

**SIERRA CLUB SETTLEMENT**  
**ANNUAL REPORT**  
**FOR 2006**

**I. INTRODUCTION**

The Little Maumelle Treatment Plant ("LMTP") site was finally selected and purchased in 2005, after a lengthy period of time spent for the site selection and extended contentious negotiations to purchase the site. The next step in compliance with this part of the Sierra Club Settlement ("the Settlement Agreement") was to decide on the treatment process for LMTP.

Considerable controversy developed over the selection of the treatment process begun in 2005 and culminating in 2006, when the staff of Little Rock Wastewater ("LRW" or "Utility") made the decision to recommend to the Little Rock Sanitary Sewer Committee ("LRSSC") the step feed activated sludge ("SFAS") treatment process, rather than a membrane biological reactor ("MBR") process. This decision was challenged by various parties in public meetings and before the City of Little Rock ("CLR") Board of Directors ("BOD"), mainly by the former LMTP site owner and managing partner of the Highway 10, LLC, Gene Pfeifer ("Pfeifer"), whose partnership also owns surrounding land, his attorney, Hal Kemp ("Kemp"), along with other nearby land owners, who joined in opposing LRW's selection of a treatment process for LMTP. Ultimately, the Little Rock Sanitary Sewer Committee ("LRSSC") voted unanimously to select the SFAS treatment process, rather than the MBR process, although by CLR Resolution No. 12,362, dated October 17, 2006, the CLR BOD required an additional filter system on the LMTP, which is estimated as an additional \$2,500,000 in costs.

The major events for the year 2006, most of which generated considerable time-consuming controversy, were (1) The LMTP Treatment Process Selection; (2) Financing efforts; (3) Sewer rate ordinance adoption; and, (4) The Peak Flow Facilities property acquisition and Conditional Use Permit ("CUP") approval. These matters will be discussed in the order mentioned, before the other matters in this report, as shown in the Table of Contents.

**II. THE LMTP TREATMENT PROCESS SELECTION**

The SFAS treatment process recommended by staff was challenged by Pfeifer, as manager of Highway 10 LLC, who accused LRW staff of certain irregularities and possible criminal conduct during the course of the treatment process selection. That was followed by an extremely time-consuming investigation by the City Attorney, Tom Carpenter ("CLR Attorney"), based on information given to him by Pfeifer and Kemp. The CLR Attorney's memo dated April 4, 2006, recommended review of the CDM engineering report regarding the evaluations of the SFAS treatment process. This was followed by CLR City Manager Bruce Moore's written multi-part questions "as to the fairness of the treatment process evaluation," all of which resulted in a one-volume report prepared by the CLR Attorney over several months, dated June 5, 2006, finding there had been no wrongdoing in the LMTP treatment process selection, and making four recommendations regarding: (1) release of information about unpublished competitive bidding procedures or events; (2) trips conducted on city business connected with competitive bid or competitive selection process; (3) scheduling a hearing on a matter of public concern and then requiring certain attendees to leave the ongoing city meeting to ask questions about a presentation outside the hearing; and, (4) directing the CLR BOD and the LRSSC to engage in a dialogue about the value of "grey water technology," and related financing. Although this report was delivered to the CLR BOD on June 6, 2006, no further documentation on this matter has been received by LRW staff.

The following is a chronology of events with respect to the LMTP process challenge by Pfeifer, Kemp, et al:

**THE LMTP PROCESS SELECTION AND CHALLENGE  
CHRONOLOGY OF EVENTS**

2/21/06	LRW personnel conducted tours of the proposed LMTP site. Ten area residents and other interested residents attended.
3/13/06	Camp Dresser McKee ("CDM") presented its final report and recommendation to City officials for proposed Little Maumelle treatment plant. Only 1 member of the CLR Planning Department

	attended. At a meeting that same evening, the same presentation was presented to the public and media at the Clearwater Maintenance Complex. 189 notices were mailed out and press releases were distributed. Thirteen interested parties attended the meeting.
3/13/06	FOIA request from Hal Kemp requesting Reggie Corbitt's employment contract, PTO reports, expense reports, requests to bids for vendors, all communications between RAC and CDM, Committee vendors, etc.
3/15/06	CDM presented its final report and recommendation to the LRSSC at its regularly scheduled meeting. A question and answer session was conducted in a room across the hall from the normal LRSSC monthly meeting.
3/16/06	LRW conducted a tour of its Fourche Creek Wastewater Treatment Plant Facility to educate interested neighbors of the LMTP about the various components of a wastewater treatment plant.
3/21/06	An Odor Control Workshop was held at LRW Administrative Office for the LMTP Design Team conducted by CDM to obtain input from and to provide knowledge about odor control and abatement. The meeting was attended by 5 interested parties other than LRW personnel.
4/4/06	A design team workshop conducted by Wittenberg Delony and Davidson Architects was held at LRW Administrative Office to discuss aesthetics, noise, lighting control, and landscaping. The meeting was attended by 6 interested parties other than LRW personnel.
4/7/06	FOIA from Hal Kemp requesting Reggie Corbitt's cell phone bills from November 1, 2005, through February 28, 2006.

4/10/06	FOIA request from Kemp requesting all CDM files and the employment contract of Don Hamilton, threatening legal action if not produced, and then upon timely production of the CDM records, Kemp never examined the CDM records or pursued the request for CDM records further.
4/10/06	A group of 12, consisting of members of LRW staff, Vice Mayor Barbara Graves, Gene Pfeifer, Larry Storthz, Phyllis Storthz, Barry Jones, Troy Laha, representing southwest Little Rock, 2 members of the architectural team, and Craig Johnson of CDM, flew to visit a wastewater plant in Vancouver, Washington, at LRW's expense of \$15,155.27
4/11/06	CLR Attorney Tom Carpenter, by a 5-page written memo with attachments of LRW e-mails and article on 100,000 g/d MBR plant, recommended that CLR employ its own engineer to evaluate the CDM report and an "evaluation of the pros and cons of the various treatment processes that may be used by the LMTP at LRW's expense.
4/19/06	<p>LRW staff made presentations to LRSSC on both proposed treatment methods under consideration at LRSSC monthly meeting with Rick Barger giving a presentation on the step feed process and Stanley Miller on the MBR process. Reggie Corbitt stated that the Mayor and City Manager had requested that LRSSC defer selection of the treatment process, stating that they had concerns and they would submit written questions by April 28, 2006, and Mr. Corbitt advised LRSSC that LRSSC could proceed as they saw fit, either taking action or delaying. The LRSSC heard the presentations without action at this time.</p> <p>Gene Pfeifer made statement objecting to the treatment selection process, accusing LRW staff of improprieties in the selection process and of FOIA violations regarding RAC/DFH employment contracts, etc., with news article published on 4/21/06 in the <i>Arkansas Democrat-Gazette</i>.</p>

4/20/06	FOIA oral request to John Jarratt from Brandon Tubbs of the <i>Arkansas Democrat-Gazette</i> for all documents previously provided to Kemp.
4/27/06	DFH/Tom Carpenter conference re: Carpenter memo of 4/11/06 recommending review of CDM report.
4/28/06	Rick Barger/Tom Carpenter conference re: Carpenter memo of 4/11/06 recommending review of CDM report.
5/2/06	Bruce Moore propounds written multi-part questions "as to the fairness of the treatment process evaluation," 1-6 (4 pages) by Tom Carpenter to Reggie Corbitt concerning Little Maumelle Plant with Mr. Carpenter's "observation" of a possible FOIA violation based on Reggie Corbitt's e-mail dated 2/14/06 to LRSSC members which "could be construed as polling the Committee about step feed activated sludge treatment system" in violation of <i>Harris v. City of Ft. Smith</i> , 359 Ark. 355 (2004).
5/4/06	RAC/DFH/Tom Carpenter conference re: RAC answers to questions on treatment process selection.
5/11/06	<b>Architectural Plant Design Workshop.</b> This was held from 10:00 until 11:30 a.m. and was attended by Gene Pfeifer, Sam, Phyllis, and Larry Storthz, Mary Dornhoffer, Troy Laha, Craig Johnson of CDM, and Wittenburg, Delony & Davidson architects, and DFH.
5/17/06	LRSSC at its regularly scheduled monthly meeting (absent Stuart Mackey, who recused due to Pfeifer involvement) voted unanimously to select the "step feed" sewage treatment process for use at the proposed LMTP. In his Legal Matters Report, Mr. Hamilton reported on Gene Pfeifer's accusations against LRW management about the integrity of management ranging from procedural errors to "possible illegal acts." Mr. Hamilton stated that prior to Pfeifer's accusations, City Attorney Carpenter had sent a memo dated 4/11/06 recommending a review of the CDM treatment process report/recommendation to see if it was

	<p>"totally objective." Carpenter's memo was apparently largely based on various conversations with various parties (excluding LRW) and Mr. Kemp's FOIA document inspection. Copies of selected e-mails were furnished by Pfeifer/Kemp to CLR Attorney Carpenter in a booklet with 22 index tabs of various e-mails and documents, which LRW did not receive until 4/21/06 from Attorney Carolyn Witherspoon, who obtained them from Kemp. By letter dated 5/2/06 from City Manager Bruce Moore (with Carpenter's 6 multi-part questions to Reggie Corbitt), Bruce Moore then propounded these questions to Reggie Corbitt, which he answered in writing on 5/4/06. That was followed by a conference with Tom Carpenter, Reggie Corbitt, and LRW Attorney Don Hamilton ("DFH") to try to resolve this matter as soon as possible. Each month's delay is increasing costs \$250,000.00, per Rick Barger.</p> <p>Prior to the 5/4/06 meeting with CLR Attorney Carpenter, Mr. Corbitt, and DFH, DFH met with CLR Attorney Carpenter on 4/27/06 for the purpose of discussing this matter and other pending issues. DFH specifically requested that LRW be allowed to present its side of this investigation and that someone would be made available for CLR Attorney Carpenter to talk to, before he concluded his inquiry. Accordingly, CLR Attorney Carpenter and his Chief Deputy, Bill Mann, met with Rick Barger alone on 4/28/06 for Mr. Barger to answer questions. Apparently, CLR Attorney Carpenter planned to send a report to the City Board for review based on his investigation. Since these meetings with him, he was furnished details of the various trips in question. At the conclusion of LRW Attorney Hamilton's remarks at the LRSSC meeting on 5/17/06, City Board Director Barbara Graves said that she had tried to stay neutral in this matter, and she complained about communications with LRW staff and Sewer Committee members.</p>
5/23/06	<p>LRW CEO and staff (Sharkey/Harrison/Anderson) gave presentation to CLR City Board of Directors at work session on (1) unsewered areas; (2) attenuation basin; and, (3) sewer rate proposal.</p>

5/24/06	<i>Arkansas Democrat-Gazette</i> article titled <b>LR Directors look Askance at Needs List of Sewer Unit</b>
5/30/06	The LMTTP Conditional Use Permit ("CUP") application made to City Planning Commission with a public meeting to be held in July.
6/5/06	Gene Pfeifer letter to editor of <i>Arkansas Business</i> titled <b>Bad Decision</b> complaining of LMTTP treatment process selection.
6/7/06	CLR Attorney Carpenter report on LMTTP investigation dated 6/5/06 received by LRW stating that there was no evidence of "wrongdoing" (p. 3) and his office "cannot substantiate any allegations that the treatment selection process for LMTTP suffered from illegality," (p. 19) and making 4 recommendations.
6/9/06	<i>Arkansas Democrat-Gazette</i> article titled <b>No wrongdoing found in sewer plant decision</b> re: CLR Attorney Carpenter's report.
6/21/06	Gene Pfeifer addressed the Sewer Committee during the public comments portion of the meeting. He referred to his comments made at the CLR Board meeting on 6/20. He also commented on RAC and DFH employment contracts.
7/6/06	LMTTP CUP hearing before CLR Planning Commission (H. Anderson/J. Jarratt for LRW - Mary Dornhoffer, P. Storthz, L. Storthz and H. Kemp, Highway 10 LLC attorney, against). CLR Planning Commission approved by 7-0, 1 abstention, 3 absent.
7/18/06	LMTTP Fact Sheet (consisting of 6 pages) developed for distribution to explain proposed treatment facility details.
7/26/06	Reggie A. Corbitt, CEO, sent letter to CLR Mayor Dailey, explaining LMTTP effluent discharge, public input, operational issues, etc., of the LMTTP.

8/1/06	Pfeifer, Dornhoffer, Phyllis and Sam Storthz filed appeals of CLR Planning Commission approval of LMTP CUP with hearing to be discussed before CLR Board of Directors on 9/19/06 and public hearing to be held on 10/3/06.
8/5/06	City of Little Rock Manager Bruce Moore called Reggie Corbitt advising that rate ordinance set for CLR Board of Directors for agenda discussion on 8/8 and hearing on 8/15 would be put on hold pending resolution of other issues and requesting visit to Vancouver, WA step feed plant for Directors Kumpuris and Cazort for sewage treatment plant inspections.
9/13/06	Trip to MBR plant in Alpharetta, GA, for tour
9/17-18/06	Trip to Vancouver, WA, to inspect plant for second time with Directors Cazort, Stewart, staff and others.
10/17/06	(1) CLR Board of Directors adopts Resolution No. 12,362, a resolution of intent to require an additional filter system on the LMTP at an additional estimated cost of \$2.5 million.  (2) CLR Board of Directors adopts Resolution No. 12,369 to approve the action of the Little Rock Planning Commission, and to approve a conditional use permit, as amended, to allow construction of the Little Maumelle Wastewater Treatment Plant on Property Zoned R-2, Residential, located 700 feet, more or less, south of the intersection of East Pinnacle Road and Krone (Z-8066); and for other purposes, which specified six (6) construction and design specifications set out in the resolution.
10/17/06	<i>Arkansas Democrat-Gazette</i> article titled <b>Design Changes to Sewer Plant on table/LR Directors to propose fourth cleaning step, pipeline for sludge, curb appeal.</b>
10/18/06	<i>Arkansas Democrat-Gazette</i> article titled <b>LR directors OK sewer-plant plan.</b>



12/12/06	CDM finalized its Technical Memo No. 4 for further design work for certain LMTP components to LRW Staff.
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Documents and newspaper articles regarding The LMTP Process Selection are included in this document as Attachment "A."

**III. THE LRW FINANCING EFFORTS FOR THE MANDATED PROJECTS**

During the same time frame of the LMTP process selection and challenge to the SFAS treatment process chosen by LRW and approved by LRSSC on May 17, 2006, LRW proceeded with efforts to secure adequate financing for the costly projects specified in the SECAP, as well as in further compliance with the Sierra Club Settlement Agreement. The following is a chronology of events beginning the steps necessary to secure financing:

**FINANCING EFFORTS CHRONOLOGY OF EVENTS**

1/15/06	LRSSC Resolution No. 2006-01 - Declaring Intent Regarding the Reimbursement of Certain Costs and Expenses Incurred in Connection with the Acquisition, Construction and Equipping of Wastewater Treatment Facility Improvements within the City and Requesting the City of Little Rock Board of Directors to Adopt the same Resolution for the Same Purpose (\$49,100,000.00 for the Little Maumelle Plant).
1/15/06	LRSSC Resolution No. 2006-2 - Declaring Intent Regarding the Reimbursement of Certain Costs and Expenses Incurred in Connection with the Acquisition, Construction and Equipping of Wastewater Treatment Facility Improvements with the City and Requesting the City of Little Rock Board of Directors to Adopt the Same Purpose (\$35,500,000.00 for 60 <sup>th</sup> Street Attenuation and Pump Station Facilities).

2/21/06	CLR BOD Resolution No. 12,210 - A Resolution of Intent Regarding the Reimbursement of Certain Costs and Expenses Incurred in Connection with the Acquisition, Construction and Equipping Wastewater Treatment Facility Improvements Within the City; and For Other Purposes.
2/21/06	CLR BOD Resolution No. 12,210 - A Resolution of Intent Regarding the Reimbursement of Certain Costs and Expenses Incurred in Connection with the Acquisition, Construction and Equipping Wastewater Treatment Facility Improvements Within the City; and For Other Purposes.
5/17/06	LRSSC Resolution No. 2006-03 - Declaring the Intent of the Little Rock Sanitary Sewer Committee for the Issuance of Certain ADFA Bonds and to Advance Funds to Pay Costs of Sewer Facilities Installation at Certain Areas within the City of Little Rock, Arkansas with the Funds to be Reimbursed by Loan Proceeds from Tax Exempt ADFA Bonds.
5/17/06	LRSSC Resolution No. 2006-04 - Authorizing Reggie A. Corbitt, Howell Anderson, Mack M. Vought, and James A. Barham as Signatory Agents of Little Rock Sanitary Sewer Committee to make Application for Assistance under Public Law 100-4 and the Arkansas Revolving Loan Fund, to sign the Acceptance and any other Required Document Related Thereto.
7/21/06	LRSSC Resolution No. 2006-07 - Authorizing Reggie A. Corbitt, Howell Anderson, Mack M. Vought, and James A. Barham as Signatory Agents of Little Rock Sanitary Sewer Committee to make Application for Assistance under Public Law 109-54 and the State and Tribal Assistance Grants ("STAG") Program, to Sign the Acceptance and any Required Document Related Thereto.

The resolutions by both LRSSC and CLR BOD are the initial efforts for the bond issues planned in 2007 to issue bonds in the approximate amounts of \$18 million for SRF financial projects and \$64.9 million for a bond issue for other projects.

#### IV. THE SEWER RATE ORDINANCE PROPOSAL AND ADOPTION

Essential to the compliance with the Settlement Agreement is securing funds through a sewer rate increase of fifteen percent (15%) upon adoption of the ordinance. An ordinance was finally adopted on November 28, 2006, providing for an increase of eight percent (8%) on July 1, 2007, three percent (3%) on January 1, 2008, four percent (4%) on January 1, 2009, and five percent (5%) on January 1, 2010. LRW began preparations to obtain the increase on March 3, 2005, with the purchase of CapitalSoft.Net-Inc. ("Capital") rate model software, following work on June 1, 2005, with Harry Asher of Capital with the necessary setup of active accounts, projects, previous year costs, and allocations. LRW staff worked with LRSSC Member Dale Wintroath on the 2006 budget process and the needed rate increase, which was presented at the LRSSC monthly meeting on November 16, 2005, and subsequently approved by LRSSC.

The efforts of LRSSC and LRW staff to ultimately gain approval of the necessary rate increases extended over most of the year 2006 beginning in February 2006, until approval by CLR BOD on November 28, 2006. Following is a chronology of events beginning on February 22, 2006, in the process for the new rate ordinance to be approved.

#### SEWER RATE ORDINANCE CHRONOLOGY OF EVENTS

2/22/06	LRW rate study contract w/Brown & Caldwell (Grant Hogue).
4/10/06	<i>Arkansas Democrat-Gazette</i> article titled <b>Sewer-Rates Plan Phases in Increase: Utility Staff Suggests Rates go up over Five Years for Total of 40%.</b>
4/19/06	<i>Arkansas Democrat-Gazette</i> article titled <b>Sewage Utility to Propose 2-Step, 39% Rate Increase: Wastewater Staff Rejects Flat Fee Advisement</b>
4/21/06	LRW staff conference re: rate study.

4/25/06	LRW staff conference w/Grant Hogue, rate consultant; letter from RAC to Bruce Moore re: rate ordinance enclosing required documentation, per CLR Code §2-170.
4/25/06	RAC presentation to CLR Board of Directors at 4:00 p.m. agenda meeting.
5/23/06	Rate information delivered to CLR Board of Directors (18 pages).
6/13/06	Revised rate request information to CLR Board of Directors (15 pages).
6/14/06	LRSSC passed Resolution #2006-05 recommending adoption of rate ordinance.
6/15/06	<i>Arkansas Democrat-Gazette</i> article titled <b>LR Sewer Panel OKs Rate Rise; Increase Possible this Summer</b>
6/16/06	<i>Arkansas Democrat-Gazette</i> article titled <b>Utility to Refashion Language of Rate Rise</b>
6/19/06	Rate information booklet with financials, graphs and projects map supporting the rates required to provide \$182,670,739 in mandated capital improvement projects (19 pages with CPA's certificate), and letter of transmittal to Mayor Jim Dailey, together with a booklet of similar information supporting rates required to provide \$166,335,471 in mandated capital improvement projects, as requested.
6/20/06	CLR Board set public hearing on rate ordinance for 7/11/06, but notice of hearing was not published due to mix up between City Clerk's office and <i>Arkansas Democrat-Gazette</i> . The Board agenda session scheduled the proposed rate ordinance for discussion, but the actual discussion primarily consisted of questions about Reggie Corbitt and Don Hamilton employment contract issues raised by Gene Pfeifer and CLR Attorney Carpenter, as well as remarks on this issue by Stuart Mackey, Chair, and Carolyn Witherspoon, attorney, who prepared the contracts and discussed the legal issues raised.

6/26/06	Gene Pfeifer letter to editor of <i>Arkansas Business</i> titled <b><i>That Wastewater Rate Hike.</i></b>
6/27/06	CLR Board of Directors meeting setting 7/11/06 as date for public hearing for rate ordinance.
7/11/06	CLR Board of Directors resolution setting public hearing on 8/15/06 at 6:00 p.m. since notice of public hearing for 7/11/06 was not published pursuant to CLR Board of Directors Resolution dated 7/11/06.
7/18/06	Publication of Notice of Public Hearing in the <i>Arkansas Democrat-Gazette</i> on rate hearing to be held on 8/15/06.
7/23/06	LRSSC Member, Dale Wintroath, sent letter to Mayor Jim Dailey urging CLR Board of Directors "to pass the pending rate increase as quickly as possible . . . on August 15 <sup>th</sup> ."
7/25/06	Publication of Notice of Public Hearing in the <i>Arkansas Democrat-Gazette</i> on rate hearing to be held on 8/15/06.
8/1/06	Reggie Corbitt letter to City Director Brad Cazort providing requested information regarding purpose of the rate increase, projects to be funded, proposed bond issues, reference to ADEQ CAO and possible service line replacement program recommendation.
8/4/06	Sierra Club (Hank Bates) letter to Mayor Dailey with copies to CLR Board of Directors to "encourage" CLR to "cooperate with LRSSC to provide funding for over \$182 million in mandated capital projects," and stating the necessity to do so, as well as urging that the City "adhere to the current plans to discharge into the Arkansas River . . ."

8/5/06	City of Little Rock Manager Bruce Moore called Reggie Corbitt advising that rate ordinance set for CLR Board of Directors for agenda discussion on 8/8 and hearing on 8/15 will be put on hold pending resolution of other issues and requesting visit to Vancouver, WA, step feed plant for Directors Kumpuris and Cazort.
8/6/06	<i>Arkansas Democrat-Gazette</i> article titled <b>\$8 Would Push Sewer Rates to Near Highest in Region: Increase can't be Avoided, LR Utility Says</b>
8/9/06	<i>Arkansas Democrat-Gazette</i> article titled <b>Decision on Sewer Rate Put on Hold.</b>
8/23/06	Reggie Corbitt sent CLR City Manager schedule necessary for rate ordinance and trips to Cauley Creek/Vancouver. (No response.)
8/28/06	Reggie Corbitt sent email to CLR City Manager Bruce Moore requesting 10/3 for public hearing date. (No response.)
8/31/06	Reggie Corbitt and Pat Miller and John Jarratt meeting with Director Joan Adcock to answer questions re: rate increase information.
9/06/06	Reggie Corbitt meeting with Director Cazort to provide rate ordinance information. CLR City Manager did not attend, although invited; RAC emailed him with summary of meeting.
9/07/06	Reggie Corbitt letter to Director Adcock giving further information on rate increase issue.
9/11/06	RAC emailed rate ordinance/resolution for CLR Board of Directors agenda meeting on 9/12 & DFH emailed same documents to CLR Clerk's office for inclusion in Bd/Dir agenda material.

9/12/06	Telephone message to RAC from Bryan Day saying he talked to Bruce Moore & Mayor Dailey, that they do not want the resolution setting the hearing ordinance sent out, but it could be added next week or even after next week "but for various and sundry reasons they do not want to put it on and are committed to get it done, probably before the elections."
9/13/06	<i>Arkansas Democrat-Gazette</i> article titled <b>LR Leaders Head to Atlanta to Tour Wastewater Plant/New Plan, raise in rate reviewed</b> quoting Director Brad Cazort that "he isn't ready to discuss the rate increase until he knows how the money will be spent. The treatment plant is part of that understanding," he said per article. DFH email to CLR Attorney Tom Carpenter w/Bryan Day telephone conference, all requesting any info on rate resolution/ordinance status.
10/17/06	CLR Board of Directors adopted Resolutions Nos. 12,362, 12,363 and 12,369 adopted setting hearing, approving LMTP CUP and Intent to add to LMSP.
10/23/06	CLR Attorney Carpenter e-mail re: sewer rate increase proposed ordinance status.
10/25/06	Notice of Public Hearing on 11/21/06 published in <i>Arkansas Democrat-Gazette</i> .
11/21/06	First reading of proposed Sewer Rate Ordinance before CLR Board of Directors.
11/28/06	Adoption of Sewer Rate Ordinance No. 19,647 by CLR Board of Directors (Vote: 7 in favor to 3 against, consisting of Directors Adcock, Stewart and Wyrick with one absent).
12/15/06	Publication of CLR Sewer Rate Ordinance No. 19,647 in <i>The Daily Record</i> as required by law.

Documents and newspaper articles regarding the Sewer Rate Ordinance Proposal and Adoption are included in this document as Attachment "B."

**V. FOURCHE CREEK PEAK FLOW ATTENUATION FACILITIES**

In 2006, the engineering firm of Camp, Dresser & McKee ("CDM") conducted technical workshops with LRW staff, which culminated with the development of the preliminary engineering report. The report was subjected to technical review in a value engineering ("VE") workshop conducted on October 3 - 5, 2006. Staff reviewed the recommendations of the VE workshop. CDM was later directed in a letter dated November 14, 2006, from John Holloway of LRW to incorporate certain recommendations presented in the VE workshop. This November 14 letter initiated the final design process.

Also for 2006, the land was purchased for the pump station and storage basin sites from several different property owners. The land purchased consisted of five separate tracts totaling approximately 43 acres, and negotiations lasted several months. The purchase was conditional upon gaining approval of a conditional use permit ("CUP") required by CLR land use ordinance provisions for the proposed use of the land, which was approved by the CLR Planning Commission on May 25, 2006. Extensive neighborhood meetings were held and a chronology of events for the meetings and CUP process before the CLR Planning Commission are as follows, which did not become final until July 31, 2006, after the landowner appeal by Donald Darnall was withdrawn:

**CHRONOLOGY OF EVENTS FOR  
PEAK FLOW FACILITIES NEIGHBORHOOD MEETINGS  
AND CUP APPROVAL**

4/11/06	Informal site meeting with surrounding business owners.
4/11/06	Information exchange meeting with CLR Director Hinton.
4/11/06	Presentation to Upper Baseline Neighborhood Association.
4/17/06	LRW filed a conditional use permit application for the Peak Flow Attenuation facilities consisting of  1. Peak Flow Pump Station - 50 million gallon per day capacity



	<p>2. Peak Flow Attenuation Basin - 30 million gallon capacity</p> <p>3. Two Diversion Structures</p> <p>4. 48" Force Main - Approximately 15,000 linear foot</p>
4/24/06	Presentation to Geyer Springs Neighborhood Association.
4/29/06	Presentation to Neighborhood Connections.
5/1/06	Handout information provided for discussion at SWLRUP meeting.
5/25/06	Hearing before CLR Planning Commission staff recommending approval. Several people spoke in opposition. Approved by commission.
5/25/06	<i>Arkansas Democrat-Gazette</i> article titled <b>OK sought for basin to store wastewater.</b>
5/26/06	<i>Arkansas Democrat-Gazette</i> article titled <b>Plans for 2 wastewater basins OK'd.</b>
6/12/06	Donald Darnell appealed CLR Planning Commission approval of CUP application.
7/12/06	Audubon Society submitted letter supporting detention basin.
7/25/06	CLR Board of Directors set hearing for 7/31/06.
7/28/06	By letter dated July 28, 2006, Darnell withdrew appeal.
7/31/06	CLR Attorney advised CLR Board of Directors that since appeal was withdrawn, there was nothing for the board to act on. Thus, CLR Planning Commission approval became final.
10/5/06	Value Engineering workshop at Fourche Plant Training Room conducted by CDM and LRW.

Documents and newspaper articles regarding the Fourche Creek Peak Flow Attenuation Facilities are included in this document as Attachment "C."

**VI. OTHER COMPLIANCE ACTIONS**

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

**A. Signage/Public Notification/Public Information:**

As required in the Settlement Agreement, LRW staff developed a Sanitary Sewer Overflow Response Plan ("SSORP") 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 "D." 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 LRW is shown in Attachment "E." A copy of the "door hanger" the Utility uses to post residences is provided in Attachment "F."

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

<b>SSO Manhole Number</b>	<b>Subbasin Number</b>	<b>Maintenance Crew Area</b>
2H018	30040	HWST
3K058	30700	HCNT
3K059	30700	HCNT
4B001	10090	HWST
4N016	30400	HCNT
6C002	10090	HWST
6G011	21303	HCNT

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

**B. Public Relations Information**

1. **Can the Grease®**: The *Can the Grease®* initiative kicked off in 2002, as a means of education, motivation, and promotion of the grease problem in Little Rock. Little Rock Wastewater residential customers can request a grease information kit, which includes a grease container, heat-resistant liners, an informational pamphlet, and other items. Packets are also distributed in larger quantities at community events and to apartment complexes. In 2006, nearly 7,500 packets were delivered to residential customers, apartment complexes, and at community events, with the majority, or about 5,000, being distributed at large events and at apartment complexes.

*Can the Grease®* took center stage at the Utility exhibit booth during the Environmental Protection Agency's Region 6 Pretreatment Conference. Utility representatives displayed the program as pretreatment utility staff from wastewater utilities in Texas, Oklahoma, Louisiana, Arkansas, and other areas visited the booth. The two-day conference drew approximately 75 visitors to the Utility's exhibit booth, about two thirds of the total number of people registered for the conference.

2006 also brought additional media attention, both earned and bought, for *Can the Grease®*, with items appearing in the *Arkansas Democrat-Gazette*, as well as broadcast on three of the four local television stations.

The Utility continues to receive and answer requests from other cities and communities

across the country interested in the grease elimination initiative.

**2. Captain Sewer:** The Utility began an educational initiative with children in the 1980s by creating a character, Captain Sewer, played by Rick Barger, former LRW Operations Manager, who served for many years before deciding to hang up his cape. In 2006 another employee donned the tights and cape to resurrect the character. Captain Sewer made appearances at two learning centers and a community event in 2006.

**3. "Relax, enjoy your summer" bill insert:** The Utility created a bill insert distributed in July 2006 with information on the rate structure and how the Utility allocates customer rates to fund activities, including, but not limited to, salaries and infrastructure. The bill insert featured pictures of people enjoying activities near or on the Arkansas River, the body of water used for discharge. The title, "Relax, enjoy your summer" and images used were created to change in a positive way the general perception of sewer as bad, nasty, or otherwise offensive.

**4. NACWA Peak Performance Award** - Little Rock Wastewater Utility was recognized in May 2006 for achievement for excellence in wastewater treatment with two awards. The Utility's Fourche Creek Wastewater Treatment Plant received a 2005 Gold Peak Performance Award and the Adams Field Wastewater Treatment Plant received a 2005 Silver Peak Performance Award. The Peak Performance Awards program, presented by the National Association of Clean Water Agencies (NACWA) recognizes public wastewater treatment facilities for their outstanding compliance records from the previous calendar year, 2005 in this case. The Utility was recognized during an awards luncheon at NACWA's May meeting in Washington, DC.

Utilities honored by NACWA with the Gold Award have achieved 100 percent compliance with the National Pollutant Discharge Elimination System (NPDES) permit for the entire calendar year. Silver Awards are given to honor treatment facilities that have received no more than five NPDES permit violations during the year.

Fourche Creek was one of 237 facilities to achieve the Gold Award Status, while 147 facilities were awarded with the Silver Award, including the Adams Field Treatment Plant.

**5. AWEA Safety Award** - LRW was the recipient of two awards at the annual Arkansas Water Works & Water Environment Association (AWW&WEA) Conference. On May 2, 2006, LRW was presented with the 2005 *AWEA Safety Award for Populations Over 20,000*. The plaque reads "For Outstanding Achievement in Safety Awareness." The second award came on May 3, 2006, when LRW was presented with the *George W. Burke, Jr. Facility Safety Award* presented by the Water Environment Federation. The plaque reads "In recognition of the excellence of its active and effective safety program and safety record."

**6. Pollution Prevention Awards** - In 2006, LRW recognized five Little Rock businesses for their efforts to prevent pollution. They were Griffin Industries, Little Rock Solid Waste Services, Unilever North America, Baptist Health Medical Center, and Raytheon.

**7. Wonders of the Watershed** - The Utility participated for the first time in Wonders of the Watershed ("WOW") II at the Little Rock Zoo. Sponsored by Central Arkansas Water, and supported by several state, local, and federal organizations, WOW focuses on conservation and environmental

protection. During the one-day event, thousands of moms, dads, and children hear a very important message about the future of Earth's natural resources. The Utility's booth consisted of several educational items to take home. The day was topped off with appearances from Captain Sewer.

**8. WaterFest** - Two employees staged interactive demonstrations at the Backyard Conservation WaterFest hosted by the U.S. Department of Agriculture's Natural Resources Conservation Service. The event was held in April at Mabelvale Magnet Middle School. Mabelvale students visited the exhibition areas of the more than 20 agencies represented during the event. The LRW exhibition featured samples of primary influent, primary effluent, mixed liquor, and final effluent, showing the basic stages of wastewater treatment.

**9. Speakers Bureau for Wastewater Topics** - The Utility worked towards creating a Speakers Bureau by sending letters to each of the neighborhood and property owners associations listed with the City of Little Rock. A letter was mailed to at least 169 associations informing the leadership that Utility speakers were available to speak on a number of different wastewater-related topics. The letter indicated that at least three topics, one of which was the Little Maumelle Treatment facility, might be of interest to local association membership. About 16 associations responded to the letter, and most were scheduled to have a Utility representative speak to their group. Scheduling conflicts disallowed the others. Plans are to send a similar letter at least once a year to neighborhood associations.

**10. Apartment Association Exhibit** - Two LRW employees staffed a booth at the Arkansas Apartment Association Exhibition informing apartment complex owners and managers about LRW's *Can the Grease*® program and

encouraging their apartment residents to participate in the program.

**11. Susan G. Komen Race for the Cure** - About 75 employees, family members, and friends walked or ran in Little Rock's annual Komen Race for the Cure in recognition of Breast Cancer Awareness month in October 2006, and support this effort as further involvement by LRW in community affairs.

**12. Little Rock Regional Chamber of Commerce Business Expo** - LRW participated in the annual Business Expo sponsored by the Little Rock Regional Chamber of Commerce. Visitors to the wastewater booth were given pamphlets, novelty items, and a grease packet.

**13. Arkansas Business Publishing** - LRW placed an advertisement in the *Little Rock* book, a book to promote the metropolitan Little Rock area, to help better inform the public of LRW's active role in providing the residents with the best sewer service possible while working to meet the demands of the Settlement Agreement.

**14. Website**. Little Rock Wastewater redesigned its website in 2004, and continues to maintain the site with the latest news, updates, and information for those who access the site. The user-friendly site allows visitors to view a calendar listing of all Sanitary Sewer Committee meeting dates, approved minutes of the Committee, and even biographies of each Committee member. With several interactive displays, general wastewater information, ordinances, rate information, and much more, website traffic continues to grow. One of the most visited areas of the site is the customer information section, which allows visitors to select a topic or Utility department, then populate a field with a question or comment. The website address is [www.lrwu.com](http://www.lrwu.com).

Under *Community Services*, information is available about the following: Who to Call, Frequently Asked Questions, Residential Services, Commercial Services, LRWU Ordinances, Sewer Line Locator, and Information Request Form. Under *Community Awareness*, information is available about the following: Work In Your Neighborhood, Where Does Your Money Go?, LRWU Programs, Headlines & Newsroom, Operational Events, Calendar of Events, and Information Request Form. Under *Education*, information is available about the following: Conservation & Environment, Treatment Technology, Innovation in Wastewater, Water Reuse, Pollution Prevention, and Information Request Form. Under *About LRWU*, information is available about the following: LRWU Business Center, LRWU Overview, Sanitary Sewer Committee, Our People, Financials, Capital Improvements, Facilities & Locations, Awards & Recognition, and Information Request Form.

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

## **VII. SUPPLEMENTAL ENVIRONMENTAL PROJECTS AND ANY OTHER LRW ENVIRONMENTAL EFFORTS**

The Settlement Agreement required the LRSSC to establish a Supplemental Environmental Project consisting of the Fourche Plant Wetlands, bike paths (set forth hereinafter in paragraphs A & B), and, additionally beyond those requirements, LRW participated in the following activities (set forth hereinafter in paragraphs C through E) as follows :

- 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 they have not been disturbed. Once a year,



in spring, Audubon Society Members generally visit the area to check on the nesting activities of the birds in the area, as reported by Walter Collins of LRW staff.

**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, which LRW staff have inspected with CLR Parks & Recreation staff for that purpose, as reported by Walter Collins of LRW staff. LRW's last information is that the Bike Path Project is still in the planning stage by the City, and any further information is available from Mark Webre of CLR Parks & Recreation at (501) 371-6851. Mr. Webre recently stated that the CLR Attorney raised the legal issue regarding use of a sewer easement for other purposes, which needs to be resolved in order for CLR to proceed with planning.

**C. Audubon Society Fourche Bottoms Nature Center:** Kevin Peirson of the Audubon Society appeared at the LRSSC monthly meeting on January 18, 2006, and expressed support for the 15-year Plan of sewer projects included on LRW's website. He expressed appreciation for LRW's efforts and LRW's Michael Kline's visit to Audubon to give an update on the various projects, and he offered Audubon's assistance in any way possible.

After Michael Kline of LRW staff contacted Audubon members Kevin Peirson and Johnnie Chamberlin, LRW received a request to repair a damaged line in February that ran across Coleman Creek between Pierce and Buchanan Streets. The line was a service line, but LRW repaired it to expedite protection of this project. (See pictures at Attachment "J").

In April of 2006, the Audubon Society supported LRW's efforts to construct the attenuation basin in Southwest Little Rock with letters, one to Bryan Day and another to Reggie Corbitt. These

letters were timely in gaining public support necessary for the project.

Other items include the removal of an abandoned section of pipe running across Rock Creek at Birchwood Park. This action was taken to improve the aesthetics of the park and to comply with the request of Audubon Arkansas.

- D. Science Fairs 2006:** For the past 15 years, LRW has been a Partner in Education of the Booker T. Washington Math & Science Magnet School, sponsoring the Elementary School Science Fair by providing the incentive awards. Employees also provided personal support by serving as judges for the Science Fair. In addition to the Science Fair, Utility employees also participated in the National Day of Reading at Washington School, in November of each year, during which participants read appropriate books to one or more pre-Kindergarten through 5<sup>th</sup> grade classes.

For the past several years including 2006, LRW has also sponsored the Central High School Science Fair, providing judges and the incentive awards.

The Little Rock School District has been most appreciative of LRW's efforts in supporting environmental education presenting the Utility with such awards as the Superintendent's Citation presented in 2006 for the year 2005.

- E. Earth Day 2006:** - LRW's employees and family members participated in an Earth Day celebration held at the Little Rock Zoo. This year, the celebration was held on April 14 and 15 and over 4,000 residents of Little Rock and surrounding cities visited the Utility's display, which featured information on wastewater treatment, the importance of water conservation, and "Can The Grease©." Games and prizes for children focused on the importance of water quality protection, the Utility, and its programs.

Documents regarding Supplemental Environmental Projects by LRW are included in this document as Attachment "K."

**VIII. 2006 NON-CAPACITY RELATED SANITARY SEWER OVERFLOWS**

**A. Compliance Standard:** The Settlement Agreement limits the number of non-capacity related SSOs based on 100 miles of sanitary sewer operated and maintained by LRW 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 established the mileage of sewers at 1100 miles; actual mileage according to LRW's GIS system as of December 31, 2006 is 1270 miles. The 2006 mileage data establishes a benchmark of 1270 miles of sewers. Therefore, the 2006 performance requirement for LRW was to limit non-capacity related SSOs to no more than 102 SSOs, according to the interim schedule.

**B. Non-Capacity Related SSOs in 2006:** There were 47 non-capacity related SSOs reported in 2006. Of the 47 total, two (2) SSOs were related to construction, and three (3) SSOs were related to vandalism. The result was a total of 42 non-capacity related overflows attributed to the operation and maintenance of the LRW collection system. Of the 42 non-capacity related overflows, six (6) SSOs were attributed to debris; one (1) SSO was attributed to equipment failure; 13 SSOs were attributed to grease; 8 SSOs were attributed to line failures; eight (8) SSOs were attributed to a combination of roots and grease; six (6) SSOs were attributed to roots. A complete listing of non-

capacity related SSOs is provided under Attachment "L."

**C. Compliance Assessment:** Using 1270 miles of maintained sewers and the "interim schedule" provided in the Settlement Agreement, LRW complied with its 2006 performance requirement to have no more than 102 non-capacity related SSOs, with 42 non-capacity related overflows attributed to the operation and maintenance of the collection system owned and operated by Little Rock Wastewater Utility.

The Utility has reduced the number of non-capacity related sanitary sewer overflows attributed to the operation and maintenance of the collection system owned by CLR to below 6 per 100 miles of sewer lines for three consecutive calendar years, being 2004, with a total of 42, 2005, with a total of 53, and 2006 with a total of 42. Therefore, under the Settlement terms in Paragraph No. 5, page 10, the Utility is deemed to have complied with all provisions of this Settlement related to non-capacity related SSOs.

In a continued effort to maximize the Utility's rehab dollars, the Utility treated 59,671 feet of mainline with a contracted chemical root removal company and is in the process of evaluating these lines, as well as identifying more lines for the upcoming year. Root removal is an important component of the Utility's Plan 66 that targets SSO reduction.

LRW personnel completed work on 341 line segments that were in need of point repairs as well as relocated or replaced 19,497 ft of sewer line.

18,200 ft of sewer line was rehabilitated under a maintenance contract for pipe bursting and cured-in-place-pipe (CIPP).

In 2006, the Cleaning & Inspection Department Televised 754,735 ft, Hand Cleaned 801,493 ft, Hydro Cleaned 2,526,204 ft, and Line Walked 9,407,648 ft of sewer lines.

## **IX. 2006 CAPACITY RELATED SANITARY SEWER OVERFLOWS**

**A. 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.

**B. Capacity Related SSOs in 2006:** There were 154 capacity related SSOs reported in 2006 at 68 locations, shown on Attachment "M." There were only three (3) qualifying rain events recorded in 2006, and they occurred on April 21, 2006, April 29, 2006, and November 15, 2006. Of the 154 capacity related overflows occurring in 2006, 80 overflows resulted from the three (3) qualifying storm events.

**C. Compliance Assessment:** The System Evaluation and Capacity Assurance Plan ("SECAP") is a long-term capital improvement program to eliminate collection system discharges that occur during heavy rains and was a cornerstone of the Sierra Club Settlement. The SECAP was finalized in March of 2002. A rate increase to fund SECAP projects and increases in operating expenses to the year 2007 was approved later that year, and went into full effect in June of 2003. The rate increase enabled the Utility to issue over \$37,000,000 in debt to fund SECAP projects. It was determined that the Utility would require an additional 35% rate increase over a four-year period to fund the required improvements. The rate increase was structured with a 15% increase on January 1, 2007, an 8% increase on July 1, 2007, a 3% increase on January 1, 2008, 4% on January 1, 2009, and 5% on January 1, 2010. The status of funded SECAP projects and important future projects (excluding the Peak Flow Attenuation Facilities previously discussed in Paragraph V, are summarized below.

1. **Adams Field Wastewater Treatment Plant**

**Improvements:** These improvements have increased the hydraulic capacity of the Adams Field Treatment Plant by 24 million gallons per day, and have significantly reduced the amount of diluted wastewater discharged during heavy rains. The improvements consist of new influent screens and bar rack, increase in raw sewage pumping capacity, new primary influent flow splitter box, removal of existing aerated grit removal system, modification of primary clarifiers, new primary effluent junction box and 14.8 MG equalization basin, new primary scum handling system, modifications to the primary sludge pumping system, new sludge degritting system, new preliminary treatment building, improvements to the instrumentation for the existing aeration system, odor control system for the existing screening facility and new preliminary treatment building, modifications to the chlorine contact basin to allow for the installation of an outfall simulator among other minor charges, and modifications to the plant's non-potable water system. LRW's Rick Barger has acted as the resident engineer on this project. He reported that all of the process systems are operational, and that this project will be substantially completed by February 15, 2007. Further details of construction of the improvements are available in his report dated January 10, 2007.

2. **Coleman Creek Collector Improvements:**

Capacity improvements to eliminate overflows in the Coleman Creek area was one of several projects funded through a \$14,000,000 debt issue finalized in early 2004. The construction work for the last scheduled improvement project in the Coleman Creek area was performed by Diamond Construction Company, who finished the work on August 10, 2006, in the amount of \$3,763,983.63

3. **Sanitary Sewer Evaluation Surveys for Future Work:** A critical phase of the design of rehabilitation work targeting the removal of infiltration and inflow from the collection system is the Sanitary Sewer Evaluation Study ("SSES"). In 2006, LRW renewed its contract with RJN to complete a SSES in the Alsop, Barton North, Barton South, and Country Club drainage basins. The study is scheduled to be completed in February 2007, and the information contained in the report will be the basis for the design work scheduled in 2007. Near the end of 2006, LRW again renewed our contract with RJN to begin a SSES in the Leawood, Pleasant Valley, and Echo Valley basins.
4. **RLF VIII:** LRW is seeking to fund \$18,000,000 of rehabilitation projects in the next three years. LRW is working closely with Arkansas Natural Resources on obtaining a loan through the revolving loan fund (RLF). The utility has completed all of the preliminary steps to obtain financing and we are now in the bonding phase of the loan procurement process. The loan is on schedule to close in August 2007.
5. **Natural Resources Overflow Mitigation Project ("OMP"):** In 2006, LRW completed the design of Natural Resources OMP. The project was bid on September 6, 2006. Heller Company was awarded the contract with a low bid of \$909,341. The Natural Resources project is currently in construction with an estimated completion of April 25, 2007.
6. **Hinson OMP:** The Hinson OMP is divided into two separate projects. The Hinson Rehabilitation will address the areas in the Hinson basin that need to be rehabilitated, while the Hinson Outfall Relay will improve the hydraulic capacity of one of the main lines in the Hinson basin. The design of the Hinson Rehabilitation project was completed and approved by Arkansas Natural

Resources Commission. The Hinson Outfall Relay design is completed, but approval has not been granted. We expect to begin construction on Hinson Rehabilitation and Hinson Outfall Relay immediately following the close of our new loan through the RLF program of the Arkansas Natural Resources.

7. **Jimmerson Creek OMP:** LRW is currently in the design of the Jimmerson Creek OMP, and should be able to start construction by the end of 2007. This project will address some of the older areas in our system, including the City of Cammack Village.
8. **Allsop, Barton, and Country Club:** LRW is awaiting delivery of the Sanitary Sewer Evaluation Study ("SSES") for Allsop, Barton, and Country Club. The delivery date is estimated to be mid-February, and we will begin the design of all three projects at that time.
9. **Proposed Little Maumelle River Basin Wastewater Treatment Plant:** By written reports dated February 14, 2006, Camp, Dresser, and McKee, Inc. ("CDM") Engineers finalized its Technical Memorandum 1 and 2 for the treatment process and outfall review and evaluation for the proposed plant. In its May meeting, the Little Rock Sanitary Sewer Committee unanimously voted to adopt Technical Memorandums 1 and 2.

By written report dated December 12, 2006, CDM finalized its Technical Memorandum 4 to the LRW staff. The memorandum provided the following components:

- Hydraulic evaluation of modifications to the Little Maumelle Pump Station
- Conveyance of influent from the Little Maumelle Pump Station at the Little Maumelle Wastewater Treatment Facility



- Conveyance of effluent from the Little Maumelle Wastewater Treatment Facility to the Arkansas River
- Conveyance of Waste Activated Sludge from the Little Maumelle Wastewater Treatment Facility to the Rebsamen Interceptor

LRW staff reviewed this document and authorized CDM to continue design based on their recommendations presented in Technical Memorandum 4.

**10. Additional Projects Not Covered By SECAP:**

In addition to the progress made on SECAP projects, LRW spent approximately \$2,500,000.00 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.

**X. UNIVERSITY OF ARKANSAS AT LITTLE ROCK ("UALR") TASK FORCE MERGER STUDY**

During the years 2004 - 2006, a UALR Wastewater Task Force conducted a merger study of both the North Little Rock ("NLR") Wastewater Utility and the LRW. This task force was requested to do this study by the Mayors of both Little Rock ("LR") and NLR, as well as the Sewer Committees for both cities.

The UALR Task Force was asked to assist the cities and their respective wastewater utilities in analyzing the potential for collaboration between the two utilities, including a consideration of whether merging the two utilities would allow for a continued quality of service to wastewater customers and at the same time enhance economic growth in the central Arkansas region. The Chancellor accepted the request and established the Wastewater Study Task Force to conduct the study and report to the Chancellor, the Mayors, and the Sewer Committee Chairs.

The Task Force consisted of (1) Charles W. Goldner, Jr., Chair, Dean and Professor of Law, William H. Bowen

School of Law; (2) Dr. JoAnne L. Matson, Professor, Department of Rhetoric and Writing; (3) Dr. Ronald J. Swager, Senior Research Professor, Institute for Economic Advancement; (4) Dr. Jamie M. Byrne, Associate Professor and Director, School of Mass Communication; (5) Dr. Forrest E. Payne, Instructor, Department of Biology; and, (6) Dr. Wendi J. W. Williams, Assistant Professor, Department of Earth Science.

On August 29, 2006, the Task Force released a written report consisting of seventy-five (75) pages and six (6) appendices, which recommended against a merger. This report contains a comprehensive discussion of pertinent issues, together with conclusions and recommendations, the first of which being as follows:

"1. The customers of each wastewater utility are well served by a well-managed and effective utility."

## **X. CONCLUSION**

LRSSC and LRW made heroic efforts in 2006 in accomplishing the selection of the LMTP treatment process, adoption of the necessary financing resolutions for the planned 2007 bond issues, adoption of the necessary sewer rate ordinance and the acquisition of the property for the Fourche Creek Peak Flow Attenuation Basin, as well as the CUP approval of this project, not to mention all of the many other achievements set forth in the report. Indeed, this past year has been one of the most controversial and demanding years in the past few decades for LRW. The issues resolved last year certainly provide both LRSSC and LRW a solid basis to continue to achieve the goals necessary to complete the many projects planned for the future and to fulfill the necessary legal obligations as well as to protect water quality affected by the operations.