

Lower Cape Fear Water & Sewer Authority  
Regular Board Meeting Minutes

August 8, 2016

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Chairman Saffo called to order the Authority Meeting scheduled on August 8, 2016 at 9:00 a.m. and welcomed everyone present. The meeting was held at the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina. Director Milliken gave the invocation.

**Present:** Earl Andrews, Norwood Blanchard, Trent Burroughs, Larry Johnson, Demetrice Keith, Wayne Edge, Al Leonard, William Milliken, Scott Phillips, Charlie Rivenbark, Bill Saffo, Larry Sneed and William Sue

**Present Electronically by Telephone:** Skip Watkins

**Absent:** None

**Staff:** Don Betz, Executive Director; John Wessell, General Counsel; Tony Boahn P. E., McKim & Creed and Amy Scruggs, Administrative Assistant

**Guest:** Jerry Pierce, Brunswick County Public Utilities Director and Heidi Cox, NC DENR Assistant Regional Engineering Supervisor, Public Water Supply Section Division of Water Resources

**PLEDGE OF ALLEGIANCE:** Chairman Saffo led the Pledge of Allegiance.

**ADMINISTER OATH OF OFFICE TO: Charles H. Rivenbark, Jr., City of Wilmington Representative (Chairman Saffo)**

Chairman Saffo administered the Oath of Office to Mr. Rivenbark who was newly appointed by the City of Wilmington as one of their two representatives on the Authority's Board of Directors. Mr. Rivenbark was welcomed by members and staff.

**APPROVAL OF CONSENT AGENDA**

**C1 - Minutes of Regular Board Meeting July 11, 2016**

**C2 - Kings Bluff Monthly Operations and Maintenance Report**

**C3 - Bladen Bluffs Monthly Operations and Maintenance Report**

**Motion:** Director Sneed **MOVED**; seconded by Director Edge, approval of the Consent Agenda Items as presented. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

**OLD BUSINESS**

**OB1 - Status Report on Sink Hole and Crack in Electrical Building Wall at Kings Bluff Raw Water Pump Station (Tony Boahn)**

Executive Director Betz reported Brunswick County has been on site at the station preparing a scope of work for repair. Additionally Mr. Pierce and Mr. Boahn have communicated regarding Brunswick County's findings. According to Mr. Pierce, four contractors were invited to submit proposals for repair of these issues. Three contractors responded. The lowest quote for repair of all issues, including additionally identified sink holes and building repairs related to past construction, came from State Utilities in the amount of \$91,000.00. Supplementary engineering and testing is recommended, bringing the total estimated cost to \$100,000.00. Currently, Mr. Pierce is reviewing the scope of work ensuring all work is necessary and is reasonably priced. He plans to submit a recommendation to Executive Director Betz next week. Executive Director Betz commented that an engineer assigned by the Authority's insurance carrier also inspected the site; however, it has not yet been determined if the repair cost is covered by insurance. Once all the information is received and reviewed, Executive Director Betz will make a full report to the board at the September board meeting.

**EXECUTIVE DIRECTOR REPORT**

**EDR1 - Customers' Water Usage Report for End of Fiscal Year 2015 -2016 (Ending June 30, 2016)**

Executive Director Betz explained that the annual budget is prepared by using forecasted water usage provided by the Authority's three largest customers and by historical use of its smaller customers. In fiscal year 2015-2016, (FY15/16) the actual usage was 1.1 million gallons over the forecasted usage equating to a revenue surplus of

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\$125,654.28. He noted water usage in FY 15/16 was very good; however, it wasn't as high as it has been in the past. Previous usage was around 25 million gallons per day (MGD); however, during the last three to four years usage has been tracking slightly less. The annual peak high is usually around 41 MGD. In this new fiscal year, customers' July water use was very good but less than last July. Water use to date in August is relatively soft. In response to a question by Director Sneed, Mr. Pierce explained the impact of conservation measures and irrigation of lawns on water usage in Brunswick County.

**EDR2 - Parallel Raw Water Transmission Main - Next Steps and Timeline Meeting, August 4, 2016**

Executive Director Betz reported the Utility Advisory Committee (UAC), comprised of representatives from Cape Fear Public Utility Authority, Brunswick County, Pender County and the Authority, met on August 4th. At the meeting, the committee discussed indicators which would prompt the start date of the design and construction schedule for the transmission main. Mr. Pierce shared that Brunswick County received communication from Brunswick Regional Water & Sewer H2GO (H2GO) confirming their plan to build a 4 million gallon reverse osmosis plant with the design phase beginning this month and bidding and award to occur in August, 2017. H2GO would solely use the plant to service its customers and would therefore no longer obtain approximately 2 MGD from Brunswick County. The construction of H2GO's plant is an indicator which could extend the start date for the transmission main. Agreements, between the UAC partners, need to be in place in order to build the transmission main at the appropriately identified time; therefore, the current thought is to move forward with preparation of these agreements. The UAC also discussed a couple of additional elements. One is a list of items on which the UAC partners agree. This list will be prepared by Mr. Pierce. The second is the level of participation by Pender County. Michael Mack, Pender County Utilities Director, reaffirmed to the Committee that Pender County cannot participate in the project with the understanding that Pender County would therefore not secure any capacity in the water main. Executive Director Betz suggested a recess of the regular board meeting in order for the Finance Committee to briefly meet regarding topics discussed at the UAC meeting and the Authority's level of participation in the project. He also suggested the Finance Committee meet at 8:00 a.m. on September 12, 2016, prior to the regular board meeting, in preparation for a full board discussion at the regular meeting.

**EDR3 - Duke Energy Curtailment Event, July 26, 2016**

On July 26<sup>th</sup> the Authority participated in an additional Duke Energy curtailment event. For July, the Kings Bluff Raw Water Pump Station's energy bill was \$78,000; however, with a curtailment credit of \$24,000.00 the final expense was \$54,000.00.

**EDR4 – Audit for Fiscal Year 2015-2016**

Executive Director Betz reported that Jennifer Clewis, a new member of the audit firm, began the preliminary audit work last month and will return on August 11<sup>th</sup> to continue the process.

**DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS**

None

**PUBLIC COMMENT**

None

**RECESS**

The Chairman recessed the meeting at 9:33 a.m. for a brief Finance Committee meeting. Upon adjournment of the Finance Committee meeting, the regular board meeting was called back to order at 10:00 a.m.

**ADJOURNMENT**

There being no further business, Vice Chairman Blanchard adjourned the meeting at 10:02 a.m.

Respectfully Submitted:

  
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Larry Sneed, Secretary