

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

July 13, 2020

Chairman Milliken called to order the Authority meeting scheduled on July 13, 2020 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 Norris gave the invocation.

Roll Call by Chairman Milliken:

Present: Norwood Blanchard, Trent Burroughs, Wayne Edge, Harry Knight, Patricia Kusek, William Milliken, Jackie Newton, Phil Norris, Charlie Rivenbark, William Sue, and Frank Williams

Present by Internet or Telephone: Al Leonard and Bill Saffo

Absent: Larry Johnson

Staff: Tim H. Holloman, Executive Director; John Wessell, General Counsel; Tony Boahn P.E., McKim & Creed, Amy Scruggs, Administrative Assistant and Patrick Flanagan, Cape Fear Council of Governments Regional Planner & Cape Fear RPO Director

Guests Present: None

PLEDGE OF ALLEGIANCE: Director Rivenbark led the Pledge of Allegiance.

APPROVAL OF CONSENT AGENDA

C1 - Minutes of Regular Board June 8, 2020

C2 - Kings Bluff Monthly Operations and Maintenance Report

C3 - Bladen Bluffs Monthly Operations and Maintenance Reports

C4 - Bladen Bluffs Weekly Report: July 1, 2020

C5- Resolution Approving Destruction of Specified Public Records for Fiscal Years of 2011-2012 Through 2017-2018 in Accordance with the Water & Sewer Authorities and Sanitary Districts Records Retention and Disposition Schedule

Motion: Director Burroughs **MOVED**; seconded by Director Kusek, approval of the Consent Agenda Items as presented. Upon roll call vote, the **MOTION CARRIED**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	x			
Trent Burroughs	x			
Wayne Edge	x			
Larry Johnson				x
Harry Knight	x			
Patricia Kusek	x			
Al Leonard	x			
Jackie Newton	x			
Phil Norris	x			
Al Milliken	x			
Charlie Rivenbark	x			
Bill Saffo	x			
Bill Sue	x			
Frank Williams	x			
	13	0	0	1

OLD BUSINESS

OB1 - To Take from the Table: June 8, 2020 New Business Agenda Regarding Property and Liability and Workman's Compensation Insurance

Executive Director Holloman reported the Authority’s current provider reviewed their initial quote and reduced it by their standard 4% annual increase amount. In comparing the North Carolina League of Municipalities’ quote and the current provider’s quote and assuming a 4% annual increase by both providers, over a five-year period there would be a total savings of \$44,764 with the League’s coverage. In requesting a quote from the North Carolina Association of County Commissioners Risk Management Group, the Executive Director was informed that the Association does not typically provide a quote when the League has provided a quote. As noted at last month’s meeting, the main difference is the Wind and Hail coverage where the current carrier offers a \$5,000 deductible and the League has a \$17, 500 deductible for a \$1,000,000 worth of damage; however, for a named storm the deductible amount would be reimbursed by 100% by FEMA.

Motion: Director Blanchard **MOVED**; seconded by Director Rivenbark, approval to switch from the Authority’s current provider of Property and Liability Insurance and Workers’ Compensation Insurance and to obtain this coverage from the North Carolina League of Municipalities. Upon roll call vote, the **MOTION CARRIED**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	x			
Trent Burroughs	x			
Wayne Edge	x			
Larry Johnson				x
Harry Knight	x			
Patricia Kusek	x			
Al Leonard	x			
Jackie Newton	x			
Phil Norris	x			
Al Milliken	x			
Charlie Rivenbark	x			
Bill Saffo	x			
Bill Sue	x			
Frank Williams	x			
	13	0	0	1

OB2 - Construction of 54-inch Parallel Transmission Main Project and Easement Matter Regarding Additional Cost for Relocation of Septic System (John Wessell, General Counsel)

Mr. Wessell recalled that at last month’s meeting the Board approved an agreement with the property owner, Mr. Alson Carroll, regarding relocation of a septic system located within the Authority’s easement in which the new main is being installed. The agreement, which was signed by Mr. Carrol, absolved the Authority from any further responsibility associated with relocating the septic system. After both parties signed the agreement it was learned that Duke Energy charges a fee of \$352.83 to relocate the electric meter which had to be moved. Mr. Carrol paid this fee and is requesting additional reimbursement for this amount. Mr. Wessell recommended it is appropriate for the Board to authorize payment of this reasonable but unexpected fee amount. Executive Director Holloman asked Duke Energy to waive the fee; however, his request was denied.

Motion: Director Norris **MOVED**; seconded by Director Newton, approval to reimburse Mr. Carrol \$352.83 for the payment he made to Duke Energy for relocation of the electric meter. Upon roll call vote, the **MOTION CARRIED**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	x			
Trent Burroughs	x			
Wayne Edge	x			
Larry Johnson				x
Harry Knight	x			
Patricia Kusek	x			
Al Leonard	x			

Jackie Newton	x			
Phil Norris	x			
Al Milliken	x			
Charlie Rivenbark	x			
Bill Saffo	x			
Bill Sue	x			
Frank Williams	x			
	13	0	0	1

NEW BUSINESS

NB1 - Resolution Accepting the Lower Cape Fear Water & Sewer Authority Kings Bluff Regional Raw Water Supply Facilities FY 2019-2020 Annual Inspection Report (Tony Boahn, P.E., McKim & Creed)

As required by the Authority’s authorizing bond order and water supply agreements with its customers, McKim & Creed conducted the annual inspection of the King Bluff Raw Water Pump Station (KGRWPB) and submitted the *Lower Cape Fear Water & Sewer Authority Kings Bluff Regional Raw Water Supply Facilities FY 2019-2020 Annual Inspection Report*. He noted that typically an inspection is performed on both the Kings Bluff and Bladen Bluffs facilities. However, due to COVID 19, Smithfield as the Bladen Bluffs Operator has established some fairly strict rules for accessing the facility; therefore, the inspection is on hold. Mr. Boahn provided a PowerPoint presentation of the Kings Bluff annual report with an overview of the system including: intake and pier, pump station, electrical building, generator facilities, the three million gallon ground tank, the booster pump station, the 24 miles of raw water main right-of-way and the new 54-inch parallel raw water main. Mr. Boahn commended Brunswick County as the Operator for a good job in the repainting of exposed metal and recommended continued monitoring of this need. Executive Director Holloman noted the possibility of combined financing for two capital projects mentioned in the report including the fourth pump scheduled for 2023 and the pier scheduled for 2024. Discussion ensued by several Directors about the condition of the pier and the need to replace it. Director Kusek questioned that with the condition of the pier and with this capital project being scheduled a couple of years out; is there any way to keep the public off the pier? Mr. Wessell suggested putting up no trespassing signs and Mr. Boahn suggested installing a gate at the access point to the pier along with signs posted at the gate and the river end of the pier. Concerning the condition of the right-of-way, Mr. Wessell commented that several issues experienced in installing the new 54-in parallel main have to do with encroachments within the Authority’s easement, and keeping it cleared would significantly reduce the likelihood of this. Having looked at the easement, he personally believes that part of this is due to the easements not being cleared as well as they should be. He noted that when compared to the cleared gas line easement there is a big difference. Even though it may be costly and may need to be added into the budget every couple of years, Mr. Wessell recommended the Board consider clearing the easements to prevent future problems. Mr. Boahn agreed with Mr. Wessell adding that with the current installation of the 54-inch parallel main, the first 14 miles of the 24-mile transmission main will be cleared in this process leaving the remaining 10 miles to be cleared. He noted that if the 10 miles are cleared, it may be worthwhile to not only locate the easements but to also locate where the pipe lays in the easements. On numerous times, with this current installment of 54-inch main, it has been found that the pipe is not in the easement and additional easement had to be purchased. There was discussion regarding the need to have the right of way surveyed, posted, cleared, and maintained. Chairman Milliken directed Executive Director Holloman to include this as an agenda item for the August board meeting. Mr. Boahn concluded his report noting that upon inspection of the facility nothing major was found and the identified items are typical maintenance needs. He said the pump station is in very good condition and Brunswick County has stepped up its efforts in the past couple of years. A copy of the report is hereby incorporated as part of these minutes.

Motion: Director Williams **MOVED**; seconded by Director Newton, approval of the *Resolution Accepting the Lower Cape Fear Water & Sewer Authority Kings Bluff Regional Raw Water Supply Facilities FY 2019-2020 Annual Inspection Report* as presented. Upon roll call vote, the **MOTION CARRIED**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	x			
Trent Burroughs	x			
Wayne Edge	x			
Larry Johnson				x
Harry Knight	x			

Patricia Kusek	x			
Al Leonard	x			
Jackie Newton	x			
Phil Norris	x			
Al Milliken	x			
Charlie Rivenbark	x			
Bill Saffo	x			
Bill Sue	x			
Frank Williams	x			
	13	0	0	1

EXECUTIVE DIRECTOR REPORT

EDR1 - Customers’ Water Usage and Raw Water Revenue Report for Fiscal Year Ending June 30, 2020

Executive Director Holloman reported that during Fiscal Year 2019-2020, Pender County’s usage was below projection for one month. Brunswick County’s usage was below projection for four months. And Cape Fear Public Utility Authority’s usage was below projection for seven months. Raw water revenue at the end of this fiscal year exceeded budgeted revenue by \$35,702. He recalled that in February the Authority’s customers provided the Authority with their water usage projections which were used by the Authority to budget its raw water revenue for this fiscal year. Recently, Pender County notified the Authority that it will be purchasing more treated water from Wallace which reduces the Authority’s budgeted raw water revenue by approximately \$30,000. This year’s budget includes the purchase of a vehicle for the Kings Bluff Pump Station; however, to adjust for the decline in revenue Executive Director Holloman said this purchase will be postponed and revisited later in the year. Additionally, Executive Director Holloman is reviewing the history of expended fund balance during past fiscal years and its correlation to the water rate. He explained that the frequency in using fund balance may indicate the need for an increase in the raw water rate.

EDR2 - Status Report on the Bladen Bluffs Regional Surface Water Plant Cape Fear River Bank Restoration Project

Executive Director Holloman reported that the work on this project was completed last week. As soon as this is verified, the project will be finalized with FEMA for a total reimbursement of the project’s cost plus administration cost.

CLOSED SESSION

CS1 - Closed Session in Accordance with NCGS§143-318.11(6) to Consider Qualifications of Candidates in Hiring an Attorney

Chairman Milliken requested a motion for the Board to enter closed session in accordance with NCGS§143-318.11(6) to consider the qualifications of candidates in hiring an attorney.

Motion: Director Williams **MOVED**; seconded by Director Blanchard, to enter closed session for the stated reason. Upon roll call vote, the **MOTION CARRIED**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	x			
Trent Burroughs	x			
Wayne Edge	x			
Larry Johnson				x
Harry Knight	x			
Patricia Kusek	x			
Al Leonard	x			
Jackie Newton	x			
Phil Norris	x			
Al Milliken	x			
Charlie Rivenbark	x			
Bill Saffo	x			

Bill Sue	x			
Frank Williams	x			
	13	0	0	1

At 9:51 a.m. the Board went into closed session. At 12: 05 p.m. the Board returned to open session.

Motion: Director Sue **MOVED**; seconded by Director Knight, approval to hire Matthew A. Nichols to provide legal services to the Authority as its General Counsel. Upon roll call vote, the **MOTION CARRIED**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	x			
Trent Burroughs	x			
Wayne Edge	x			
Larry Johnson				x
Harry Knight	x			
Patricia Kusek				x
Al Leonard	x			
Jackie Newton	x			
Phil Norris				x
Al Milliken	x			
Charlie Rivenbark	x			
Bill Saffo				x
Bill Sue	x			
Frank Williams	x			
	10	0	0	4

DIRECTOR’S COMMENTS AND/OR FUTURE AGENDA ITEMS

None

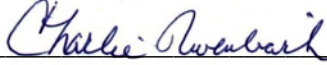
PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Chairman Milliken adjourned the meeting at 12:08 p.m.

Respectfully Submitted:



 Charlie Rivenbark, Secretary