

NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE

MINUTES OF A MEETING HELD TUESDAY, AUGUST 13, 2019

A meeting of the North Little Rock Wastewater Treatment Committee was held on Tuesday, August 13, 2019 at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:15 p.m. Those in attendance at the meeting were Mr. K.W. Matthews, Mr. Sylvester Smith, Mr. Ed Nelson and Mr. Gabe Stephens, and in addition, Mr. Jack Stowe, representative from the City of Maumelle, Mr. Richard Penn, City Engineer with the City of Sherwood and Ms. Suzanne Stair, member of the Sherwood Sewer Committee. Also in attendance were Mr. Marc Wilkins, Director, Mr. Michael Clayton, Assistant Director, Ms. Gina Briley, Mr. Charles Frost, Mr. Ronnie Thompson, Mr. Lyle Luebner, Ms. Kris Ramon, Mr. Bill Halter and two representatives from Scenic Hill Solar LLC, Mr. Jason Carter with the Carter Law Firm, Mr. Sam Hilburn and Mr. Scott Hilburn with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd. and Dawn Harmon.

First, the Committee reviewed the minutes of its July 9, 2019 meeting. There being no questions or comments, a motion was made by Mr. Stephens, seconded by Mr. Nelson, to approve the minutes of the July 9, 2019 meeting. The motion carried unanimously.

The Committee then reviewed the cash disbursements for the month of July 2019. After discussion, a motion was made by Mr. Stephens, seconded by Mr. Nelson, to approve the cash disbursements for July 2019 reflecting total cash disbursements of \$2,534,961.96 and fund transfers between accounts of \$1,482,966.67. The motion carried unanimously.

Upon motion made by Mr. Nelson, seconded by Mr. Stephens, the Committee unanimously approved the Financial Statement July 2019.

Mr. Bill Halter with Scenic Hill Solar LLC then gave their preliminary assessment of solar power generation financial analysis. Mr. Halter stated that using 2018 numbers, if the Utility used the 8.7 million KWh of energy, it could expect to spend \$743,196 for utility costs in 2019. So based on the preliminary assessment, two scenarios were presented to the Committee.

OPTION 1:

5MW PC Axis Tracking (no Prepay Exercised)

Starting SPSA Rate	0.057
SPSA Escalation Rate	1%
Term	28 years
1 st Year Savings	118,490
Total SPSA 35 Year Savings	14,561,519
Optional Purchase Price @ Beginning of Year 6 (After investment tax credit)	6,542,875
Total 35 Year Electricity Savings if Purchase Option Exercised	20,465,781

OPTION 2:

\$3 Million Prepay

Starting SPSA Rate	0.046.5/KWh
SPSA Escalation Rate	1%
Term	28 years
1 st Year Savings	138,820
Total SPSA 35 Year Savings	17,293,627
Optional Purchase Price @ Beginning of Year 6	4,109,927
Total 35 Year Electricity Savings if Purchase Option Exercised	20,486,271

At this point, Mr. Halter advised that if the Utility intends to move forward with this project, the following represents the next steps:

- SOQ Issued - completed 2.13.2019
- Developer Selected - completed 5.14.2019
- Exclusivity letter signed (need to protect investment tax credits)
- Contract signed (need to protect investment tax credit)
- Governmental Approvals (Arkansas Public Service Commission)
- Final design (1 month)
- Equipment Procurement (3 months for longest lead time equipment)
- Construction (2 - 3 months)
- Delivery (6 months after governmental approvals)

After an in depth and lengthy discussion, a motion was made by Mr. Smith, seconded by Mr. Stephens, to form a committee of Chairman Matthews, Mr. Nelson,

Mr. Wilkins, Mr. Clayton, Mr. Sam Hilburn, Mr. Scott Hilburn and Mr. Carter to further investigate the project with regard to options and sizing and make a final report to the Committee. The motion carried unanimously.

Additionally, a motion was made by Mr. Nelson, seconded by Mr. Smith, to name Scenic Hill Solar LLC as the solar developer, reaffirm Mr. Smith's motion made at the May 2019 meeting which stated *to select Scenic Hill Solar LLC as the energy services company for the staff to work with to conduct any necessary viability studies and negotiate the scope, conditions and costs for installation of a potential solar array*, and to further authorize Chairman Matthews to sign an exclusivity letter with Scenic Hill Solar LLC to protect the investment tax credits. The motion carried unanimously.

Mr. Wilkins then advised the Committee that several sinkholes along the Upper Riverside Interceptor (30" and 36" pipes) developed after the 2019 flood event. As part of the assessment of the current possible damages from the flood, the staff has prepared documents for a change order from Ace Pipe Cleaning, Inc. for a multisensory assessment of the existing 30" and 36" interceptors for a total length of 6,132 linear feet. The multisensory assessment will provide HDCCTV above the flow line, laser profile to indicate the degradation of the pipe above the flow line and sonar inspection to measure the volume of debris or sediment in the 30" or 36" interceptors. The information will be critical for accurate quantification of debris removal of sand/silt entering the interceptors during the flood event. The estimated cost for this change order is \$45,891.00 which will be funded through NLRW general funds. Additionally, a claim has been made with FEMA and at this time, it appears FEMA will reimburse a portion of these costs. A motion was then made by Mr. Nelson, seconded by Mr. Smith to execute Change Order #1 to the Dark Hollow Interceptor Project with Ace Pipe Cleaning, Inc. in the amount of \$45,891.00 for assessment of damages related to the 2019 Arkansas River flooding. The motion carried unanimously.

Next, Mr. Wilkins advised the Committee that a 24" PCP Interceptor at 824 Palm Street failed. Due to the size of the hole, the Utility contacted Diamond Construction Co. to stabilize the hole. The cost of the repair is estimated to be approximately \$135,000.00 and is FEMA eligible. Therefore, a motion was made by Mr. Stephens, seconded by Mr. Smith, to hire Diamond Construction Co. and proceed with the emergency repair. The motion carried unanimously.

A motion was then made by Mr. Smith, seconded by Mr. Nelson, to excuse the absence of Ms. Karen Bryant. The motion carried unanimously.

There being no further action to come before the Committee, a motion was made by Mr. Smith to adjourn the meeting. The motion carried unanimously, and the meeting was adjourned at approximately 1:07 p.m.

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read 'K. W. Matthews', written over a light blue rectangular background.

K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,

A handwritten signature in blue ink, appearing to read 'Sylvester Smith', written over a light blue rectangular background.

SYLVESTER SMITH,
VICE-CHAIRMAN/SECRETARY