

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

July 10, 2017

Chairman Blanchard called to order the Authority Meeting scheduled on July 10, 2017 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 Leonard gave the invocation.

Present: Norwood Blanchard, Wayne Edge, Larry Johnson, Al Leonard, William Milliken, Phil Norris, Charlie Rivenbark, Bill Saffo, Larry Sneed, William Sue, and Frank Williams

Present Electronically by Telephone: Trent Burroughs, Jackie Newton and 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: None

PLEDGE OF ALLEGIANCE: Chairman Blanchard led the Pledge of Allegiance.

ADMINISTER OATH OF OFFICE TO: Phil Norris, Brunswick County Representative

Chairman Blanchard administered the Oath of Office to Mr. Phil Norris who was newly appointed by Brunswick County as one of their four representatives on the Authority's Board of Directors. Mr. Norris was welcomed by members and staff.

APPROVAL OF CONSENT AGENDA

C1 - Minutes of Regular Board Meeting June 12, 2017

C2 - Kings Bluff Monthly Operations and Maintenance Report

C3 - Bladen Bluffs Monthly Operations and Maintenance Report

C4 - A Resolution Honoring Earl D. Andrews

A copy of this resolution is hereby incorporated as a part of these minutes.

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

OLD BUSINESS

OB1 - Report on Pump Motor #4 Oil Leak (Tony Boahn, P.E., McKim & Creed)

Mr. Boahn recalled that on May 31st pump motor #4 was shut down due to oil leaking around the bottom of the upper bearing chamber. Upon inspection it was determined the repair could not be made on site so on June 2nd the pump was removed and transported to the General Electric (GE) repair facility. After repair, the pump was reinstalled and tested on June 16th. The pump is working well with no issues. The GE Inspection Report mentions, the overflow sight glass could have been filled too high which could potentially create back pressure causing the leak; however, there still is no definitive response from GE as to the cause of the leak. GE rebuilt the pump's oil cooling system and with their no-load testing to monitor vibration spectrum levels, record bearing temperatures, and check for presence of leaks; none were found. The Kings Bluff Pump Station pumps were purchased at the same time and pump #4 has been the most problematic specifically with running a high bearing temperature. This is the second repair GE has made to the pump and since this repair; the motor is now operating about 40 degrees lower and slightly lower than the other pumps.

OB2 - Status Report on the May 18, 2017 SmartBall Transmission Main Inspection (Tony Boahn, P.E., McKim & Creed)

Mr. Boahn reported Pure Technologies has completed the data analysis and are in process of preparing the draft report which should be completed by July 17th. At last month's meeting it was reported that a leak was identified close to the ground storage tank possibly on the pipeline; however, the data has precisely located the leak on the pipeline that branches from a tee off the mainline that serves the tank. There is a manual gate valve on the branch line and it is surmised that the valve isn't seating properly thus creating this small signature leak. If this information holds to be true, Mr. Boahn recommends that a contractor be hired to excavate the location for visual inspection.

NEW BUSINESS

NB1 - Resolution Requesting the Chemours Company To Halt Processes Which Result in The Discharge of The GenX Chemical Into The Cape Fear River

Executive Director Betz noted that the presented resolution was sent to the Authority by the Chairman of Cape Fear Public Utility Authority. He explained that most of the government bodies in this area have already adopted this or a similar resolution; however, because the Authority's Board Meetings follows behind many of the counties' and city's meetings, it is currently being presented for approval by the Authority's Board. As part of the regional effort concerning GenX, it is important for the Authority to go on record in accord with these other agencies. Executive Director Betz explained that at the Bladen Bluffs Regional Surface Water System (BBRSWS) Mr. Robert "Buddy" Harris, Environmental Manager for Smithfield Farmland Company, oversees the operation and maintenance and from September, 2015 to April, 2017 he has been accumulating \$12,500.00 per month for the scheduled replacement of the granular activated carbon used at the plant for water treatment. During this week the existing 300 carbon is being removed from the filters and will be replaced with 400 carbon recommended by the vendor. Once the Cape Fear River testing results are in, that information can be provided to the vendor to determine the effectiveness of the 400 carbon as compared with the test results. Mr. Boahn noted that the 400 carbon is a higher level of treatment but whether or not it removes 100% of GenX is to be determined. When the plant was built, the state monitored for mercury in the river and the 300 carbon met that need. Additionally, Mr. Harris is meeting with his senior management regarding their approach to GenX and to seek public information for the company and not just depend on media information. Executive Director Betz stated that Smithfield is responsible for the operation and maintenance of the plant and copies of the Water Supply Agreement and Operation and Maintenance Agreement will be provided to the Directors. The Authority holds the operating permits for BBRSWS and maintains a file of state notifications concerning the plant including Notices of Violation to the North Carolina Water Act and Rules Governing Public Water Systems.

Motion: Director Williams **MOVED**; seconded by Director Milliken, approval of the *Resolution Requesting the Chemours Company To Halt Processes Which Result in The Discharge of The GenX Chemical Into The Cape Fear River*, as presented. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

EXECUTIVE DIRECTOR REPORT

EDR1 - Customers' Water Usage Report for End of Fiscal Year 2016-2017 (Ending June 30, 2017)

The Authority's raw water revenue has significantly recovered from the major decline in October and November which was due to repair of the broken transmission main caused by Hurricane Matthew. For the fiscal year ended June 30th, Brunswick County exceeded its budget by well over \$100,000.00. CFPUA utilize the Authority as its sole water supply for a major portion of the year and also exceeded its budget. Pender County was right on target with its budget. Due to the regional cooperation, the Authority finished the year in a very financially stable position.

EDR2 - Status Report on FEMA Application and Budget Amendment #1

Executive Director Betz recalled that on May 16, 2017 FEMA representatives met with Authority representatives along with Jim Flechtner, CFPUA Executive Director, and Chance Lambeth of Congressman David Rouzer. At that meeting it was confirmed, the Authority's FEMA application would be approved as submitted in the amount of \$2,571,934.94. Executive Director Betz reported that notification from Charles Edwards, NC Emergency Management Public Assistance Grants Manager Supervisor, was recently received informing him the check was issued on July 5th for \$2,186,144.71 which is approximately 85% of the requested total. FEMA will issue a check for the remaining 15% upon receipt of documentation from the Authority verifying that all costs have been paid in full. Executive Director Betz informed Jim Flechtner and John Nichols, Brunswick County Public Utilities Director. Approval of Budget Amendment #1 in the amount of \$317,149.73 allows for the transfer of funds from the Enterprise Fund to the Operating Fund to provide revenue for full payment to Brunswick County and Cape Fear Public Utility so that payment verification may be provided to FEMA. By next month's meeting the Authority should be in receipt of the second FEMA check so that the \$317,149.73 can be transferred back to the Enterprise Fund. Also at the May 16th meeting the Authority was informed that its Hazard Mitigation Grant request for SmartBall inspection would not be approved due to the great demand for residential hazard mitigation. Mr. Nichols has requested an itemized list from the Authority of what is not covered for consideration of payment through the Goldenleaf Foundation. The total is \$226,000.00 to cover the cost for the SmartBall inspection and associated engineering costs plus the cost of disaster recovery services with DSI, LLC.

Motion: Director Rivenbark **MOVED**; seconded by Director Sue, approval of Budget Amendment #1, as presented. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

Director Milliken

In discussion concerning presentation of the Resolution Honoring Earl D. Andrews to his family, Director Milliken and Director Norris volunteered to make the presentation.

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Chairman Blanchard adjourned the meeting at 9:33 a.m.

Respectfully Submitted:



Wayne Edge, Secretary