

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

May 8, 2017

Chairman Blanchard called to order the Authority Meeting scheduled on May 8, 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 Milliken gave the invocation.

Present: Earl Andrews, Norwood Blanchard, Trent Burroughs, Wayne Edge, Larry Johnson, William Milliken, Jackie Newton, Charlie Rivenbark, Bill Saffo, Larry Sneed, William Sue, Skip Watkins and Frank Williams

Present Electronically by Telephone: Al Leonard

Absent: None

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

Guest: Glenn Walker, Brunswick County Water Resources Superintendent and Heidi Cox, NC DENR Assistant Regional Engineering Supervisor, Public Water Supply Section Division of Water Resources

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

APPROVAL OF CONSENT AGENDA

C1 - Minutes of Regular Board Meeting April 10, 2017

C2 - Kings Bluff Monthly Operations and Maintenance Report

C3 - Bladen Bluffs Monthly Operations and Maintenance Report

C4 - Annual Retainer Engineering Services Agreement, McKim & Creed for Fiscal Year 2017-2018 in the Amount of \$16,000.00

C5 - Annual Retainer General Counsel Services Wessell & Raney, L.L.P. for Fiscal Year 2017-2018 in the Amount of \$14,000.00

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

OLD BUSINESS

OB1 - Kings Bluff Raw Water Transmission Main SmartBall Re-inspection and Purchase of Spare Parts

a) **SmartBall Re-inspection - Purchase Order 2017-0508 to Atlantic Construction**

Mr. Boahn updated the Board on the SmartBall inspection. The SmartBall was lost during the initial inspection on April 5th; therefore, Pure Technologies revised the inspection plan. The revised plan inserts the ball at the Pig Launcher and requires excavation of the pipe at no more than three locations for access to attach sensors directly on the pipe. Sensors will also be placed on aerial locations where the pipe is on piers. Additionally, a tethered, remote operating vehicle will be inserted for a short distance prior to the insertion of the ball to verify signal reception. With the initial inspection attempt, the ball was inserted at the pump station with the sensors attached to the air release valves. The valves were possibly too far from the pipe to detect a signal. On May 9th, a meeting will be held at the pump station with Pure Technologies to discuss and address questions about the revised plan. The actual inspection is expected to take place the week of May 15th. It is anticipated the pumps will be shut down for a brief time during the inspection. The presented purchase order to Atlantic Construction & Development in the amount of \$2,700.00 is for excavation of the pipe in three locations for direct attachment of the sensors. This payment will be made from the pump station's operation and maintenance (O&M) budget.

b) **Purchase of Spare Parts for Kings Bluff Raw Water Pump Station - Budget Amendment #4 and Purchase Order 2017-0509 to Brunswick County Public Utilities**

Executive Director Betz reported that in an effort to have spare parts on hand in the event of a pipe failure, Mr. Walker contacted suppliers to acquire parts with long lead time. The presented purchase order, in the

amount of \$29,105.16, is to Brunswick County Public Utilities as the O&M contractor and is for the purchase of permanent parts, including sleeves and adapters, for insertion and connection of new pipe to old pipe. The associated Budget Amendment provides for payment from the pump station's O&M budget upon transfer of funds.

Executive Director presented an additional purchase order for approval. Purchase Order 2017-0510 in the amount of \$25,714.00 is to Brunswick County Public Utilities for the purchase of a four foot long, temporary repair clamp designed to span across a pipe joint of the existing PCCP 48-inch main in the event of a leak. The clamp is reusable and will take approximately ten weeks for fabrication. Mr. Boahn noted the clamp is not 100% guaranteed to work in all situations; however, it is a good tool to have in the toolbox in case a joint failure leak occurs. The clamp is a temporary measure that would eliminate or minimize the extreme flooding that occurs from a large leak. With the elimination or minimization of flooding, the permanent repair can be implemented with a reduction in time and material. In the event of a joint leak, the water main would be shut down; the area dewatered; the clamped installed to temporarily stop the leak and then the line would be put back in service. Prepping for repair could then move forward along with installation of the bypass line and excavation around the leak so the actual repair could be made.

Motion: Director Watkins **MOVED**; seconded by Director Edge, approval of Purchase Order 2017-0508 to Atlantic Construction & Development in the amount of \$2,700.00; approval of Budget Amendment #4 and Purchase Order 2017-0509 to Brunswick County Public Utilities in the amount of \$29,105.16 and Purchase Order 2017-0510 to Brunswick County Public Utilities in the amount of \$25,714.00. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

OB2 - Status Report on Selection of the Consulting Engineer Firm for Design of the Kings Bluff Raw Water Parallel Transmission Main Project

Executive Director Betz recalled that per the Interlocal Agreement between Cape Fear Public Utility Authority (CFPUA), Brunswick County and the Authority, CFPUA is the manager of the Kings Bluff Raw Water Parallel Transmission Main Project. He reported that in response to a Request for Qualifications for professional engineering service for design of the project, three firms responded by the deadline including Black and Veatch, HDR, Inc. and McKim & Creed. After a review and discussion of each firm's qualifications the selection committee, comprised of representatives from the Interlocal Agreement partnership, reached a consensus in the selection of McKim & Creed. McKim & Creed is currently developing a scope of work and contract for the project which will be presented for review at next month's board meeting. The following project design schedule should culminate with the award of a construction contract in the first part of 2019. The project completion date will be in 2022.

- Brunswick County Review June 5, 2017
- LCFWASA Board Review June 12, 2017
- CFPUA Board Approval June 14, 2017
- Notice to Proceed June 30, 2017
- Basis of Design Memorandum August 31, 2017
- 30% Design Submittal December 15, 2017
- 60% Design Submittal April 13, 2018
- 90% Design Submittal August 31, 2018
- Final Contract Documents and Permits October 12, 2018

Mr. Boahn noted the contract will be between McKim & Creed and CFPUA as manager of the project. Director Williams questioned if there is any practical difference if the contract is with CFPUA or the Authority. Mr. Wessell stated the Interlocal Agreement envisions the three partners working together throughout the whole process and that having contracts with two parties can become cumbersome for project management. Mr. Wessell will review the agreement for clarification and will inform Executive Director Betz.

In response to a question by Director Sue, Director Newton responded that Pender has not yet made a decision concerning their participation in the project. She noted there is concern about their Interbasin Transfer (IBT) request. Executive Director explained that the IBT Administrative Appeal, in which the Authority is a party, will not be heard until September 13th and it is possible Pender County may not have a decision from the State concerning their IBT request until a decision is rendered for this appeal.

OB3 - Finance Committee Comments and Review of Recommended Budget for Fiscal Year 2017-2018 (Chairman Sneed)

Chairman Sneed reported the Finance Committee met and reviewed the draft budget which is approximately 4.3 million dollars. As requested by Chairman Sneed, Executive Director Betz provided an overview of the draft budget which includes a slight increase in water demand. This increase will help offset similar increase in expenditures. As noted, the Authority is engaged in the Interlocal Agreement with Brunswick County and CFPUA for design of the Parallel Transmission Main Project. The Authority is contributing use of its 75 foot right-of-way, while the other two partners will fund the cost in their respective budgets. The two partners will own equal sections of the pipeline during the period of debt obligation and the Authority will continue the operation and maintenance of the Kings Bluff raw water system. The water rate is being maintained at the current rate of \$0.2717 per 1,000 gallons which will pay for the \$1,025,534.00 in debt service payable in 2017-2018. Executive Director Betz provided a summary of each fund's purpose and financial position along with a review of the Budget Ordinance. Executive Director Betz noted that next month's recommended budget will include revenue and expenditures associated with repair of the broken transmission main due to Hurricane Matthew. In recent communications with FEMA representatives, it seems the Authority's Request for Public Assistance application is still in the initial phase of processing. Executive Director Betz has indicated to Charles Edwards, NC Emergency Management Public Assistant Grants Manager Supervisor that a delegation of the Authority's Board may need to meet with those who have the capability to move the application along.

The final recommended budget will be presented to the Board for adoption at the June 12, 2017 meeting. A legal notice will be published on May 10, 2017 and the Public Hearing on the recommended budget will be held during the regularly scheduled monthly meeting of the Authority at 9:00 a.m. on Monday, June 12, 2017

NEW BUSINESS

NB1 - Closed Session in Accordance with N.C.G.S. Sec.143-318.11(a) (6) to Consider Executive Director's Annual Evaluation (Chairman Watkins)

Motion: Director Burroughs MOVED; seconded by Director Newton, to go into closed session in accordance with North Carolina General Statute Section 143-318.11(a)(6) to discuss personnel issues. Upon vote, the **MOTION CARRIED UNANIMOUSLY.**

At 9:48 a.m. the board went into closed session. At 9:55 a.m. the board returned to open session.

EXECUTIVE DIRECTOR REPORT

EDR1 - Monthly Water Chart

Executive Director Betz reviewed the monthly comparison of actual revenue to projected revenue as of April 30th. Revenue is recovering from the major decline in October and November which was due to the repair of the broken transmission main. Revenue has increased over projected revenue during March and April and there are two months remaining in this fiscal year to make up the decline. Currently, Brunswick County is over its annual projection by \$100,000.00 and CFPUA is down by \$50,000.00.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

None

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Chairman Blanchard adjourned the meeting at 9:57 a.m.

Respectfully Submitted:



Wayne Edge, Secretary