

February 13, 2004

Mr. Dale J. Wintroath, Chair
Little Rock Sanitary Sewer Committee
1212 Eagle Pointe Drive
Little Rock, Arkansas 72211

Re: Sierra Club Settlement Compliance Report,
Paragraph No. 9, Page 16 of Agreement dated
September 12, 2001

Dear Mr. Wintroath:

This letter is in reference to the captioned matter for the purpose of providing you and other members of the Little Rock Sanitary Sewer Committee an annual update on the status of Little Rock Wastewater Utility compliance with respect to specific provisions of the Sierra Club Agreement. In 2003, the following actions were taken by the Little Rock Sanitary Sewer Committee in support of our compliance efforts, together with approval by the City of Little Rock Board of Directors on December 16, 2003 for issuance of bonds and a revenue note in the total amount of \$41,100,000.00 for Utility projects necessary for compliance. These included:

- a. By Resolution dated 4/16/03, the Sewer Committee declared its intent to advance funds to pay costs of sewer treatment plant improvements with the funds to be reimbursed by loan proceeds from tax exempt ADFAs based on the revised estimate of estimated cost of \$23,100,000.00.
- b. By Resolution dated 4/16/03, the Sewer Committee authorized a detailed investigation of alternative sites for the design and construction of a sewage treatment plant for treatment of sewage from the Little Maumelle Basin.

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- c. By Resolution dated 8/20/03, the Sewer Committee approved the Final Engineering Report outlining specific collection system improvements that LRWU plans to finance through the Revolving Loan Fund Program as administered by the Arkansas Soil and Water Conservation Commission and directing the Chief Executive Officer to submit the Final Engineering Report to all appropriate agencies and authorizing and directing said Chief Executive Officer to certify that the public meeting was held in conformance with the published public meeting notice.
- d. By Resolution dated 9/24/03, the Sewer Committee approved and recommended financing for construction of additions to the Adams Field Wastewater Treatment Plant to be financed through the State of Arkansas Clean Water Revolving Loan Fund Program administered by the Arkansas Soil and Water Conservation Commission.
- e. By Resolution dated 9/24/03, the Sewer Committee approved and recommended financing for the rehabilitation of the sanitary sewer system to be financed through the State of Arkansas Clean Water Revolving Loan Fund Program administered by the Arkansas Soil and Water Conservation Commission.
- f. By Resolution dated 9/24/03, the Sewer Committee approved and recommended interim financing for construction projects to be financed through the issuance of sewer revenue notes in the aggregate principal amount of not to exceed \$4,000,000.00 to be purchased by a financial institution or institutions.
- g. By Resolution dated 9/24/03, the Sewer Committee approved the law firm of Friday, Eldredge & Clark, LLP to act as bond counsel for financing of the construction of additions to the Adams

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Field Wastewater Treatment Plant at a cost of \$23,100,000.00 to be financed through the State of Arkansas Clean Water Revolving Loan Fund Program administered by the Arkansas Soil and Water Conservation Commission.

- h. By Resolution dated 9/24/03, the Sewer Committee approved the law firm of Friday, Eldredge & Clark, LLP to act as bond counsel for financing of the rehabilitation of the sanitary sewer system at a cost of \$14,000,000.00 to be financed through the State of Arkansas Clean Water Revolving Loan Fund Program administered by the Arkansas Soil and Water Conservation Commission.
- i. By Resolution dated 9/24/03, the Sewer Committee authorized Reggie A. Corbitt as the signatory agent of Little Rock Sanitary Sewer Committee to make application for assistance under Public Law 100-4 and the Arkansas Clean Water Revolving Loan Fund, to sign the acceptance and any other required document related thereto.
- j. By authority of the Sewer Committee, the Utility staff formed a committee of interested parties to review potential sites for the Little Maumelle Basin Wastewater Treatment Plant and then rank them for review and selection by the Sewer Committee. One of the members of the Sewer Committee, Stuart Mackey, serves on this committee known as Little Maumelle Basin Advisory Team ("LMBAT"), as explained hereinafter in more detail.

A summary of specific actions taken by LRWU staff to comply with certain provisions of the Sierra Club Agreement follows;

1. Signage/Public Notification/Public Information:

As required in the Settlement Agreement, LRWU staff developed a Sanitary Sewer Overflow ("SSO")

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Response Plan which was authorized by the Little Rock Sanitary Sewer Committee on September 18, 2002. The SSO Response Plan, as amended, is included in this document as "Attachment A". The plan establishes a protocol for maintenance crews to follow when responding to an SSO event, and specifies internal and regulatory reporting procedures. The response protocol includes provisions for temporary signage and posting notices at individual residences. Temporary signage currently used by LRWU is shown in "Attachment B". A copy of the "door hanger" the Utility uses to post residences is provided in "Attachment C".

Practically all of the SSO Notification Program requirements contained in the Settlement Agreement are addressed in the SSO Response Plan, including the provisions for permanent signage at recurring SSO locations on public property. Locations eligible for permanent signage included the following manholes:

SSO Manhole Number	Subbasin Number	Maintenance Crew Area
2H018	30040	HWST
3E143	31000	HWST
3K058	30700	HCNT
3K059	30700	HCNT
4B001	10090	HWST
4N016	30400	HCNT
5H004	21303	HCNT
5H086	21303	HCNT
5H104	21303	HCNT
6C002	10090	HWST
6G011	21303	HCNT

An example of permanent signage placed at recurring SSO sites is shown in "Attachment D".

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For nearly two years, Little Rock Wastewater Utility has operated a massive public information campaign with two long-term goals—increased community awareness and decreased numbers of grease-related overflows. *Can the Grease*® was launched in the summer of 2002 with a door-to-door distribution of grease education materials. Packed in clear plastic bags, the packet contains literature on problems associated with dumping household grease in the sanitary sewer collection system; a refrigerator magnet bearing the campaign name; a reusable grease container; and several other items. The program takes good old-fashioned habits from “grandma’s kitchen” then mixes with some modern updates and finally sprinkles in a dash of helpful information. Since the program’s inception, the Utility has distributed more than 15,000 grease education packets, most of which were requested by Little Rock residents. The program has also received local, regional, and national attention. Even one Utility from outside the United States contacted the Utility about *Can the Grease*®.

Cowboy Slick is an educational character created by Little Rock Wastewater Utility to add a fun side to learning about wastewater treatment and water conservation. Using the Utility’s *Can the Grease*® program as a springboard, Cowboy Slick visited with youngsters in the City focusing his message on “good and bad” flushing. Cowboy Slick used his message to express to children that it was okay to flush toilet paper, but not too much, down the toilet, but it was not okay for mom to pour her leftover grease down the sink. The other part of his message easily flows to include wastewater treatment and how to conserve water at home. He made his first appearance at an Earth Day celebration at the main library on April 22, 2003.

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Two-panel brochures on the subject of sanitary sewer overflows were included in the March 2003 billing cycle for Utility Billing Services. See "Attachment E".

A three-panel insert on Utility rates was inserted in the June 2003 billing cycle for Utility Billing Services. See "Attachment F".

A one-panel two-sided bill stuffer on the topics of sanitary sewer overflows and *Can the Grease*® was included in the December 2003 billing cycle for Utility Billing Services. See "Attachment G".

A complete listing of the Utility's public communication and education efforts is also provided under "Attachment H".

2. Supplemental Environmental Projects and Any Other LRWU Environmental Efforts:

The Settlement Agreement requires the Little Rock Sanitary Sewer Committee ("LRSSC") to establish a Supplemental Environmental Project consisting of the following:

- a. Fourche Creek Wastewater Treatment Plant Wetlands: The 90 acres of wetlands next to the Fourche Creek Wastewater Treatment Plant, have not been disturbed and are available to Little Rock Parks & Recreation Department if it wishes to develop hiking trails on the property. So far, these wetlands remain in their natural condition and no further action has been taken.
- b. Bike Paths: The Settlement Agreement requires LRSSC to cooperate with the Little Rock Parks & Recreation Department ("P&R") to address common goals and specifically to cooperate in the development of bike paths and trails on mainline sanitary sewer easements. LRWU was told by Mark

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Webre of P&R that the Bike Path Project was still in the initial planning stage and that an outside consultant would probably be hired sometime in 2004.

- c. Little Maumelle River Basin Wastewater Treatment Plant: This past year the Utility began the process of selecting a site for the proposed wastewater treatment plant with the selection of outside engineering firms and the formation of a citizen's advisory group, known as the Little Maumelle Basin Advisory Team ("LMBAT"). An outside consultant, Katie McCain, is in charge of the meetings, which have been held on 11/3/03, 11/24/03, and 1/26/04 for the purpose of reviewing possible sites and ranking them in order of preference. The rankings will then be sent to the Little Rock Sanitary Sewer Committee for review to further analyze the data and recommendations and then make a selection. This selection will be identified in the request to the Little Rock City Board of Directors for financing approval. Sites were visited by members of the LMBAT, who were also given a tour of the Jacksonville WWTP, a plant which is similar in size to the proposed Little Maumelle treatment facility. The next meeting of LMBAT is set for 3/8/04.
- d. First Tee Project: The Utility completed work on this project in 2002. The Utility contributed over \$65,000.00 in constructed sewer improvements to the project at the request of Little Rock Parks & Recreation and other sponsors.

Beyond the requirements of the Settlement Agreement, the Utility participated in the following activities to promote environmental education and conservation.

- a. Audubon Fourche Bottoms Nature Center: The Utility is a partner with Audubon and Little Rock Parks & Recreation in the development of

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Audubon's Fourche Creek Project and staff has been in contact with Ken Smith, Director of the Audubon Society of Arkansas. Abandoned aerial sewer crossings were removed by the Utility from the Fourche Creek Bottoms project area at the request of Audubon in order to facilitate the project.

- b. Science Fairs: Sponsored science fairs at Washington and Fair Park Elementary Schools and Central High School on 2/20/03, 3/7/03, and 2/7/03, respectively. Our sponsorship included prizes for the contestants and judges for environment related fields of study.
- c. Earth Day 2003: - Little Rock Wastewater Utility employees and family members participated in Earth Day activities at the Little Rock Zoo on April 26, 2003. The Utility sponsored a display featuring information on wastewater treatment, the importance of water conservation, the Utility's "Partnership with Nature", and "Can The Grease"© programs. Several hundred people visited the display to learn about the Utility and its programs.
- d. Urban Forestry: Little Rock Wastewater Utility took a lead role in planting more than 10,000 trees at the Fourche Creek and Adams Field treatment plants creating the City's first ever urban tree farm. An official tree planting ceremony was held on March 26, 2003, which the Mayor and other City officials attended. The Utility worked in conjunction with the City of Little Rock's Department of Parks and Recreation and several other utilities and entities. Once the trees have matured over the next two to three years, the trees will be distributed at little or no cost to City residents for planting. Both farms use effluent from the treatment facility in the farm's irrigation system. Another 2500 trees

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will be planted at the Adams Field plant sometime during the first quarter of 2004.

- e. Humane Society Project: LRWU has spent over \$10,000.00 in time and material helping the Humane Society upgrade their treatment plant over the last few months.

3. 2003 Non-Capacity Related Sanitary Sewer Overflows:

Compliance Standard: The Settlement Agreement limits the number of non-capacity related SSOs based on 100 miles of sanitary sewer operated and maintained by LRWU in LRSSC's collection and treatment system. The Settlement Agreement specifies the following "interim schedule" for non-capacity related SSOs:

Calendar Year	Number of Non-Capacity Related SSOs per 100 Miles of Sewer
2002	12
2003	11
2004	10
2005	9
2006	8
2007	7
2008	6

For the calendar year 2002, the Settlement Agreement establishes the mileage of sewers at 1100 miles; actual mileage according to LRWU's GIS system as of December 31, 2003 is 1195 miles. The 2003 mileage data establishes a benchmark of 1100 miles of sewers. Therefore, the 2003 performance requirement for LRWU was to limit non-capacity related SSOs to no more than 121 SSOs, according to the interim schedule.

Non-Capacity Related SSOs in 2003: There were 126 non-capacity related SSOs reported in 2003. Of the 126 total, 15 SSOs were on private property, 1 SSO was related to construction, and 2 SSOs were related to

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vandalism. The result was a total of 108 non-capacity related overflows attributed to the operation and maintenance of the LRWU collection system. Of the 108 non-capacity related overflows, 16 SSOs were attributed to debris; 1 SSO was attributed to equipment failure; 28 SSOs were attributed to grease; 11 SSOs were attributed to line failures; 22 SSOs were attributed to a combination of roots and grease; 30 SSOs were attributed to roots. A complete listing of non-capacity related SSOs are provided under "Attachment I".

Compliance Assessment: Using 1100 miles of maintained sewers and the "interim schedule" provided in the Settlement Agreement, LRWU complied with its 2003 performance requirement to have no more than 121 non-capacity related SSOs, with 108 non-capacity related overflows attributed to the operation and maintenance of the Little Rock Wastewater Utility collection system, Little Rock Wastewater Utility.

In September 2003, the Little Rock Wastewater Utility Cleaning & Inspection Division of the Maintenance and Construction Department added seven (7) additional crews consisting of sixteen (16) people, two (2) were combination cleaning crews, three (3) line walking crews and two (2) hand rodding crews. One (1) Staff Engineer was also added to the maintenance department whose primary function over the last six months has been to expedite mainline rehabilitation projects and identify problem areas within the LRWU collection system. The Construction department is adding one four (4) man Capitol Project/Repair Crew. These were all part of our plan 66 overview.

In a continued effort to maximize the Utility's rehab dollars, the Utility treated 10,716 feet of mainline with a contracted chemical root removal company and is in the process of evaluating these lines, as well as preparing more lines for this year which also complies with the Utility's Plan 66 overview to reduce SSOs.

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For 2004, the Maintenance Department is adding one (1) three-man TV crew and one additional Dispatcher/Project Planner. The Utility is upgrading all CCTV software programs in order to better evaluate our system for rehab and also replacing one CCTV Van and one Combination Cleaning Machine.

4. 2003 Capacity Related Sanitary Sewer Overflows:

Compliance Standard: The Settlement Agreement requires that capacity related SSOs be eliminated, provided that SSOs may occur without a breach of the Settlement Agreement if rainfall amounts exceed a duration-quantity table that essentially defines a two-year storm event ("qualifying event"). A qualifying event shall occur if any of the nine permanent rain gauges within the collection system record a two-year storm event. More specific, to that end, the agreement required completion of a study recommending and establishing a time line for specific actions to address capacity related SSOs. The study would serve as the foundation for a long-term compliance program.

Capacity Related SSOs in 2003: There were 136 capacity related SSOs reported in 2003 at the 61 locations, as shown on "Attachment J". A qualifying event was recorded at the Jamison Road Pump Station Rain Gauge on June 17, 2003. 3.21 inches of rain was recorded in a 6 hour period between 4:45 a.m. and 10:45 a.m. A total of 49 SSOs were reported on June 17 and June 18, 2003 and attributed to the qualifying rain event on June 17, 2003. Even though Little Rock experienced a qualifying event, in general there were less rain and fewer intense events in 2003, than in 2002. The fact there were significantly fewer Little Rock SSOs in 2003 than 2002 can largely be attributed to this difference in precipitation.

Compliance Assessment: The System Evaluation and Capacity Assurance Plan ("SECAP") is a long-term capital improvement program to eliminate collection

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system discharges that occur during heavy rains and was a cornerstone of the Sierra Club Settlement. Finalized in March of 2002, this past year was essentially the first full year the program was in place. While little construction work was completed, tremendous progress was made toward making several important projects a reality. A brief summary of work accomplished on major projects this past year follows:

- a. Adams Field Wastewater Treatment Plant Improvements - The proposed improvements will increase the hydraulic capacity of the Adams Field Treatment Plant by 24 million gallons per day, and significantly reduce the amount of diluted wastewater discharged during heavy rains. In 2003, final engineering plans and specifications were completed, and a \$23,100,000 bond issue was approved by the City Board of Director to fund the much needed improvements.
- b. District 119 Collector Improvements - Engineering plans and specifications were also completed on improvements desperately needed to abate chronic wet weather sewer overflows in the Curran Conway Field area. This is first project of several priority collection system improvements targeting chronic rain-related overflows in developed areas. LRWU Engineering performed all work on this project and prepared all necessary reports to get a \$14,000,000 bond issue approved to fund this and other needed collection system improvements.
- c. Little Maumelle Wastewater Treatment - The decision was made and confirmed by Sewer Committee Resolution to pursue acquisition of a site in the Little Maumelle Basin to construct a new treatment facility. A consulting engineer was retained and is currently working with staff to obtain public input into the site selection process. Although construction of a new

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treatment facility in the Little Maumelle Basin presents a tremendous challenge to the Utility, it is the only feasible solution to abate rain-related wastewater overflows in the basin itself and Murray Park.

- d. Fourche Creek Wet Weather Detention Facilities - Staff established a dialogue with City leaders and local neighborhood associations to assess the feasibility of abating severe wastewater overflows in the University & Asher area by constructing wastewater detention facilities at the BFI landfill. Numerous meetings with a neighborhood appointed task force were held, including a field trip to observe similar facilities in Tulsa, Oklahoma. Two specific detention alternatives were identified and are currently being evaluated in detail. Preliminary costs estimates indicate either of the evaluated detention alternatives will reduce the cost of LRWU's long range capacity assurance and overflow mitigation plan by a minimum \$25,000,000.

In addition to the progress made on SECAP projects, LRWU spent just over \$1,000,000.00 renewing or replacing structurally deteriorated sewer mains. Old deteriorated sewers are sources of infiltration/inflow and are prone to blockage, contributing to both the number of capacity and non-capacity SSOs.

By copy of this letter to the Sierra Club c/o Hank Bates, attorney, I am sending them this information in accordance with the Settlement Agreement.

Yours truly,

Reggie A. Corbitt
C.E.O.

DFH/bc

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cc: Members of LRSSC
Don F. Hamilton
Rick L. Barger
Thad Luther
Mack Vought
James A. Barham
John Jarratt