

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

October 12, 2020

Chairman Milliken called to order the Authority meeting scheduled on October 12, 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 Burroughs gave the invocation.

Roll Call by Chairman Milliken:

Present: Norwood Blanchard, Patrick DeVane, Wayne Edge, Harry Knight, William Milliken, William Sue, and Frank Williams

Present by Internet or Telephone: Bill Saffo, Phil Norris, Trent Burroughs, Patricia Kusek, Al Leonard, Jackie Newton, Charlie Rivenbark

Absent: none

Staff: Tim H. Holloman, Executive Director; Matthew Nichols, General Counsel; Tony Boahn P.E., McKim & Creed, and Allison Covington, Financial Administration Assistant

Guests Present: Rick Benton, Cliff Pyron, Julie DeMeester (Remote), Glen Walker (Remote), Anthony Colon (Remote), Pender County Utilities

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

APPROVAL OF CONSENT AGENDA

C1 - Minutes of Regular Board September 14, 2020

C2 - Kings Bluff Monthly Operations and Maintenance Report

C3 - Bladen Bluffs Monthly Operations and Maintenance Reports

C4- Resolution Approving Destruction of Specified Public Records for Fiscal Years 2002-2003 Through 2019-2020 in Accordance with the Water & Sewer Authorities' and Sanitary Districts Records Retention and Disposition Schedule.

Motion: Director Norris **MOVED**; seconded by Director Blanchard, 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			
Patrick DeVane	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			
	14	0	0	0

PRESENTATION:

Julie DeMeester with The Nature Conservancy discussed the algae sampling at Kings Bluff. She is the director of North Carolina chapter water program. The mission of this program is to improve the health and life of rivers by changing dam operations to restore and protect ecosystems. The Nature Conservancy works with the U.S. Army Corps of Engineers, the Wilmington district staff, the water management and the environmental group. The program is designed to create a way to make dams healthier for the environment. The program started in 2002 with 8 rivers and the Roanoke River was one of the original 8. The Cape Fear River was added in 2016. It was chosen because it has over 2 million people in the basin; it also has a lot of drinking water users, and has unique biodiversity with sturgeon.

OLD BUSINESS

OB1- Proposed Amendment to the Brunswick County Operation and Maintenance Agreement

Attorney Mathew Nichols has been in contact with Brunswick County Assistant Attorney Brian Batton and the County’s insurer, and has worked through the concerns of the language. The language has now been agreed upon and will be approved upon the next Brunswick County Board meeting.

Motion: Director Williams **MOVED**; seconded by Director Edge, approval of the *Amendment to the Brunswick County Operation and Maintenance Agreement* 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			
Patrick DeVane	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	0

NEW BUSINESS

NB1 - Resolution Committing the Authority to Working with Wilmington Business Development and Pender County to Investigate the Possibility of Working on a Joint Project to Pretreat Water in the Pender County Industrial Park

Rick Benton of Wilmington Business Development (WBD) spoke on the potential business opportunity for Lower Cape Fear Water & Sewer Authority (LCFWASA), WBD, and Pender County, as it pertains to the construction of a pretreatment facility in the Pender County Industrial Park. Rick explains that there is currently a water treatment plant and a wastewater treatment plant currently in the Park, servicing the park and Pender County. Acme Smoke Fish, which is located in the Industrial Park, produces excessive salt in effluent due to operational processes, and has no pretreatment facility in place. The County has to dilute their discharge through the wastewater treatment plant to make sure that the levels of effluent are at an acceptable limit.

Prior to COVID-19, Project Nexus was considering coming to Pender County Industrial Park, offering 200 jobs and a \$50 million investment. Their facility processes also excessive salt and would require pretreatment.

It was proposed that Pender County and LCFWASA collaborate to create a pretreatment facility. LCFWASA would design, permit, construct, and provide operation for the facility. It would be grant funded and Pender County would be the grant recipient and LCFWASA would be the sub recipient. The grant funds would require that the pretreatment facility be available to all users in the park. Rick Benton, requested the Boards consideration of the proposed plan.

At this point Mr. Benton was seeking approval of a resolution that the Authority would be open to exploring possibilities of partnering on such a pretreatment facility should the opportunity arise and it made sound economic and financial sense.

Motion: Director Williams **MOVED**; seconded by Director Norris, table of the *Committing of the Authority to Working with Wilmington Business Development and Pender County to Investigate the Possibility of Working on a Joint Project to Pretreat Water in the Pender County Industrial Park*, 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			
Patrick DeVane	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

NB2 – Initial Rate Review Report to the Board

On September 14, 2020, the Executive Director presented a report to the Finance Committee showing actual water rate from July 1997 through projected rates for July 2030. The projected rates estimated amounts needed to cover expenses.

LCFWAS has had 5 rate increases 18 years. Based on the upcoming Capital Projects in FY2022-2023 through FY2029-2030, Executive Director demonstrated a need for an increase in water rates to \$.38 for years 2021-2025, \$.43 for years 2026-2029, and \$.493 for years 2030-2031.

The Executive Director’s proposed time lines to proceed with the initial rate increase begins with presenting the information to the LCFWASA Board of Directors, and then in November, meeting with customers and calling for a Public Hearing in December. A Public Hearing on the proposed rates will be held in December. The Authority would consider approval of these rates with an effective date of July 1, 2021.

Motion: By consensus, the Board approved to adopt the Executive Director’s timeline for *the Initial Rate Increase Review*.

ENGINEER REPORT

Kings Bluff Raw Water Facilities 54-inch Parallel Raw Water Main Status Update

The current schedule for the project has the completion in August 2021. Tony Boahn reports that the pipe installation is moving quickly and that he expects it to be complete ahead of the projected January 2020 schedule. Three of the four Pier supports at Livingston Creek are complete. Three of the four Bore Encasements are complete as well. Due to Hurricane relief demands of the current contractors, there were some delays for completion, but the project schedule is still on track.

King’s Bluff 4th Pump Addition Status Update

This project is a permit exercise, due for submittal in Mid-November. Tony is expecting an approval by February 2021.

Raw Water Main Easement Records Research

During the research, nine easements were found, each with variations in width. Details of all findings are being prepared to present in the November Board meeting.

EXECUTIVE DIRECTOR REPORT

EDR1 - Customers’ Water Usage and Raw Water Revenue Report for Month Ending August 31,2020

Executive Director Holloman reported that during the Month of September 2020, CPFUA’s usage is below projection for the month, but expected to increase in October. He has spoken to CFPUA and they are still running at low capacity on their pumps. Pender County is slightly below projections, but is working to increase usage. He states that monthly revenue is above projections for the month of September.

CLOSED SESSION

CS1- Closed Session in Accordance with NCGS§143-318.11(3)(i) Attorney Client Privilege to Review Unauthorized Encroachment on Right-of-Way

Chairman Milliken requested a motion for the Board to enter closed session in accordance NCGS§143-318.11(3)(i) to discuss potential action regarding unauthorized encroachment on the LCFWASA right-of-way.

Motion: Director Blanchard **MOVED**; seconded by Director Williams, to enter closed session in accordance with NCGS§143-318.11(3)(i) for stated purposes of discussion. 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			
Patrick DeVane	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 11:00 a.m. the Board went into closed session. At 11:35 a.m. the Board returned to open session. No action was taken.

DIRECTOR’S COMMENTS AND/OR FUTURE AGENDA ITEMS

None

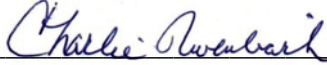
PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Chairman Milliken adjourned the meeting at 11:35 a.m.

Respectfully Submitted:



Charlie Rivenbark, Secretary