

LITTLE ROCK SANITARY SEWER COMMITTEE
Minutes of the Meeting Held
April 15, 2009

The Little Rock Sanitary Sewer Committee met at 4:00 p.m., Wednesday, April 15, 2009, in the conference room of Little Rock Wastewater. Those attending included:

Little Rock Sanitary Sewer Committee

James R. Pender, Chair
Dale J. Wintroath, Vice 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
Mack M. Vought, Manager of Maintenance & Construction
Stanley Miller, Manager of Operations
Don F. Hamilton, General Counsel

Others attending included Rick Fleetwood of 1821 North Beechwood, Terry Hill of Leading Edge Development, Vincent Hotho of Garver Engineers, Ron Head of Ron Head Co., Jordan Johnson of Cranford Johnson Robinson Wood, Joan Adcock, City of Little Rock Director Position 10, Craig Johnson of CDM and support staff from Administration and Community Relations, Engineering Services, Environmental Assessment Division, Finance, and Information Services. Mark Stodola, Ex Officio Member, did not attend.

The meeting was called to order by Mr. Pender, who welcomed Director Joan Adcock to the meeting. On motion duly made and seconded, the Minutes of the March 18, 2009, meeting were approved as written. Mr. Pender then asked for public comment and there was none.

Howell Anderson explained a request for waiver of policy from Rick Fleetwood of 1821 North Beechwood, who asked permission to construct an addition to his home which

would extend over an existing sanitary sewer main. Mr. Anderson said that since the Sewer Committee folders were distributed, M. Fleetwood and staff have considered the alternatives and he thought that they had arrived at a resolution. He said that staff prefers to adhere to policy and the few variances allowed were mostly for decks or relatively inexpensive structures. An earlier alternative for main relocation was in an extremely difficult area to construct. During the inspection process, a better alternative was discovered which is slightly longer but provides a better grade and would allow the existing line to be filled and abandoned. Mr. Anderson said that the system capacity in the proposed new main will accommodate additional flow. He estimated the cost to be approximately \$7,000 and would not interfere with the proposed construction. LRW staff estimated avoided rehabilitation costs to be approximately \$2,000. He said engineering services will be provided by LRW and LRW Maintenance would perform the relocation construction unless Mr. Fleetwood preferred to hire his own contractor.

Mr. Fleetwood then addressed the Sewer Committee, stating that he agrees with staff's recommendation and commended Little Rock Wastewater on their spirit of cooperation and interest in the public welfare. He said that he could not be happier with the service extended he had received. On motion duly made and seconded, the Sewer Committee voted unanimously to approve staff's recommendation for relocation of the sanitary sewer main and abandonment of the existing main, with engineering design and construction to be provided by Little Rock Wastewater and Mr. Fleetwood bearing the expense, less the estimated \$2,000 Little Rock Wastewater would save by avoiding rehabilitation costs. Ms. Adcock, Mr. Fleetwood, and Mr. Head, were then excused from the meeting.

Mr. Anderson then mentioned the request for variance presented at the March meeting by Mr. James Wiley of 6009 Stagecoach Road which was taken under advisement. He introduced John Holloway, Engineering Supervisor in charge of the David O. Dodd Unsewered area, who described the notification process that was followed during construction and upon completion to inform area residents of the opportunity to connect at a reduced fee. In addition to numerous public meetings, Mr. Holloway said that letters were written and notices were also personally presented to the area residents whenever possible. He said if there was no one home, a notice was placed on the door. He said that there was no evidence of a letter specifically bearing Mr. Wiley's name but a letter was mailed to the previous owner, a Mrs. Weaver. Mr. Anderson suggested that an offer be extended to Mr. Wiley giving him 180 days to tie onto the sewer system for the reduced amount. After discussion, and on motion by Mr. Wintroath, seconded by Ms. Miller, the Sewer Committee voted unanimously to extend the grace period by 180 days from this date, during which Mr. Wiley may tie onto the sewer for the reduced fee. Mr. Corbitt mentioned that one of the recommendations in the Raftelis rate study is that all residents in the Unsewered areas be assessed an availability charge if they are not connected to the sewer.

Mr. Barham and Mr. Hamilton then explained the need for LRW to have a program to detect, prevent, and mitigate identity theft in accordance with recent Federal Trade

Commission rules. After discussion, and on motion duly made and seconded, the Sewer Committee unanimously adopted the following resolution:

A Resolution to Adopt a "Red Flag" Requirements Program to Detect, Prevent, and Mitigate Identity Theft, and for Other Purposes.

After discussion of the need for LRW to use the Little Rock National Airport bid purchases, etc., a motion was duly made and seconded and the Sewer Committee unanimously adopted the following resolution:

A Resolution to Authorize Little Rock Wastewater to Use the Little Rock National Airport Bid Purchases, Request for Proposals, and Requests for Qualifications as an Option for the Purchase of Equipment and Services 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 unanimously approved the following Purchase Approval Requests:

<u>Item</u>	<u>Vendor</u>	<u>Amount</u>
4500 Pump Station Truck	North Point Ford	\$ 59,064
Two 2-Ton Cab & Chassis w/10-12 Cubic Yard Dump Bed	MHC Kenworth	\$153,654

Mr. Barham mentioned that a bid for \$64 less was submitted by Badger Truck Center, Inc. of Milwaukee, Wisconsin, but staff has recommended approval of North Point Ford's bid as the most responsible. Mr. Barham said that Mr. Hamilton had previously given his opinion that it was legally permissible to take the second bid as being the most responsible.

Mr. Barham also mentioned that the low bid submitted by Kenworth is \$33,000 over budget and, when contacted they said that the new emission standards and the escalated price of steel increased the cost of these vehicles. He stated that the Utility may recover approximately 25% of the increased cost from a grant.

Mack Vought reported four non-capacity or dry weather overflows during the month of March, and 10 year to date. The plant maintenance system showed 723.5 hours (88.6%) as proactive maintenance, 17.5 hours (2.3%) as preventive maintenance, and 71 hours (9.1%) as preventive maintenance. Ms. Miller asked who is responsible for the condition of the street along the University of Arkansas property on North University and Howell Anderson said that LRW is responsible to restore the road, and, depending on the type of construction, the street may have been repaired on a temporary basis

awaiting final completion of the project. He said that he would check on this particular project.

Jim Barham, Manager of Finance, presented the financial report for the month of March, 2008. After review, 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 \$1,864,739. The Consolidated Statement of Cash Receipts and Disbursements reflect receipts of \$4,662,163, and disbursements of \$7,176,065, decreasing funds available for the month by \$2,513,902. Net income for the month is \$94,117 and net income year to date is (\$445,491).

Stan Miller reported no NPDES permit violations during the month of March. He said that his report attempted to explain some of the terms used in the wastewater industry and he hoped that it was helpful. He mentioned the Class IV wastewater licensing classes various Operations personnel are currently taking and the success these employees have had in obtaining this license despite the difficulty of the exams and the time that must be dedicated to this endeavor.

Howell Anderson reported the projected start up of the peak flow attenuation facility is June 1, 2009, and staff and contractor are watching closely to be certain this project stays on the correct date. He said the Little Maumelle project is about 29% complete with a lot of rebar and concrete pouring taking place at this time. Mr. Anderson said that staff continues to struggle with access issues for the conveyance system. He also reported that the repair work on the Fourche Creek project redundant force main is complete, the 42" line is back in service and a section of 30" pipe is also in place. Mr. Anderson reported that bids were advertised the previous Sunday for Contract II, from the College Station Pump Station to the Arch Street Pump Station and the bid opening is scheduled for May 12th. He said that once the bid amount for this project is known, we will know how much of the bond issue remains and may be used for other projects. He reported that counsel's concerns regarding the bid submitted by Building and Utility Contractors for the Barton Area Overflow Mitigation project were satisfied and Building and Utility Contractors was notified that their bid was accepted.

Mr. Pender then asked Mr. Hamilton for his report, and Mr. Hamilton started by stating that the hearing on the motion for a temporary restraining order filed by Ranch Properties, Inc. was held on March 30 before Judge Tim Fox and lasted most of the day, off and on, because the Judge had other matters with testimony to hear. Ed Willis, one of the landowners, and Tim Daters, Engineer for the landowners, both testified in opposition to permitting the LRW contractor access through the Ranch subdivision in order to install the sewer lines on the easement granted by the Order of Possession on the Ranch property next to the existing railroad line. Willis opposed the two access points requested by LRW at Buckland Circle and the end of Ranch Boulevard. Willis stated that Buckland Circle was built only to residential standards and would not be suitable for heavy trucks and Daters testified that these access points were not necessary for access to the sewer easement. Mr. Hamilton stated that Howell Anderson testified on behalf of LRW and did an excellent job in giving testimony in support of the

two access points. At the end of the testimony, Judge Fox announced his ruling from the bench that he would grant LRW access at the end of Ranch Boulevard, but that he would deny access from Buckland Circle, and he then instructed the attorneys to prepare an order reflecting his rulings. That is now being done, but the attorneys are not in agreement as to the form of the order needed, and Judge Fox's final decision on that point is expected soon.

Mr. Hamilton then mentioned that based on the discussion for a compromise at the March meeting with Diamond Bear Brewery representatives, based on Diamond Bear's agreement to pay the surcharge billings and the arrearage over the next 12 months.

He further mentioned the pending Harrison/King litigation against LRW and two contractors and stated that Building & Utility Contractors had submitted a stipulation admitting the indemnity claim by LRW against Building & Utility. Thus, LRW Staff withdrew its objection to Building & Utility's bid on the unsewered area project discussed with the Sewer Committee last month at the regular monthly meeting. He also said that the third-party complaint for indemnity against Travelers Insurance Company had been served and he expected an answer within the 30 days from the date of service allowed by law.

As to the Mountain Pure Water Company unpaid account discussed last month at the Sewer Committee meeting, a Show Cause hearing has been scheduled to be held on May 13, 2009, based on the Sewer Committee's Resolution No. 09-16, adopted by the Sewer Committee last month authorizing a Show Cause order and hearing to (1) revoke the industrial wastewater permit, (2) impose fines, and (3) terminate Mountain Pure's discharge into the sewer system. So far, Staff has not heard anything from Mountain Pure Water Company or its attorney. A notice letter dated April 6, 2009, was sent to Mountain Pure advising of the date and time of the hearing.

Mr. Hamilton then pointed out that the closing of the \$8 million revenue Bond Series 2009A would occur on April 20, 2009, at 10:00 a.m. in attorney Shep Russell's office.

As to the Holiday Inn easement, he stated that Staff and the landowners' attorney appear to be in agreement on the settlement to acquire the easement and he expected that matter to be concluded soon. Mr. Wintroath asked about the payment of the \$160,000 in this settlement and the contract, which Howell Anderson then explained and stated that he thought the settlement was reasonable.

Finally, Mr. Hamilton referred the Sewer Committee to the condemnation resolution adopted last month authorizing condemnation on 301 South Pulaski and 2117 Howard Street, and he pointed out that since the meeting, the owner of the 301 South Pulaski property had agreed to an easement, but that condemnation would be filed on the Howard Street property after an appraisal is obtained, which should be soon. He also pointed out that he planned to attend the NACWA Annual National Clean Water Policy Forum in Washington, DC, next month, which he felt would be beneficial, particularly

since the Legal Affairs Committee of NACWA would be meeting the first day in the afternoon.

Mr. Hamilton then offered to answer any questions or give additional information about the matters listed in his pending legal matters report previously submitted to the Sewer Committee last week, but there were no further questions or discussion.

Reggie Corbitt reported that some of the information contained in the *Current Report of March, 2009*, was presented to the Midtown Lions Club. Mr. Corbitt stated that LRW had also finalized and approved an Agreement with Arkansas WARN Network, which is a network of participating utilities, formed to give assistance in the event of a disaster. Several counties are participating and a number of signatures must be obtained.

Mr. Corbitt also mentioned that the Utility is hosting a retirement party honoring, Hershel Nelson, a buyer with the Purchasing Department of LRW and a long term employee of the Utility, on April 22nd, and invited the Sewer Committee members to attend.

Mr. Corbitt asked that the date of the August meeting of the Sewer Committee be changed to the 12th rather than the 19th as he would like to schedule a vacation during the third week of August. The Sewer Committee agreed to change the date of the August meeting to the 12th.

Howell Anderson mentioned that the amount Holiday Inn requested for the easement was in excess of \$600,000 for lost revenue.

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

Respectfully Submitted,

Cynthia C. Miller, Secretary