

LITTLE ROCK WATER RECLAMATION COMMISSION
Minutes of the Meeting Held
October 19th, 2022

The Little Rock Water Reclamation Commission ("LRWRC") met at 4:00 p.m., Wednesday, October 19th, in the Board Room of Little Rock Water Reclamation Authority and via livestream.

Little Rock Water Reclamation Commission

Ganelle McBryde, Chair
Schawnee Hightower, Vice Chair
Debbie Shock, Secretary
Chris Marsh, Commissioner
Richard Mays, Jr., Commissioner
Jonathan Semans, Commissioner
Lauren Waldrip, Commissioner
Director Lance Hines, Ex Officio Member

Little Rock Water Reclamation Authority Personnel

Greg Ramon, Chief Executive Officer
Howell Anderson, P.E., Chief Operating Officer
Jean Block, Chief Legal Officer
Michael Rhoda, Chief Financial Officer
Walter Collins, P.E., Director of Operations & Facilities
John Holloway, P.E., Director of Engineering Services
Rebecca Burkman, Director of Environmental Affairs
Harold Hounwanou, P.E., Director of Collection System Maintenance

Attendees included: Commissioners Ganelle McBryde, Schawnee Hightower, and Jonathan Semans appeared in-person. Commissioners Marsh and Waldrip appeared via livestream. Commissioner Mays, Shock, and Director Hines were absent. Senior Staff Members: Greg Ramon, Jean Block, Howell Anderson, Michael Rhoda, Walter Collins, John Holloway, Rebecca Burkman, and Harold Hounwanou.

Chair McBryde brought the meeting to order and called for Mr. Anderson to lead the Pledge of Allegiance.

Chair McBryde then asked Michael Kline, Environmental, Security, and Risk Supervisor, to introduce Mr. Clark Thomas with the Department of Labor and Licensing. Mr. Thomas presented a Safety Award recognizing the utility for completing one million work hours without a lost time injury.

Chair McBryde recognized Quentin Nelson, Project Engineer - Collection System, to present a 25-year service award to Ava Nitschke.

Chair McBryde then asked the Commissioners if they had reviewed the minutes of the September 21st meeting. Being that there were no revisions, Chair McBryde asked if there were any objections to approving the minutes. Hearing none, the minutes were approved.

Mr. Michael Rhoda, Chief Financial Officer, presented the 2023 LRWRA Operating and Capital Budget. 2023 revenues are budgeted at \$67.1M, and will yield a budgeted cash surplus of \$4.6 million, after operating and maintenance expenses, capital investments and debt service expenditures. There are no rate increase included in the 2023 budget. He noted that Contract Services will be the largest single increase year-over-year at 18.1%. The presentation also covered a review of the financial impact of 2022 and 2023 capital improvement projects associated with the Consent Administrative Order and Asset Renewal. Following the presentation, Mr. Rhoda informed the Commission that approval of the proposed 2023 budget would occur at the November meeting. Mr. Ramon thanked Commissioner Semans for serving on the budget-subcommittee.

Amber Yates, Procurement Administrator, presented a purchasing authorization for the roof replacement of two buildings at the Fourche Creek WRF. She explained LRWRA budgets for and rotates utility roof replacements on an annual basis, and that a utility-wide roof assessment was completed in 2016, and that the Fourche Creek Engine & Generator Building and the Fourche Creek Maintenance Building were identified as needing to be replaced this year. Both buildings had original 1983 gravel surfaced built-up roofs that have both experienced wear and tear over time and have exceeded their lifespan.

Staff requested the Commission to approve the purchase authorization for the Fourche Creek roof replacement projects in the amount of \$237,720 and to authorize CEO Greg Ramon to enter a contract with Ketcher & Company, Inc.

Chair McBryde requested a motion to approve. A motion was made, seconded, and approved unanimously.

Ms. Yates then presented a contract renewal for chemicals. She gave a brief overview on the use of Chlorine (CL2) and Sulfur Dioxide (SO2) in the disinfection process at the Fourche Creek WRF prior to effluent discharge into the Arkansas River. She stated the Commission had awarded the original contract for these chemicals with DPC Industries in December 2021, and this is the first option for renewal.

Staff requested for the Commission to approve the contract renewal for chemicals for a total of \$172,980 during the 2023 fiscal year with DPC Industries, Inc., and to authorize subsequent contract renewals to be approved and signed at the discretion of the CEO

Greg Ramon if the renewal is within the best interest of the Utility and follows Resolution 2016-16 regarding change order procedures.

Chair McBryde requested a motion to approve. A motion was made, seconded, and approved unanimously.

Finally, Ms. Yates presented a contract renewal for sludge thickening polymer. She gave a brief overview of the use of the polymer and the bidding process. Staff requested the Commission to approve the contract renewal for polymer for a total of \$342,056 during the 2023 fiscal year with Polydyne, Inc. and to authorize subsequent contract renewals to be approved and signed at the discretion of CEO Greg Ramon if the renewal is within the best interest of the Utility and follows Resolution 2016-16 in regard to change order procedures.

Chair McBryde requested a motion to approve. A motion was made, seconded, and approved unanimously.

Mr. Rhoda gave a presentation on potential Arkansas Natural Resource Division refinancing. He stated the likely refinancing plan would be a bond swap whereby approximately \$229.0 million of revolving loan funds issued from 2013-2020 are rolled into one new bond issued in 2024. The new bond would mature in 2053 with interest rate of roughly 2.25%. Annual debt payments from 2024-2039 would be reduced by an average of \$1.4 million annually with weighted average interest rate of original bonds is approx. 2.6%. LRWRA would save \$1.7 million over the term of the new loan. The utility would seek Commission and City Board approval in 2023.

Mr. Rhoda then presented a summary of the September Financial Report. He explained for September that total revenue of \$5.8 million exceeded budget by \$553,000 (10.6%), and that year-to-date revenues of \$49 million are \$2.8 million over budget (5.9%). Operating expenses of \$2.7 million were less than budget by \$156k (5.0%) with Salaries under budget by \$42,000 (.2%), Supplies under budget by \$13,000 (5.4%), and Contract Services under budget by \$63,000 (10.1%).

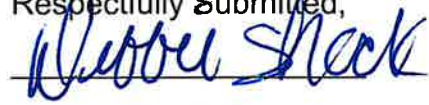
Jean Block, Chief Legal Officer, then gave the Legal Update. She highlighted: status of ongoing litigation; work on contracts, garnishments, H.R. projects, and budget items.

Greg Ramon, Chief Executive Officer, delivered the monthly highlights that included: Carver Community Walkathon, Flu and Covid Booster Clinic, Camp Aldergate, Music in the Park, 40 in their 40s, Breast Cancer Awareness Month, and an Advertisement to Bid for the Annual Cured-in-place Pipe Contract.

Chair McBryde called for other business and there was none.

Chair McBryde stated the next LRWRC meeting would be November 16th, 2022. She then asked if there were any objections to adjourning the meeting. Hearing none, the meeting was adjourned.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Debbie Shock". The signature is written in a cursive style with a horizontal line underneath the name.

Debbie Shock, Secretary