

**NORTH LITTLE ROCK
WASTEWATER TREATMENT COMMITTEE**

MINUTES OF A MEETING HELD TUESDAY, OCTOBER 15, 2024

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, October 15, 2024, in the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:18 p.m. The roll was called, and all Committee members were present. Those in attendance at the meeting were Chairman Matthews, Mr. Gabe Stephens, Mr. Ed Nelson, Ms. Karen Bryant and Ms. Marie Hollowell. Also in attendance were Mr. Michael Clayton, Director, Ms. Shelley Cline, Director of Finance, Mr. Sam Hilburn and Mr. Scott Hilburn with Hilburn & Harper, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its September 10, 2024, meeting. There being no questions or comments, a motion was made by Mr. Nelson, seconded by Ms. Bryant, to approve the minutes of the September 10, 2024 meeting as submitted. The motion carried unanimously.

The Committee then reviewed the cash disbursements for September 2024. There being no questions, a motion was made by Mr. Stephens, seconded by Mr. Nelson, to approve the cash disbursements for September 2024 reflecting total cash disbursements of \$2,472,255.48 and fund transfers between accounts of \$2,034,000.00. The motion carried unanimously.

Mr. Nelson then asked Director Clayton to explain the inconsistency in the numbers reflected on the solar report with regard to the kilowatt hours. Director Clayton stated the major difference in the numbers was due to one of the invertors being out of operation. However, he advised the Committee he would verify the numbers and report back to the Committee at the next monthly meeting.

Next, the Committee reviewed the financial reports for August and September 2024. A motion was made by Mr. Nelson, seconded by Mr. Stephens, to approve the financial reports for August and September 2024. The motion carried unanimously. Additionally, Director Clayton thanked Ms. Cline for all her time and dedication in getting the reports caught up and finalized.

The Committee then discussed the Resolution of the North Little Rock Wastewater Treatment Committee amending the current connection fee formula. Director Clayton explained that in August of 1996, the North Little Rock Sewer

Commission discussed using its own resources for a project to fund the wastewater infrastructure for private development and to assure North Little Rock residents are not subsidizing the development while reducing the financial risk to the department. A formula was developed to determine the amount of a connection or tie-on fee, and no one will be tied-on to a city-funded project without having first paid their proportional share of the project. Mr. Wilcox and Stonelinks Subdivision developers paid \$225,000.00 each, contributing their proportion of the cost of wastewater facilities. Using the formula adopted by the Commission, the tie-on fee for each residential lot was \$318.00 in 1998. Each year, the interest costs are calculated and added to the residential lot fee accumulatively and currently. The tie-on fee for each residential lot in 2024 is \$1,086.00. Using Option 1, from the June 2024 Committee meeting, calculates the residential lot fees using the base of \$318.00 plus the average cost of all loan's interest fees. Calculating the per residential lot fee using Option 1 will yield a lower fee of \$672.00 per residential lot.

Below is a recap from the June 2024 meeting for the different scenarios for calculating the tie-on fees:

Scenario	Description of Method	2024 Residential Lot Tie-On
Current Structure	Original residential lot fee \$318 plus average cost of all loan's interests' fees plus 2%	\$1,086
Option 1	Original residential lot fee \$318 plus average cost of all loan's interest fees only	\$672
Option 2	Original residential lot fee \$318 plus average cost of all loan's interest capped at 20 years and CPI cost subsequently	\$729
Option 3	Original residential lot fee \$318 plus average cost of all loan's interest capped at 20 years and 3% cost subsequently	\$692

After a lengthy discussion and a review of the options submitted, a motion was made by Mr. Stephens, seconded by Ms. Bryant, to approve the Resolution of the North Little Rock Wastewater Committee Amending the Connection Fee Formula as set out in Option 1. The motion carried unanimously.

Director Clayton then updated the Committee with regard to the Billing Customer Verification Project (known as "BCVP"). The BCVP kicked off on September 30, 2024. Within the North Little Rock Wastewater service area, the Utility is verifying 979 customers to determine their connection to the public sewer

system. Field verification methods such as dye testing, smoke testing and CCTV camera inspections are being used. The Utility estimates that approximately 300 customers are connected to public sewers but are not currently being billed. So far, more than 40 customers have been identified and their accounts activated. NLRW has identified 41,657 paying customers, with the projected additional 300 bringing the validated customer rate to 99.3%.

Director Clayton then gave the Committee a demonstration of the CMMS/City Works software to illustrate how quickly problems can be detected and solved once the Utility received a call. The software breakdowns the type of calls coming into the Utility as well as the status of work orders. The Utility receives approximately 2 to 3 calls per day.

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 1:02 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



**GABE STEPHENS, VICE-CHAIRMAN/
SECRETARY**