conference had been scheduled for March 9 for a meeting with Staff to try to resolve this account, which has been in dispute since last year.

As to the Angela Harrison/Petey King litigation against Little Rock Wastewater and others, a notice from the Court setting the case for trial on January 6, 2010, and January 7, 2010, had been received and the pre-trial conference is set for November 30, 2009. He also said that it was doubtful that this case would settle and that he had prepared a Third-Party Complaint to be filed against Travelers Insurance Company on its performance bond issued for Building & Utility Contractors, Inc. on this project, and that he expected the attorneys of record for Little Rock Wastewater, John Wilkerson and Rob Beard of Arkansas Municipal League, would be filing the Third-Party Complaint soon. It is likely that there will be more discovery and depositions scheduled in the next

Mr. Hamilton further stated that a demand letter had been sent to Mountain Pure Water Company regarding the unpaid account in the amount of \$47,254.26, and the credit of \$287,576.00 requested by Mountain Pure's attorney, Skip Davidson, but there had been no response. Since the letter asked for a resolution to this matter by March 1, it appears that litigation will be necessary either by filing suit in Circuit Court or instituting administrative action, or possibly both.

Mr. Hamilton also mentioned the Hobbs & Curry Family Partnership easement needed for the force main on the Holiday Inn property southeast of the Municipal Airport, and that he had contacted one of the landowners' attorney, Steve Giles. Mr. Giles had advised him that the Hobbs & Curry appraiser would be rendering an opinion as to the value of the easement needed and that he expected information shortly, which he would pass along to Mr. Hamilton as soon as possible in an effort to conclude the settlement negotiations. Just as soon as we receive the appraiser's opinion, we should be able to determine whether or not the case can be settled without litigation.

Finally, Mr. Hamilton mentioned his annual audit letter response for the utility, a copy of which had been sent to the auditors and members of the Sewer Committee earlier and which was also attached to his report. He mentioned that there were four major litigation matters mentioned in the report and it is likely that the responses in the letter would be quoted, in whole or in part, in the annual financial report by the auditors, and that he would be glad to answer any question which they might have at any time.

Mr. Hamilton stated that he had no further matters to bring before the Committee and that concluded his report but that he would be glad to answer any questions they might have, and there were none.

Mr. Corbitt stated that he had nothing else to bring to the attention of the Sewer Committee except that the March meeting would probably have a full agenda.

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

Respectfully submitted,

Cynthia C. Miller, Secretary