

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

September 10, 2018

Chairman Sneed called to order the Authority meeting scheduled on September 10, 2018 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, Trent Burroughs, Larry Johnson, Al Leonard, William Milliken, Jackie Newton, Phil Norris, Larry Sneed, William Sue and Frank Williams

Present Electronically by Telephone: Wayne Edge, Charlie Rivenbark, Bill Saffo 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: Thad Hill, Brunswick County Public Utilities Water Resources Superintendent

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

APPROVAL OF CONSENT AGENDA

C1 - Minutes of Regular Board Meeting August 13, 2018

C2 - Kings Bluff Monthly Operations and Maintenance Report

C3 - Bladen Bluffs Monthly Operations and Maintenance Report

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

OLD BUSINESS

OB1- Status Update on Intermediate Booster Pump Station Structure Improvements (Tony Boahn, P.E., McKim & Creed)

At last month's meeting Mr. Boahn reported that the intermediate booster pump station building would have a six to eight months delivery timeframe and due to a potential tariff increase on steel in September there was also discussion about pre-purchasing the building if a significant savings could be realized. Mr. Boahn reported that McKim & Creed spoke again with the supplier, who after having a better understanding of the simplicity of the building estimates the delivery timeframe to be eight to ten weeks. It was also determined that the current pricing is already reflective of the tariff; therefore, there is no benefit in pre-purchasing. It is McKim & Creed's recommendation to stay the course with the traditional design, bid, build process. With the next step in that process, McKim & Creed will seek prices in October for presentation to the Board in November in order to issue a purchase order in December. With this schedule the building should be in place and finished before the peak season in 2019. Because the project will be less than \$500,000.00 Mr. Boahn said the informal bid process will be used with McKim & Creed obtaining quotes from eight to ten contractors who are licensed for this type of project.

NEW BUSINESS

NB1- Duke Energy Demand Response Automation Curtailment Events - August 8 and 28, 2018

Executive Director Betz reported the Authority participated in two, six hours curtailment events in August. However, due to an electrical switch gear failure with the two generators, the Authority was not able to complete the full six hours for the first curtailment. The problem was able to be bypassed and IT personnel successfully ran a test of both generators after the failure. Subsequently, the second curtailment was successfully completed. This is the first time in about five years that the Authority was not able to complete the full curtailment. Glenn Walker is waiting for a report from General Electric and Lancaster Electric who installed the breakers. Executive Director Betz noted that Brunswick County Public Utility (County) as the operation and maintenance contractor for the pump station, fully understands the value of these generators especially now during hurricane season. Accordingly, last week an additional 4,000 gallons of fuel was ordered resulting in a total of 10,000 gallons of fuel on hand which

equates to a little over five days of generator power operation. The County plans to order additional parts to have on hand and have GE change out the breaker in November or December. Executive Director Betz said he is very confident in the performance of the County in monitoring the availability of the generators. In response to a question by Chairman Sneed regarding the potential of hurricane Florence making landfall in this area within the week, Executive Director Betz confirmed he was very comfortable that the generators are ready to go. In addition to Jack Hogan as the main operator, the County staffs the pump station during hurricane events. The station is equipped for overnight boarding with bunks and showers. Darnel Brooks who worked at the station with Mr. Hogan recently retired. Mr. Thadd Hill from the County stated that Mr. Brooks is being temporarily hired back through an agency so he or another staff member will also assist Mr. Hogan in the event of hurricane Florence.

NB2- Bladen Bluffs Regional Surface Water System Lightning Damage Repair

A. Budget Amendment #1

Executive Director Betz noted that due to the Labor Day weekend, Mr. Harris' weekly maintenance report came in after the board meeting agenda was distributed. His report focused on eight items with the majority of those items being complete. Mr. Harris reported lightning damage to the computer board for one of the two pumps at the pump station. The Authority informed Wells Insurance and a claim was filed and Glatfelter Claims Management who handled the claim on behalf of American Alternative Insurance Corporation. Upon repair of the damage, the Authority received the insurance proceeds less the \$5,000.00 policy deductible which will be paid by Smithfield Farmland. The presented amendment provides for unbudgeted appropriations and revenue associated with the insurance claim.

Executive Director Betz also noted that with Wells Insurance agency managing the Authority's insurance accounts for the past few years, next month Randy Reeves, the Senior Account Executive assigned to the Authority, will address the Board on the value provided by American Alternative Insurance Corporation as the Authority's current carrier. Additionally, Director Leonard submitted a name of an insurance agency which will address the Board in January in preparation of the quote process for fiscal year 2019-2020.

Chairman Sneed presented Budget Amendment #1 for consideration of approval.

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

EXECUTIVE DIRECTOR REPORT

EDR1 - Customers' Water Usage Report as of August 31, 2018

Executive Director Betz reported that with July being a rainy month, customer usage was slightly above projection. Additionally in August, overall water usage was above projection with Brunswick County being slightly lower than projection and Cape Fear Public Utility Authority (CFPUA) and Pender County being above projection. CFPUA's increase was due to work being done on their station. Executive Director Betz also noted that Pender County's use has been very strong.

EDR2 - Staff Met to Review Draft Memorandum of Understanding Regarding Raw Water Pipeline

A draft capacity memorandum of understanding was submitted from Brunswick County to Pender County which also includes CFPUA and the Authority as partners in the pipeline project. Mr. Wessell reviewed the memorandum and submitted his comments but has not yet received a response. It was tentatively scheduled for the partners to meet after today's meeting to clarify some terms in the memorandum; however, with the current hurricane readiness underway the partners can plan to meet after the Authority's October or November board meetings. The primary role of the memorandum is the option for Pender County to purchase a specified amount of water from Brunswick County at some time in the future. Executive Director Betz stated that prior to adoption; a draft will be present to this Board for approval.

In conclusion of his reports, Executive Director Betz noted that at next month's board meeting, Russell Underwood will report on the condition of the three pumps at the Kings Bluff pump station.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

Chairman Sneed

Chairman Sneed reported that Director Williams was recently elected as the Second Vice President of the North Carolina Association of County Commissioners.


PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Chairman Sneeded adjourned the meeting at 9:23 a.m.

Respectfully Submitted:



Al Milliken, Secretary