

# **NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE**

## **MINUTES OF A MEETING HELD TUESDAY, NOVEMBER 10, 2020**

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, November 10, 2020 at the Collection Systems Maintenance and Engineering Building located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:17 p.m. The roll was called and a quorum was present. Those in attendance at the meeting were Mr. K.W. Matthews, Mr. Ed Nelson, Ms. Karen Bryant and Mr. Gabe Stephens. Also in attendance were Mr. Marc Wilkins, Director, Mr. Michael Clayton, Director Designate, Mr. Charles Frost, Ms. Gina Briley, Mr. Lyle Leubner, Ms. Marybeth Eggleston, Mr. Ronnie Thompson, Mr. Scott Hilburn with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd., Ms. Sarah Smith, Mayor's Chief of Staff, City of Maumelle and Marolyn Dorman.

First, the Committee reviewed the minutes of its October 13, 2020 meeting. There being no questions or comments, a motion was made by Ms. Bryant, seconded by Mr. Nelson, to approve the minutes of its October 13, 2020 meeting. The motion carried unanimously.

Next, the Committee reviewed the cash disbursements for the month of October 2020. Mr. Nelson expressed interest in knowing more about check number 50807 payable to Entergy for installations related to net metering for the solar project. This item covers Entergy's cost to make the interconnection of our solar array to their grid and has to be paid before Entergy will do the work. Mr. Wilkins updated the Committee on the project, indicating clearing the property will be started soon. Sun Hog Solar has placed the equipment order, and estimated completion time is forty-five to ninety days depending on weather. There being no further questions, a motion was made by Mr. Nelson, seconded by Mr. Stephens, to approve the cash disbursements for October 2020 reflecting total cash disbursements of \$2,138,474.30 and fund transfers between accounts of \$1,984,186.07. The motion carried unanimously.

After a brief discussion of this year's emergency repairs all being within budgeted amounts, Mr. Nelson moved to approve the Financial Statement for October 2020. Mr. Stephens seconded, and the Committee unanimously approved.

Committee member Nelson then reported to the Committee that the Retirement Committee of North Little Rock Wastewater met on October 22, 2020.

The July 1, 2020 actuarial valuation report provided by Mr. Jody Carreiro of Osborn, Carreiro & Associates, Inc., suggested a minimum contribution of \$660,000 for a ten-year full funding. As of July 1, 2020, the assets of the plan were \$13,037,000 and the funded percentage was at eighty-four percent. The North Little Rock Waste Water Utility plan is in the top fifteen percent of publicly funded plans. Monthly benefits paid out to retirees for the year ended June 20, 2020 were \$620,051. Since the Utility had budgeted an amount of \$780,000 for the 2020 plan contribution, the Retirement Committee voted to recommend that the NLRW Treatment Committee authorize a \$750,000 contribution. Mr. Nelson moved to approve the Retirement Committee's recommendation of a \$750,000 contribution to be made prior to January 1, 2021. The motion was seconded by Ms. Bryant. The motion carried unanimously.

The Committee then reviewed and discussed the 2021 budget. Mr. Wilkins noted the highlights which are as follows:

1. Operating revenue for 2021 is based on current utility rates: \$18.05 minimum for 400CF plus \$5.64 for each 100CF over 400. Last rate change implemented in the current ordinance was February 2020. 2020 billed usage to date was used to project the 2021 revenue. 2020 billed usage is three percent lower than that billed in 2019.
2. The labor budget includes a \$1,000 catch up increase and a three percent COLA for current employees. This is the third budget-year with the catch up increase included. The catch up is the result of the compensation study prepared by EGP, PLLC in 2018. That study showed that, on average, NLRW employees were paid \$4,500-\$9,500 a year less than surrounding utilities. The annual increase in labor cost for current employees with both of the above is \$235,180. The labor budget also includes four unfilled positions, anticipated overtime based on historical data, and set amounts for an incentive bonus program and administrative realignments. The budget also includes seven new positions, including a fifth repair crew and equipment. It is not anticipated that all seven positions will be filled, but are budgeted if needed.

Director, Mr. Wilkins; Human Resources Administrator, Charles Frost, Sr.; and Assistant Superintendent of Collections, Garry Prater are all retiring in early 2021 but their labor cost is computed for the full year.

3. Budgeted operating expense increase is three percent over the total projected 2020 expense. If an expense was known to be more than three percent, that amount was included in the budget. (Three percent increase for all operating expenses was used to be consistent with the forecasted increase used in the last cost of service study.)
4. The projected cash flow assumes that every item on the capital addition pages and the 2020 major construction projects will be completed during the year. Net income of slightly more than \$2,000,000 is projected.

Upon final review, a motion was made by Ms. Bryant, seconded by Mr. Stephens, to approve the 2020 budget. The motion carried unanimously.

A motion was made by Mr. Nelson, seconded by Mr. Stephens, to excuse the absence of Mr. Sylvester Smith from the November 10, 2020 meeting. The motion was approved.

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 12:45 p.m.

**APPROVED AS TO FORM:**



K. W. MATTHEWS, CHAIRMAN

**RESPECTFULLY SUBMITTED,**



SYLVESTER SMITH,  
VICE-CHAIRMAN/SECRETARY