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AGENDA

Lower Cape Fear Water & Sewer Authority
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina
9:00 a.m. – Regular Monthly Board Meeting
August 10, 2020

MEETING CALL TO ORDER: Chairman Milliken

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVAL OF CONSENT AGENDA

- C1** - Minutes of Regular Board Meeting July 13, 2020
- C2** – Minutes of Special Board Meeting June 9, 2020
- C3** - Kings Bluff Monthly Operations and Maintenance Report
- C4** - Bladen Bluffs Monthly Operations and Maintenance Reports
- C5** - Bladen Bluffs Weekly Report: August 1, 2020
- C6** - Resolution of the Lower Cape Fear Water and Sewer Authority Authorizing the Chairman to Execute an Interlocal Agreement for a Group Self-Insurance Pool for Property and Liability Risk Sharing with the North Carolina League of Municipalities as Administrator of the Fund
- C7**- Resolution of the Lower Cape Fear Water and Sewer Authority Authorizing the Chairman to Execute an Interlocal Agreement for a Group Self-Insurance Pool for Workers' Compensation Risk Sharing with the North Carolina League of Municipalities as Administrator of the Agency

NEW BUSINESS

- NB1** - A Resolution Honoring Attorney John C. Wessell, III
- NB2** - A Resolution Honoring Amy B. Scruggs
- NB3** – Introduction of Allison Covington
- NB4** - Evaluation Inspection of A Portion of the Kings Bluff 48-Inch Raw Water Transmission Main Aerial Crossing above Livingston Creek (Tony Boehn, P. E., McKim & Creed)
 - A)** A Resolution of Lower Cape Fear Water & Sewer Authority Exempting Lower Cape Fear Water & Sewer Authority From The Provisions of N.C.G.S. §143-64.31
 - B)** Proposal for Professional Consulting Engineering Services Kings Bluff 48-Inch Raw Water Transmission Main Aerial Crossing Structural Assessment
 - C)** Fiscal Year 2020 - 2021 Budget Amendment #1

EXECUTIVE DIRECTOR REPORT

- EDR1** – Comments on Customers' Water Usage and Raw Water Revenue for Month Ending July 31, 2020
- EDR2** - Update on Potential Right-of-Way Maintenance Project
- EDR3** - Status Report on the Bladen Bluffs Regional Surface Water Plant Cape Fear River Bank Restoration Project
- EDR4** - Update on Board Room Audio / Video System

Lower Cape Fear Water & Sewer Authority

1107 New Pointe Blvd, Suite 17
Leland, North Carolina 28451



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Water is Our Business

AGENDA

Regular Monthly Board Meeting - Lower Cape Fear Water & Sewer Authority

August 10, 2020

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DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

PUBLIC COMMENT

ADJOURNMENT

The next board meeting of the Lower Cape Fear Water & Sewer Authority is scheduled for Monday, September 14th at 9:00 a.m. in the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.

AGENDA ITEM

To: CHAIRMAN MILLIKEN AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2020

Re: Consent Agenda

Please find enclosed, items of a routine nature for consideration and approval by the Board of Directors with one motion. However, that does not preclude a board member from selecting an item to be voted upon individually, if so desired.

C1 - Minutes of Regular Board Meeting July 13, 2020

C2 - Minutes of Special Board Meeting June 9, 2020

C3 - Kings Bluff Monthly Operations and Maintenance Report

C4 - Bladen Bluffs Monthly Operations and Maintenance Reports

C5 - Bladen Bluffs Weekly Report: August 3, 2020

C6 - Resolution of the Lower Cape Fear Water and Sewer Authority Authorizing the Chairman to Execute an Interlocal Agreement for a Group Self-Insurance Pool for Property and Liability Risk Sharing with the North Carolina League of Municipalities as Administrator of the Fund

C7- Resolution of the Lower Cape Fear Water and Sewer Authority Authorizing the Chairman to Execute an Interlocal Agreement for a Group Self-Insurance Pool for Workers' Compensation Risk Sharing with the North Carolina League of Municipalities as Administrator of the Agency

Action Requested: Motion to approve/disapprove Consent Agenda

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. Carroll, 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. Carroll 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. Carroll \$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

Lower Cape Fear Water & Sewer Authority
Special Board Meeting Minutes

June 9, 2020

In the absence of Chairman Milliken, Vice Chairman Burroughs called to order the Authority meeting scheduled on June 9, 2020 at 11:00 a.m. and welcomed everyone present. The meeting was held by virtual attendance.

Roll Call by Vice Chairman Burroughs:

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

Absent: Larry Johnson, Patricia Kusek, Al Leonard, William Milliken

Staff: Tim H. Holloman, Executive Director; John Wessell, General Counsel; and Amy Scruggs, Administrative Assistant

Guests Present: None

OLD BUSINESS

OB1 - Approval of Fiscal Year 2020-2021 Budget and Budget Ordinance

Vice Chairman Burroughs presented the Fiscal Year 2020-2021 Budget and Budget Ordinance and asked if there was any discussion. With there being none he called for a motion.

Motion: Director Blanchard **MOVED**; seconded by Director Norris approval of: Fiscal Year 2020-2021 Budget and Budget Ordinance. 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

A copy of the approved budget is hereby incorporated as a part of these minutes.

ADJOURNMENT

There being no further business, Chairman Milliken adjourned the meeting at 11:15 a.m.

Respectfully Submitted:


Charlie Rivenbark, Secretary

COUNTY OF BRUNSWICK
PUBLIC UTILITIES DEPARTMENT
Kings Bluff Pump Station



246 Private Road
Riegelwood, NC 28456
(910) 655-4799 Office
(910) 655-4798 FAX

TO: Tim Holloman

FROM: Jack Hogan

DATE: 8/3/2020

SUBJECT: Monthly maintenance report

Mr. Holloman,

The Maintenance and Operations of the kings bluff facility for the month of July was performed as prescribed in the station SOP'S and other items are as follows.

The diesel drive booster pumps along with the standby SCADA generator located at the raw tank and the SCADA generator located at INVISTA / CFPUA vaults off HWY 421 were ran and tested weekly and verified standby / ready.

KB personnel completed all locates issued by the 811 system.

KB personnel painted all SCADA and power cabinets at the Authority customer vaults.

KB personnel working with Brunswick Co. Generator dept. and I&C dept have successfully converted # 2 EMD generator pre / post lube pumps for the motor main crank bearings to 24-volt motors from 84-volt motors. Since this has been proven successful after installation and several test, we are currently getting equipment to change the # 1 EMD generator pre / post lube system from 84-volt to 24-volt motors.

KB personnel successfully completed required power curtailment with Duke Energy that was ran for 6 hours.

KB personnel worked with Brunswick Co. I&C to repair and replace SCADA tower equipment located at king's bluff pump station that was damaged by lightning strike.

KB personnel completed installation of NO TRESPASSING signs on the perimeter fence at king's bluff.

KB personnel replaced all lights inside the office and oil room at new side of station.

KB personnel went out on right of way to inspect different areas for future line installation with Garney.

KB personnel completed bleach washing of the cooling coils that supply cooling water to 1,4 & 5 GE motors.

KB personnel compiled pump flow data for McKim & Creed.

KB personnel met with and gave tour of KB with NCDEQ.

Contractors:

NEWCOMB completed quarterly PM on the # 1 & 3 HVAC units located at the VFD building.

Thank you,
Jack Hogan



To: Tim Holloman - LCFWASA

From: James Kern – Bladen Bluffs SWTP ORC

Date: 8/3/20

Subject: July 2020 Operations

During the month of July, Bladen Bluffs SWTP operated a total of 22 days, treating 51.896 million gallons of water.

We used:

34,222 lbs. of aluminum sulfate (Alum)

10,354 lbs. of sodium hydroxide (Caustic)

1,742 lbs. of sodium hypochlorite (3,498 gallons of 6% Chlorine Bleach)

James Kern
Water Treatment Plant
Supervisor

(910) 862-3114
(910) 862-3146
(719) 761-0026 mobile
jkern@smithfield.com

Smithfield.
Good food. Responsibly.®

Bladen Bluffs Surface Water Treatment
Plant
17014 Highway 87 West
Tar Heel, NC 28392
www.smithfieldfoods.com

Monthly Operating Reports (MORs) Summary

(No user data entry – all values are auto-populated.)

Year: <u>2020</u>	PWS Name: <u>Bladen Bluffs Water System</u>	PWSID# : <u>NC5009012</u>
Month: <u>July</u>	Facility Name: <u>Bladen Bluff</u>	

Combined Filter Effluent (CFE) Turbidity

Samples exceeding 1 NTU (count): <u>0</u>	Number of samples required: <u>110</u>
Samples exceeding .3 NTU (count): <u>0</u>	Number of samples taken: <u>110</u>
Samples exceeding .3 NTU (pct): <u>0.0%</u>	Highest single turbidity reading NTU: <u>0.094</u>
	Monthly average turbidity NTU: <u>0.050</u>

Individual Filter Effluent (IFE) Turbidity

1) Was each filter <u>continuously</u> monitored for turbidity?	Yes	<u>X</u>	No	
2) Was each filter's monitoring results <u>recorded every 15 minutes</u> ?	Yes	<u>X</u>	No	
3) Was there a failure of the continuous turbidity monitoring equipment?	Yes		No	<u>X</u>
4) Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements ?	Yes		No	<u>X</u>
5) Was any individual filter turbidity level > 0.5 NTU in two consecutive measurements at the end of 4 hours of operation after the filter has been backwashed or otherwise taken offline ?	Yes		No	<u>X</u>
6) Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements in each 3 consecutive months ?	Yes		No	<u>X</u>
7) Was any individual filter turbidity level > 2.0 NTU in two consecutive measurements in 2 consecutive months ?	Yes		No	<u>X</u>

Entry Point Residual Disinfectant Concentration (EPRD)

Disinfectant Used <u>Chlorine</u>	Number of samples required <u>110</u>
Minimum EPRD concentration <u>0.4200</u>	Number of samples taken <u>110</u>

Distribution Residual Disinfectant Concentration

Number of samples under 0.010 mg/L (without any detectable) excluding where HPC is ≤ 500/mL	<u>0</u>
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Contact Time (CT) Ratio

Lowest CT ratio reading <u>15.41</u>	Number of CT ratios required <u>22</u>
Number of CT ratios below 1.0 <u>0</u>	Number of CT ratios calculated <u>22</u>

Remarks From General Info Worksheet

☒ By checking this box, the ORC certifies that the requirements of 15A NCAC 18C .1301 "General Requirements", .1302 "Tests, Forms, and Reporting", and .1303 "Facility Oversight" have been met for the month of July, 2020 and that records documenting compliance with this rule are maintained on the premises and available for inspection upon request.

NCDENR/DEH
PWSS
Version: V02.10-00

COMPLETED BY:

James Kern

CERTIFICATE GRADE:

A - Surface

CERTIFICATE NUMBER:

120147

Bladen Bluffs SWTP Maintenance Report

Date: 8/3/2020

ISSUE:

PLAN OF ACTION:

Air on finished water line (maybe from GAC)	Radio installed (waiting for new SCADA Spring 2020)
Need to run spare finished chlorine line	Will contact Halsey
SCADA will need upgrade/servers/move rack	IN PROGRESS
2" tap on finished line	Have quote – will install soon
Some tiles need replacement	Scheduling after COVID
Replace cleanout with PVC lines on NPDES	IN PROGRESS
Road to river needs repair	IN PROGRESS
Carry water valve leaking	FIXED
Filter #2 effluent valve N/A	FIXED
Flow meter chlorine pump #1 N/A	FIXED
Video loss at RWPS	FIXED
Chlorine pump #3 has leak	FIXED
Settle basins need cleaned	COMPLETE
Transfer pump #3 N/A	Part ordered – scheduled to ship Aug 5

**Governing Body Resolution of the Lower Cape Fear Water and Sewer Authority
Authorizing the Chairman to Execute an Interlocal Agreement for a Group
Self-Insurance Pool for Workers' Compensation Risk Sharing with the
North Carolina League of Municipalities as Administrator of the Agency**

WHEREAS, certain municipalities and other units of local government of the State of North Carolina, as defined in G.S. 160A-460(2), have agreed to create the NORTH CAROLINA INTERLOCAL RISK MANAGEMENT AGENCY and have agreed to pool the risks of their workers' compensation liabilities and payment of claims for employers' liability coverage pursuant to, and to be governed by, the provisions of North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A);

NOW, THEREFORE, BE IT RESOLVED that the above named unit of local government elects to become a member of the NORTH CAROLINA INTERLOCAL RISK MANAGEMENT AGENCY upon the terms and conditions stated in the "Interlocal Agreement for a Group Self-Insurance Pool For Workers' Compensation Risk Sharing," with such future policy renewals constituting a continuing ratification of this decision to be a member of the Agency and to abide by the terms and conditions of the Interlocal Agreement.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the duly authorized officials of the above named unit of local government are directed to execute in the name of said unit the "Interlocal Agreement for a Group Self-Insurance Pool for Workers' Compensation Risk Sharing," a copy of which is attached to and made a part of this Resolution.

I certify that this is a true and correct copy of this Resolution, duly adopted by the governing body on the 10th day of August, 2020, as it appears of record in its official minutes.

Lower Cape Fear Water and Sewer Authority

By: _____
Al Milliken, Board Chairman

ATTEST:

Charlie Rivenbark, Secretary to the Board

(SEAL)

**INTERLOCAL AGREEMENT FOR A
GROUP SELF-INSURANCE POOL
FOR PROPERTY AND LIABILITY RISK SHARING**

This Agreement, made and entered into in duplicate originals this _____ day of _____ 2_____, by and between all the parties who are now or may hereafter become members of the Interlocal Risk Financing Fund of North Carolina (hereafter referred to as the "Fund"):

WITNESSETH:

WHEREAS, certain municipalities and other units of local government of the State of North Carolina have agreed to create the Fund and have agreed to pool the risk of their exposure to property losses and potential liabilities in the manner herein provided pursuant to, and to be governed by, the provisions of North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A); and

WHEREAS, the members of the Fund have agreed upon designation of a Board of Trustees to direct the affairs of the Fund, to adopt rules, regulations, policies, and by-laws for implementing and administering the Fund, and to pass upon the admissibility of future members of the Fund; and

WHEREAS, the members have designated the North Carolina League of Municipalities as Administrator of the Fund, subject to the provisions of this Agreement and the policies adopted by the Board of Trustees of the Fund; and

WHEREAS, by this Agreement the Fund will undertake to discharge, solely from the Assets of this Fund, certain claims against any member of the Fund, when said claims come within the rules of the Fund, and when said claims are determined to be due as a result of a court judgment or settlement agreement; and

WHEREAS, the members of the Fund agree to pay premiums and/or contributions based upon appropriate classifications, rates, and loss experience, and other criteria established by the Board of Trustees, out of a portion of which the Fund will establish and maintain a fund for the payment of the claims, awards, and attorney's fees and further, that the members covenant and agree that there will be no disbursements out of the fund by way of dividends or distribution of accumulated reserves to the respective members, except at the discretion of the Trustees; and

WHEREAS, the members of the Fund, through action of their respective governing bodies, have elected to comply with the conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and obligations herein contained, which are given to and accepted by each member hereof to the other, the parties hereto agree as follows:

SECTION I. PURPOSE OF AGREEMENT; COMPOSITION OF BOARD OF TRUSTEES

The purpose of the Fund established by the signatories hereto is to allow members to operate a pool for property and liability risk sharing, including but not being limited to the following risks and coverages: automobile liability; automobile physical damage; comprehensive general liability; property and inland marine; boiler and machinery; fidelity bonds; crime; police professional liability, and public officials and employment practices liability (with such exclusions, exemptions, and limitations as are specified in the regulations or schedules of coverage adopted by the Board of Trustees). To this end, the Fund shall be governed by a Board of Trustees made up of eleven (11) officials or employees of units of local government. Trustees shall be appointed for three (3) year overlapping terms by the Board of Directors of the North Carolina League of Municipalities and shall serve no more than two consecutive terms. No individual shall serve concurrently on the Board of Trustees and the League's Board of Directors. In addition, the Executive Director of the North Carolina League of Municipalities shall serve as an ex-officio, non-voting member of the Board of Trustees; the ex-officio position shall not have a committee assignment, nor shall the position serve as an officer of the Board of Trustees.

II. TRUSTEES' POWERS, DUTIES, LIABILITY, AND INDEMNITY

The Trustees shall have the following powers and duties, in addition to those set forth elsewhere in this Agreement:

1. To establish guidelines for membership in the Fund;
2. To establish the terms and conditions of coverage, including underwriting criteria and exclusions from coverage;
3. To ensure that all valid claims are promptly paid;
4. To establish, operate, and enforce rules, regulations, policies, and bylaws as between the individual members of the Fund and the Fund;
5. To enter into agreements with such persons, firms, or corporations as it deems appropriate to adjust claims; promote membership in the Fund; provide actuarial and underwriting services; defend against claims and lawsuits; provide accounting services; obtain excess insurance or reinsurance coverage, if available, designed to protect the Fund against excess losses; invest the assets of the Fund; provide loss control and other risk management services for the Fund and member units; maintain records and accounts; and provide any other service necessary or desirable for the sound operation of the Fund;
6. To lease or rent real and personal property it deems to be necessary;

7. To borrow or raise monies for the purpose of the Fund to the extent that the Trustees shall deem desirable upon such terms and conditions as the Trustees in their absolute discretion may deem desirable or proper, and for any sum so borrowed to issue their promissory note as Trustees and to secure the repayment thereof by pledging all or any part of the pool; and no person or entity lending money to the Trustees shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any such borrowing;
8. To rate individually any member unit with rates different from the group rates when the loss experience of the unit warrants such individual rating, in the discretion of the Trustees;
9. To take measures to maintain claim reserves equal to known incurred losses and loss adjustment expenses and to maintain an estimate of incurred but not reported losses; and
10. To take all necessary precautions to safeguard the assets of the Fund.

The Trustees shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. The members agree that the Trustees shall not be liable for any mistake of judgment or other action made, taken, or omitted by any employee, agent, contractor, subcontractor, or independent contractor selected with ordinary care and reasonable diligence; nor for loss incurred through investment of Fund money or failure to invest. No Trustee shall be liable for any action taken or omitted by any other Trustee. The Trustees shall not be required to give a bond or other security to guarantee the faithful performance of their duties hereunder.

The members of the Fund agree that, for the payment of any claim against the Fund or the performance of any obligation of the pool hereunder, resort shall be had solely to the assets of the Fund, and neither the Trustee nor the Administrator shall be liable therefor. Further, the Fund shall indemnify and hold harmless the Trustees against any and all claims, suits, actions, debts, damages, costs, charges, and expenses (including but not limited to court costs and attorneys' fees) and against all liability, losses, and damages of any nature whatsoever, that the Trustees shall or may at any time sustain, or be put to, by reason of the exercise of their power and in the performance of their duties hereunder, or by reason of any mistake of judgment or other action made, taken, or omitted by any employee, agent, contractor, subcontractor, or independent contractor, or for loss incurred through investment of Fund money or failure to invest.

SECTION III. PAYMENT OF CLAIMS

The members of the Fund agree that, for the payment of any claim against the Fund or the performance of any obligation arising hereunder, resort shall be had solely to the assets of the Fund, and neither the Trustees nor the Administrator shall be liable therefor. Accordingly, law-

ful claims will be paid from the assets of the Fund pursuant to the types and levels of coverage established by the Board of Trustees. The Board of Trustees shall establish a schedule of types and monetary levels of coverages for which the Fund shall be responsible on behalf of its members, including provisions for levels of coverage for which the members shall be individually responsible. Such types and levels of coverage may vary according to population classifications of members, mutual agreement of the Fund and a member, or such other criteria as may be established by the Board of Trustees. The types and level of coverage for each member shall be shown on a Coverage Document provided to each member. The Fund shall pay all claims (less the applicable deductible) for which each member incurs liability during each member's period of membership except where a member has individually retained the risk, where the risk is not covered, and except for amount of claims above the coverage provided by the Fund. The schedule so established may, from time to time, be amended by the Board of Trustees (but not during any coverage period) to sustain the financial integrity of the Fund or to reflect the desires of the members as determined by the Board of Trustees.

SECTION IV. MUTUAL COVENANT OF RISK SHARING

The members intend this Agreement as a mutual covenant of risk sharing and not as a partnership. No member by reason of being a member of the Fund and contributing to the Fund shall be liable to the Fund, to any other member, or any claimant against the Fund, except for the payment of the premiums and/or contributions and deductibles provided for in its application for membership and joinder in the Fund, for annual premiums and/or contributions for continued membership as determined by the Trustees, and for any necessary additional assessments levied by the Trustees to offset a claims fund deficiency.

SECTION V. ADMINISTRATOR

The North Carolina League of Municipalities, an unincorporated association with offices at 215 North Dawson Street, Raleigh, North Carolina, 27603, is designated as the Administrator of the Fund. Subject to the services and sponsorship agreement between the Administrator and the Fund, the Administrator shall provide day-to-day management of the Fund and shall have the authority to contract with third parties for provision of services. The Administrator may establish offices where necessary within the State of North Carolina and employ staff to carry out the Fund's purpose. The Administrator shall deposit to the account of the Fund at any financial institution or financial institutions designated by the Trustees all premiums and/or contributions as collected and such monies shall be disbursed and/or invested only as provided by the rules, regulations, policies, and bylaws of the Trustees. The Administrator may enter into financial services agreements with financial institutions and issue checks in the name of the Fund. The Administrator shall receive such compensation as shall be determined from time to time by written agreement with the Trustees.

SECTION VI. ADMISSION TO MEMBERSHIP; SUSPENSION & EXPULSION

All members of the Fund hereby agree that the Trustees may admit as members of this Fund only the units of local government set forth in North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A). The Trustees shall be sole judge of whether or not an applicant shall be admitted to membership. Except as otherwise provided in Section VII (i) of this Agreement, a member may be suspended or expelled by the Trustees from the Fund only after forty-five (45) days' notice has been delivered to the member in accordance with Section XV of this Agreement. No payment shall be required by the Fund as a result of any claim occurring after forty-five (45) days' notice has been delivered to the member in accordance with Section XV of this Agreement.

SECTION VII. RULES, REGULATIONS, POLICIES, AND BYLAWS; MEMBERS' RESPONSIBILITIES

The rules, regulations, policies, and bylaws for the administering of the Fund and the admission and expulsion or suspension of members shall be promulgated by the Trustees. In addition, each member of the Fund agrees as follows.

- (a) To make prompt payment of all premiums and/or contributions as required by the Trustees;
- (b) To (and they do hereby) appoint the Trustees and the Administrator, as its agent and attorney-in-fact, to act on its behalf and to execute all contracts, reports, waivers, agreements, excess insurance or reinsurance contracts, and service contracts; to make or arrange for payment of claims and all other things required or necessary, insofar as they affect its liability for claims and awards and as covered by the terms of the Agreement and the rules, regulations, policies, and by-laws as now provided or as hereafter promulgated by the Trustees;
- (c) In the event a claim is reported to or is known by a member, to give immediate notification of the claim to the Administrator in the manner prescribed by the Trustees;
- (d) To permit the Fund to defend in the name of and on behalf of the members any suits or other proceedings which may at any time be instituted against them concerning claims for which the Fund may be obligated to make payment (although such suits, other proceedings, allegations, or demands are considered to be wholly groundless, false, or fraudulent) and to pay all judgments or costs taxed against members in any legal proceeding which is so defended at the direction of the Fund, all interest accruing after entry of judgment and all expenses which are incurred pursuant to the direction of the Fund for investigation, negotiation, or defense. It is agreed that the Fund shall make all final decisions regarding the legal defense of claims,

and shall have absolute and conclusive authority with regard to defense, settlement, and payment of claims. It is agreed that the independent settlement or payment of any claim by or on behalf of a member without approval of the Fund shall be at the sole cost of the settling member without any reimbursement or other resources from the Fund; and, may be grounds for expulsion of the member from the Fund;

- (e) To cooperate in all respects with the Fund, the Trustees, the Administrator, and any contractors of the Fund in carrying out the purposes of this Agreement;
- (f) In the event of the payment of any loss by the Fund under this Agreement, the Fund shall be subrogated to the extent of such payment to all the rights of the member against any person or other entity legally responsible for damages for such loss, and in such event, the member agrees to render all reasonable assistance to affect recovery;
- (g) To follow any reasonable safety, loss prevention, loss control, and risk management recommendations of the Trustees, the Administrator, or contractors of the Fund in order to minimize claims against and losses of the Fund;
- (h) The Trustees, the Administrator, and any contractors of the Fund shall be permitted at all reasonable times to inspect the real and personal property, work places, plants, works, machinery, and appliances of each member covered by this Agreement, and shall be permitted at all reasonable times within two years after the final termination of a member's membership to examine the member's books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify the premiums and/or contributions that are payable under the terms hereof;
- (i) Risk sharing by the Fund under the terms of this Agreement shall begin upon payment of the premium and/or contribution by that member to the Fund. Risk sharing by this Fund under the terms of this Agreement shall expire and be cancelled automatically for nonpayment of premiums and/or contributions, and a member may be expelled from the Fund upon thirty (30) days' notice by the Trustees, the Administrator, or their designee delivered to the member in accordance with Section XV of this Agreement specifying the date that cancellation shall be effective. No payment shall be required of the Fund as a result of any covered loss of the expelled member occurring after 30 days' notice has been delivered to the expelled member in accordance with Section XV of this Agreement;
- (j) To pay any assessment duly levied by the Trustees under the terms of this Agreement. If a member cancels or withdraws from the Fund, the member

shall pay its pro rata share of any assessment relating to the member's period of enrollment; and

- (k) In order that an adequate reserve may be maintained, the members further agree that the Trustees shall have the right to assess the members pro-rata in such amounts as will be sufficient to maintain at all times a minimum reserve, equal to at least the annual premium and/or contributions for the coverage provided by the Fund. Should a member fail to pay any assessment as provided for in this Section within thirty (30) days of the assessment date, all interest and claim of such defaulting member in and to the Fund shall automatically cease.

SECTION VIII. ALLOCATION OF MONIES

The Trustees are authorized to set aside from the premiums and/or contributions collected from members a reasonable sum for the operating and administrative expenses of the Fund. All remaining monies coming into their hands during any fiscal year of the Fund shall be set aside and shall be used only for the following purposes:

- (a) Disbursement to establish a reserve for payments of covered claims and expenses and required settlements, awards, judgments, legal fees, and costs in all contested cases to the extent provided herein;
- (b) Payment of such compensation to the Administrator as shall be determined from time to time by written agreement between the Administrator and the Trustees;
- (c) Payment of all costs of all bonds and auditing expenses required of the Fund, the Administrator, or its agents or employees; and
- (d) Distribution to members in such manner as the Trustees shall deem to be equitable of any excess monies remaining after payment of claims and expenses and after provision has been made for open claims and outstanding reserves; provided, however, that no such distributions shall be made earlier than twelve (12) months after the end of a Fund Year. Undistributed excess funds from previous Fund Years may be distributed at any time if they are not required as reserves and if approved for distribution by the Trustees.

Monies in excess of those required to fulfill the purposes, costs, and other obligations of the Fund as set out hereinabove will be accumulated in the Fund or distributed to the member units at the discretion of and in the manner provided by the Trustees.

SECTION IX. FISCAL YEAR; CONTINUING CONTRACT; WITHDRAWAL OF MEMBERS SUBJECT TO PROVISION OF 30 DAYS' WRITTEN NOTICE TO ADMINISTRATOR; FEE IMPOSED FOR FAILURE TO PROVIDE 30 DAYS WRITTEN NOTICE OF WITHDRAWAL

The Fund shall operate on a fiscal year from 12:01 a.m. July 1st, to midnight of June 30 of the succeeding year (the "Fund Year"). Application for membership, when approved in writing by the Trustees or their designee, shall constitute a continuing contract for each succeeding Fund Year unless cancelled by the Trustees, or unless the member shall have resigned or withdrawn from the Fund by having written notice delivered to the Administrator on or before May 30 (i.e., the written notice must be delivered to the Administrator in accordance with Section XV of this Agreement thirty (30) days' prior to the last day, June 30, of the Fund Year). Failure to provide thirty (30) days' written notice shall subject the member to the assessment of an exiting fee constituting two percent (2%) of the premium for that Fund Year.

SECTION X. MEMBERS BOUND BY AGREEMENT; TERMINATION PERMITTED ONLY AT END OF FISCAL YEAR; FINAL ACCOUNTING

Any member who formally applies for membership in the Fund and is accepted by the Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof, and such application shall constitute a counterpart of this Agreement. Cancellation of this Agreement or of any plan, coverage, product or service provided by the Fund on the part of any member, or withdrawal from membership, shall be permitted only at the end of a fiscal or year. A terminating member is entitled to a final accounting when all incurred claims are concluded, settled, or paid.

SECTION XI. INTENTION OF INDEFINITE OPERATION; RESERVATION OF RIGHT TO TERMINATE FUND; REVERSION OF MONIES OR OTHER ASSETS UPON TERMINATION

This Fund has been established with the bona fide intention that it shall be continued in operation indefinitely and that the premiums and/or contributions to the Fund shall continue for an indefinite period. However, the Trustees reserve the right at any time to terminate the Fund by a written instrument to that effect executed by the Trustees. In the event of such termination, member premiums and/or contributions (other than duly authorized assessments) shall cease as of the date of termination and the assets then remaining in the Fund shall continue to be used and applied, to the extent available, for the

- (a) payment of claims arising prior to such termination and administrative and other expenses and obligations arising prior to such termination; and

- (b) payment of reasonable and necessary expenses incurred in such termination.

Any monies or other assets thereafter remaining in the Fund shall revert to the members of the Fund as of the date of termination pro-rata to the annual premium and/or contributions of said members paid in the year of termination. In no event shall any such assets be returned or distributed to any individual. Upon such termination, the Trustees shall continue to serve for such period of time and to the extent necessary to effectuate termination of the Fund.

SECTION XII. AMENDMENT OF AGREEMENT

This Agreement may be amended by an agreement executed by those members constituting a majority in paid-in dollar volume of contributions to the Fund during the current Fund Year. In lieu of this amendment procedure, the members hereby appoint the Board of Directors of the North Carolina League of Municipalities as their agents to make any amendments to this Agreement which would not fundamentally alter the contemplated arrangement. For purposes of illustration, and not limitation, an amendment to increase or decrease the number of members of the Board of Trustees or their terms shall not be construed as a fundamental alteration of the arrangement, provided that the current term of a member may not be terminated by any such amendment. Written notice of any amendment proposed for adoption by the Board of Directors of the North Carolina League of Municipalities shall be delivered to each member in accordance with Section XV of this Agreement not less than 30 days in advance. Written notice of amendments finally adopted by the Board of Directors of the North Carolina League of Municipalities shall be delivered to each member in accordance with Section XV of this Agreement not more than 30 days after adoption.

SECTION XIII. HEADINGS

Headings of various sections and subsections of this Agreement have been inserted for the convenience of reference only and shall not be construed as modifying, amending, or affecting in any way the express terms and provisions of this Agreement.

SECTION XIV. INTERPRETATION

This Agreement shall be governed and interpreted under the laws of the State of North Carolina. This Agreement is intended to serve as an interlocal agreement, for purposes of executing the undertaking described in the preceding sections and paragraphs, under North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A). The terms of this Agreement do not constitute a coverage document or form applicable to any specific claim.

Should any clause, sentence, provision, paragraph, or other part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Agreement. Each of the parties declares that it would

have entered into this Agreement irrespective of the fact that any one or more of this Agreement's clauses, sentences, provisions, paragraphs, or other parts have been so declared invalid. Accordingly, it is the intention of the parties that the remaining portions of this Agreement shall remain in full force and effect without regard to the clause(s), sentence(s), provision(s), paragraph(s), or other part(s) invalidated.

Failure of the Trustees, the Administrator, or their designees to insist in any one or more instances upon the performance of any of the covenants, agreements, and/or conditions of this Agreement, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of any such covenant or condition.

This Agreement contains the entire agreement between the parties, whom shall not be bound by any verbal statement or agreement made heretofore.

SECTION XV. MEMBER REPRESENTATIVES; NOTICES

There shall be a Member Representative for each member of the Fund who shall be the agent of the member for purposes of giving and receiving notices required or permitted pursuant to this Agreement. Each member shall designate a Member Representative and provide the member's postal mailing address and, if applicable, a facsimile number and electronic mail address to which the Administrator may provide notices hereunder. The Administrator shall provide forms, as needed, for use by the member in designating its Member Representative and providing its address information. Such information may be updated at any time there is a change in the information provided thereon. Until such time as different information is provided, the Member Representative shall be the member's chief administrative official as shown on the records of the Administrator and the member's postal mailing address, facsimile number and electronic mail address shall be that as provided by the member on its most recent application. For purposes of illustration and not limitation, a chief administrative official shall be considered to be a manager, administrator, clerk or executive director as may apply with respect to a particular member.

Any notices required or permitted by this Agreement shall be in writing and may be given: in person, by United States Postal Service, by facsimile, or by electronic mail. Notices shall be deemed delivered: (a) when received if delivered in person, (b) three business days after being deposited with the United States Postal Service, postage prepaid, properly addressed to the party to whom such notice is intended to be given at the address established under this section, (c) on the date sent if given by facsimile, provided that an electronic confirmation of delivery has been received by the sender and that a copy of such notice was also sent on such date by mailing, or (d) on the date sent if given by electronic mail, provided a copy of such notice was also sent on such date by mailing and receipt of the electronic mail is acknowledged by the receiving party by return electronic mail. Notices provided to the Administrator shall be delivered, addressed or directed as follows, or to such other address as designated by the Administrator in written notice to the member provided in accordance with this paragraph:

Executive Director
 North Carolina League of Municipalities
 434 Fayetteville Street, Suite 1900
 Raleigh, North Carolina 27601
 Facsimile number: 919-301-1053
 Electronic address: RMSnotifications@nclm.org

IN WITNESS WHEREOF, the participating entity listed below acknowledges its membership in the Fund and acceptance of obligations hereunder, by the due execution hereof, following appropriate governing body approval, by its duly authorized official. Further, the members of the Interlocal Risk Financing Fund of North Carolina have caused these presents to be signed by their duly authorized Chair of the Board of Trustees and have had this Agreement attested by its duly authorized Administrator.

WITNESS:

INTERLOCAL RISK FINANCING FUND
 OF NORTH CAROLINA

BY: _____
 Chair
 Board of Trustees

NORTH CAROLINA LEAGUE OF
 MUNICIPALITIES

BY: _____
 Executive Director
 Administrator

(NAME OF PARTICIPATING ENTITY)

(Clerk, or Secretary to the Board)

BY: _____
(Mayor, or Board Chair)

**Governing Body Resolution of the Lower Cape Fear Water and Sewer Authority
Authorizing the Chairman to Execute an Interlocal Agreement for a Group
Self-Insurance Pool for Workers' Compensation Risk Sharing with the
North Carolina League of Municipalities as Administrator of the Agency**

WHEREAS, certain municipalities and other units of local government of the State of North Carolina, as defined in G.S. 160A-460(2), have agreed to create the NORTH CAROLINA INTERLOCAL RISK MANAGEMENT AGENCY and have agreed to pool the risks of their workers' compensation liabilities and payment of claims for employers' liability coverage pursuant to, and to be governed by, the provisions of North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A);

NOW, THEREFORE, BE IT RESOLVED that the above named unit of local government elects to become a member of the NORTH CAROLINA INTERLOCAL RISK MANAGEMENT AGENCY upon the terms and conditions stated in the "Interlocal Agreement for a Group Self-Insurance Pool For Workers' Compensation Risk Sharing," with such future policy renewals constituting a continuing ratification of this decision to be a member of the Agency and to abide by the terms and conditions of the Interlocal Agreement.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the duly authorized officials of the above named unit of local government are directed to execute in the name of said unit the "Interlocal Agreement for a Group Self-Insurance Pool for Workers' Compensation Risk Sharing," a copy of which is attached to and made a part of this Resolution.

I certify that this is a true and correct copy of this Resolution, duly adopted by the governing body on the 10th day of August, 2020, as it appears of record in its official minutes.

Lower Cape Fear Water and Sewer Authority

By: _____
Al Milliken, Board Chairman

ATTEST:

Charlie Rivenbark, Secretary to the Board

(SEAL)

**INTERLOCAL AGREEMENT FOR A
GROUP SELF-INSURANCE POOL
FOR WORKERS' COMPENSATION RISK SHARING**

This Agreement, made and entered into in duplicate originals this _____ day of _____, 2_____, by and between all the parties who are now, or may hereafter become, members of the North Carolina Interlocal Risk Management Agency (hereinafter "Agency"):

WITNESSETH:

WHEREAS, certain municipalities and other units of local government of the State of North Carolina have agreed to create the Agency and have agreed to pool the risk of their workers' compensation liabilities and payment of claims for employers' liability coverage pursuant to, and to be governed by, the provisions of North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A); and

WHEREAS, the members of the Agency have agreed upon designation of a Board of Trustees to direct the affairs of the Agency, to adopt rules, regulations, policies, and bylaws for implementing and administering the Agency, and to pass upon the admissibility of future members of the Agency; and

WHEREAS, the members have designated the North Carolina League of Municipalities as Administrator of the Agency, subject to the provisions of this Agreement and the policies adopted by the Trustees, and;

WHEREAS, by this Agreement the Agency will undertake to discharge, solely from the assets of this Agency, by payment, any lawful workers' compensation and employers' liability claims against any member of the Agency, which awards shall have been sustained by final judgment where suit shall have been filed, or by the rules of the Agency if settlement is made before suit is filed; and

WHEREAS, the members of the Agency agree to pay premiums and/or contributions based upon appropriate classifications, rates, and experience modifications, and other criteria established by the Trustees, out of a portion of which the Agency will establish and maintain a fund for the payment of workers' compensation and employers' liability claims and awards and further, that the members covenant and agree that there will be no disbursements out of this fund by way of dividends or distribution of accumulated reserves to the respective members, except at the discretion of the Trustees; and

WHEREAS, the members of the Agency, through the action of their respective governing bodies have elected to comply with the conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and obligations herein contained, which are given to and accepted by each member hereof to the other, the parties hereto agree as follows:

<p>SECTION I. PURPOSE OF AGREEMENT; COMPOSITION OF BOARD OF TRUSTEES</p>

The purpose of the Agency established by the signatories hereto is to allow members to pool the risk of their workers' compensation liabilities and payment of claims for employers' liability coverage. To this end, the Agency shall be governed by a Board of Trustees made up of eleven (11) officials or employees of units of local government. Trustees shall be appointed for three (3) year overlapping terms by the Board of Directors of the North Carolina League of Municipalities and shall serve no more than two consecutive terms. No individual shall serve concurrently on the Board of Trustees and the League's Board of Directors. In addition, the Executive Director of the North Carolina League of Municipalities shall serve as an ex-officio, non-voting member of the Board of Trustees; the ex-officio position shall not have a committee assignment, nor shall the position serve as an officer of the Board of Trustees.

<p>II. TRUSTEES' POWERS, DUTIES, LIABILITY, AND INDEMNITY</p>
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The Trustees shall have the following powers and duties, in addition to those set forth elsewhere in this Agreement:

1. To establish guidelines for membership in the Agency;
2. To establish the terms and conditions of coverage, including underwriting criteria and exclusions from coverage;
3. To ensure that all valid claims are promptly paid;
4. To establish, operate, and enforce rules, regulations, policies, and bylaws as between the individual members of the Agency and the Agency;
5. To enter into agreements with such persons, firms, or corporations as it deems appropriate to adjust claims; promote membership in the Agency; provide actuarial and underwriting services; defend against claims and lawsuits; provide accounting services; obtain excess insurance or reinsurance coverage, if available, designed to protect the Agency against excess losses; invest the assets of the Agency; provide loss control and other risk management services for the Agency and member units; maintain records and accounts; and provide any other service necessary or desirable for the sound operation of the Agency;
6. To lease or rent real and personal property it deems to be necessary;

7. To borrow or raise monies for the purpose of the Agency to the extent that the Trustees shall deem desirable upon such terms and conditions as the Trustees in their absolute discretion may deem desirable or proper, and for any sum so borrowed to issue their promissory note as Trustees and to secure the repayment thereof by pledging all or any part of the pool; and no person or entity lending money to the Trustees shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any such borrowing;
8. To rate individually any member unit with rates different from the group rates when the loss experience of the unit warrants such individual rating, in the discretion of the Trustees;
9. To take measures to maintain claim reserves equal to known incurred losses and loss adjustment expenses and to maintain an estimate of incurred but not reported losses; and
10. To take all necessary precautions to safeguard the assets of the Agency.

The Trustees shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. The members agree that the Trustees shall not be liable for any mistake of judgment or other action made, taken, or omitted by any employee, agent, contractor, subcontractor, or independent contractor selected with ordinary care and reasonable diligence; nor for loss incurred through investment of Agency money or failure to invest. No Trustee shall be liable for any action taken or omitted by any other Trustee. The Trustees shall not be required to give a bond or other security to guarantee the faithful performance of their duties hereunder.

The members of the Agency agree that, for the payment of any claim against the Agency or the performance of any obligation of the pool hereunder, resort shall be had solely to the assets of the Agency, and neither the Trustee nor the Administrator shall be liable therefor. Further, the Agency shall indemnify and hold harmless the Trustees against any and all claims, suits, actions, debts, damages, costs, charges, and expenses (including but not limited to court costs and attorneys' fees) and against all liability, losses, and damages of any nature whatever, that the Trustees shall or may at any time sustain, or be put to, by reason of the exercise of their power and in the performance of their duties hereunder, or by reason of any mistake of judgment or other action made, taken, or omitted by any employee, agent, contractor, subcontractor, or independent contractor, or for loss incurred through investment of Agency money or failure to invest.

SECTION III. PAYMENT OF CLAIMS

The members of the Agency agree that, for the payment of any workers' compensation or employers' liability claim against the Agency or the performance of any obligation arising hereunder, resort shall be had solely to the assets of the Agency, and neither the Trustees nor the Administrator shall be liable therefor. Accordingly, lawful claims will be paid from the assets of the Agency pursuant to the types and levels of coverage established by the Board of Trustees.

The Board of Trustees shall establish a schedule of types and monetary levels of coverages for which the Agency shall be responsible on behalf of its members, including provisions for levels of coverage for which the members shall be individually responsible. Such types and levels of coverage may vary according to population classifications of members, mutual agreement of the Agency and a member, or such other criteria as may be established by the Board of Trustees. The types and level of coverage for each member shall be shown on a Coverage Document provided to each member. The Agency shall pay all claims (less the applicable deductible) for which each member incurs liability during each member's period of membership except where a member has individually retained the risk, where the risk is not covered, and except for amount of claims above the coverage provided by the Agency. The schedule so established may, from time to time, be amended by the Board of Trustees (but not during any coverage period) to sustain the financial integrity of the Agency or to reflect the desires of the members as determined by the Board of Trustees.

SECTION IV. MUTUAL COVENANT OF RISK SHARING

The members intend this Agreement as a mutual covenant of risk sharing and not as a partnership. No member by reason of being a member of the Agency and contributing to the pool shall be liable to the Agency, to any other member, or to any claimant, except for the payment of the premiums and/or contributions provided for in its application for membership and joinder in this Agency, and for any necessary additional assessments levied by the Trustees to offset a claims fund deficiency.

SECTION V. ADMINISTRATOR

The North Carolina League of Municipalities, an unincorporated association with offices at 215 North Dawson Street, Raleigh, North Carolina, 27603, is designated as the Administrator of the Agency. Subject to the services and sponsorship agreement between the Administrator and the Agency, the Administrator shall provide day-to-day management of the Agency and shall have the authority to contract with third parties for provision of services. The Administrator may establish offices where necessary within the State of North Carolina and employ staff to carry out the Agency's purpose. The Administrator shall deposit to the account of the Agency at any financial institution or financial institutions designated by the Trustees all premiums and/or contributions as collected and such monies shall be disbursed and/or invested only as provided by the rules, regulations, policies, and bylaws of the Trustees. The Administrator may enter into financial services agreements with financial institutions and issue checks in the name of the Agency. The Administrator shall receive such compensation as shall be determined from time to time by written agreement with the Trustees.

SECTION VI. ADMISSION TO MEMBERSHIP; SUSPENSION & EXPULSION

All members of the Agency hereby agree that the Trustees may admit as members of this Agency only the units of local government set forth in North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A). The Trustees shall be sole judge of whether or not an applicant shall be admitted to membership. Except as otherwise provided in Section

VII (i) of this Agreement, a member may be suspended or expelled by the Trustees from the Agency only after forty-five (45) days' notice has been delivered to the member in accordance with Section XV of this Agreement. No payment shall be required by the Agency as a result of any workers' compensation or employers' liability claim of the suspended or expelled member occurring after forty-five (45) days' notice has been delivered to the member in accordance with Section XV of this Agreement.

<p>SECTION VII. RULES, REGULATIONS, POLICIES, AND BYLAWS; MEMBERS' RESPONSIBILITIES</p>
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The rules, regulations, policies, and bylaws for the administering of the Agency and the admission and expulsion or suspension of members shall be promulgated by the Trustees. In addition, each member of the Agency agrees as follows:

- (a) To make prompt payment of all premiums and/or contributions as required by the Trustees;
- (b) To (and they do hereby) appoint the Trustees and Administrator as its agent and attorney-in-fact, to act on its behalf and to execute all contracts, reports, waivers, agreements, excess insurance or reinsurance contracts, and service contracts; and to make or arrange for payment of claims, medical expenses, and all other things required or necessary;
- (c) In the event of an accident or a claim reported by a member, to make immediate provision for remedial care for its employee, and to give immediate notification of the claim to the Administrator on the prescribed forms;
- (d) To permit the Agency to defend in the name of and on the behalf of the members any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the North Carolina Workers' Compensation Act or employers' liability coverage, including suits or other proceedings alleging such injuries and demanding damages or compensation therefore (although such suits, other proceedings, allegations, or demands are considered to be wholly groundless, false, or fraudulent) and to pay all judgments or costs taxed against members in any legal proceeding which is so defended at the direction of the Agency, all interest accruing after entry of judgment and all expenses which are incurred pursuant to the direction of the Agency for investigation, negotiation, or defense. It is agreed that the Agency shall make all final decisions regarding the legal defense of claims, and shall have absolute and conclusive authority with regard to defense, settlement, and payment of claims. It is agreed that the independent settlement or payment of any claim by or on behalf of a member without approval of the Agency shall be at the sole cost of the settling member without any reimbursement or

other resources from the Agency and may be grounds for expulsion of the member from the Agency;

- (e) To cooperate in all respects with the Agency, the Trustees, the Administrator, and any contractors of the Agency in carrying out the purposes of this Agreement;
- (f) In the event of the payment of any loss by the Agency under this Agreement, the Agency shall be subrogated to the extent of such payment to all the rights of the member against any person or other entity legally responsible for damages for such loss, and in such event, the member agrees to render all reasonable assistance to affect recovery;
- (g) To follow the reasonable safety, loss prevention, loss control, and risk management recommendations of the Trustees, the Administrator, or contractors of the Agency in order to minimize claims against the Agency;
- (h) The Trustees, the Administrator, and any contractors of the Agency shall be permitted at all reasonable times to inspect the work places, plants, works, machinery, and appliances of each member covered by this Agreement, and shall be permitted at all reasonable times and within two years after the final termination of a member's membership to examine the member's books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify the premiums and/or contributions that are payable under the terms hereof;
- (i) Risk sharing by the Agency under the terms of this Agreement shall begin upon payment of the premium and/or contribution by the member to the Agency. Risk sharing by this Agency under the terms of this Agreement shall expire and be cancelled automatically for nonpayment of premiums and/or contributions, and a member may be expelled from the Agency upon thirty (30) days' notice by the Trustees, the Administrator, or their designee delivered to the member in accordance with Section XV of this Agreement specifying the date that cancellation shall be effective. No payment shall be required of the Agency as a result of any workers' compensation or employers' liability claim of the expelled member occurring after 30 days' notice has been delivered to the expelled member in accordance with Section XV of this Agreement;
- (j) To pay any assessment duly levied by the Trustees under the terms of this Agreement. If a member cancels or withdraws from the Agency, the member shall pay its pro rata share of any assessment relating to the member's period of enrollment; and
- (k) In order that an adequate reserve may be maintained, the members further agree that the Trustees shall have the right to assess the members pro-rata

in such amounts as will be sufficient to maintain at all times a minimum reserve, equal to at least the annual premium and/or contributions for the coverage provided by the Agency. Should a member fail to pay any assessment as provided for in this Section within thirty (30) days of the assessment date, all interest and claim of such defaulting member in and to the Agency shall automatically cease.

SECTION VIII. ALLOCATION OF MONIES

The Trustees are authorized to set aside from the premiums and/or contributions collected from members a reasonable sum for the operating and administrative expenses of the Agency. All remaining monies coming into their hands during any fiscal year of the Agency shall be set aside and shall be used only for the following purposes:

- (a) Disbursement to establish a reserve for payments of required medical, surgical, hospital, rehabilitation, nursing expenses, payments of workers' compensation to employees of members covered by this Agreement, and employers' liability claims including settlements, awards, judgments, legal fees, and costs in all contested cases to the extent provided herein;
- (b) Payment of such compensation to the Administrator as shall be determined from time to time by written agreement between the Administrator and the Trustees;
- (c) Payment of all costs of all bonds and auditing expenses required of the Agency, the Administrator, or its agents or employees; and
- (d) Distribution to members in such manner as the Trustees shall deem to be equitable of any excess monies remaining after payment of claims and claims expenses and after provision has been made for open claims and outstanding reserves; provided, however, that no such distributions shall be made earlier than twelve (12) months after the end of an Agency Year. Undistributed excess funds from previous Agency Years may be distributed at any time if they are not required as reserves and if approved for distribution by the Trustees.

Monies in excess of those required to fulfill the purposes, costs, and other obligations of the Agency as set out hereinabove will be accumulated in the Agency or distributed to the member units at the discretion of and in the manner provided by the Trustees.

SECTION IX. FISCAL YEAR; CONTINUING CONTRACT; WITHDRAWAL OF MEMBERS SUBJECT TO PROVISION OF 30 DAYS' WRITTEN NOTICE TO ADMINISTRATOR; FEE IMPOSED FOR FAILURE TO PROVIDE 30 DAYS' WRITTEN NOTICE OF WITHDRAWAL

The Agency shall operate on a fiscal year from 12:01 a.m. July 1st to midnight on June 30 of the succeeding year (the "Agency Year"). Application for membership, when approved in writing by the Trustees or their designee, shall constitute a continuing contract for each succeeding Agency Year unless cancelled by the Trustees, or unless the member shall have resigned or withdrawn from the Agency by having written notice delivered to the Administrator on or before May 30 (i.e., the written notice must be delivered to the Administrator in accordance with Section XV of this Agreement thirty (30) days prior to the last day, June 30, of the Agency Year). Failure to provide thirty (30) days' written notice shall subject the member to an exiting fee constituting two percent (2%) of the premium for that Agency Year.

SECTION X. MEMBERS BOUND BY AGREEMENT; TERMINATION PERMITTED ONLY AT END OF FISCAL YEAR; FINAL ACCOUNTING

Any member who formally applies for membership in the Agency and is accepted by the Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof, and such application shall constitute a counterpart of this Agreement. Cancellation of this Agreement or of any plan, coverage, product or service provided by the Agency on the part of any member, or withdrawal from membership, shall be permitted only at the end of a fiscal year. A terminating member is entitled to a final accounting when all incurred claims are concluded, settled, or paid.

SECTION XI. INTENTION OF INDEFINITE OPERATION; RESERVATION OF RIGHT TO TERMINATE AGENCY; REVERSION OF MONIES OR OTHER ASSETS UPON TERMINATION

This Agency has been established with the bona fide intention that it shall be continued in operation indefinitely and that the premiums and/or contributions to the Agency shall continue for an indefinite period. However, the Trustees reserve the right at any time to terminate the Agency by a written instrument to that effect executed by the Trustees. In the event of such termination, member premiums and/or contributions (other than duly authorized assessments) shall cease as of the date of termination and the assets then remaining in the Agency shall continue to be used and applied, to the extent available, for the

- (a) payment of claims arising prior to such termination and administrative and other expenses and obligations arising prior to such termination; and
- (b) payment of reasonable and necessary expenses incurred in such termination.

Any monies or other assets thereafter remaining in the Agency shall revert to the members of the Agency as of the date of termination pro-rata to the annual premiums and/or contributions of said members paid in the year of termination. In no event shall any such assets be returned or distributed to any individual. Upon such termination, the Trustees shall continue to serve for such period of time and to the extent necessary to effectuate termination of the Agency.

SECTION XII. AMENDMENT OF AGREEMENT

This Agreement may be amended by an agreement executed by those members constituting a majority in paid-in dollar volume of contributions to the Agency during the current Agency Year. In lieu of this amendment procedure, the members hereby appoint the Board of Directors of the North Carolina League of Municipalities as their agents to make any amendments to this Agreement which would not fundamentally alter the contemplated arrangement. For purposes of illustration, and not limitation, an amendment to increase or decrease the number of members of the Board of Trustees or their terms shall not be construed as a fundamental alteration of the arrangement, provided that the current term of a member may not be terminated by any such amendment. Written notice of any amendment proposed for adoption by the Board of Directors of the North Carolina League of Municipalities shall be delivered to each member in accordance with Section XV of this Agreement not less than 30 days in advance. Written notice of amendments finally adopted by the Board of Directors of the North Carolina League of Municipalities shall be delivered to each member in accordance with Section XV of this Agreement not more than 30 days after adoption.

SECTION XIII. HEADINGS

Headings of various sections and subsections of this Agreement have been inserted for the convenience of reference only and shall not be construed as modifying, amending, or affecting in any way the express terms and provisions of this Agreement.

SECTION XIV. INTERPRETATION

This Agreement shall be governed and interpreted under the laws of the State of North Carolina. This Agreement is intended to serve as an interlocal agreement, for purposes of executing the undertaking described in the preceding sections and paragraphs, under North Carolina General Statutes 160A-460 *et seq.* (Part 1 of Article 20 of Chapter 160A). The terms of this Agreement do not constitute a coverage document or form applicable to any specific claim.

Should any clause, sentence, provision, paragraph, or other part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Agreement. Each of the parties declares that it would have entered into this Agreement irrespective of the fact that any one or more of this Agreement's clauses, sentences, provisions, paragraphs, or other parts have been so declared invalid. Accordingly, it is the intention of the parties that the remaining portions of this Agreement shall remain in full force and effect without regard to the clause(s), sentence(s), provision(s), paragraph(s), or other part(s) invalidated.

Failure of the Trustees, the Administrator, or their designees to insist in any one or more instances upon the performance of any of the covenants, agreements, and/or conditions of this Agreement, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of any such covenant or condition.

This Agreement contains the entire agreement between the parties, whom shall not be bound by any verbal statement or agreement made heretofore.

SECTION XV. MEMBER REPRESENTATIVES; NOTICES

There shall be a Member Representative for each member of the Agency who shall be the agent of the member for purposes of giving and receiving notices required or permitted pursuant to this Agreement. Each member shall designate a Member Representative and provide the member's postal mailing address and, if applicable, a facsimile number and electronic mail address to which the Administrator may provide notices hereunder. The Administrator shall provide forms, as needed, for use by the member in designating its Member Representative and providing its address information. Such information may be updated at any time there is a change in the information provided thereon. Until such time as different information is provided, the Member Representative shall be the member's chief administrative official as shown on the records of the Administrator and the member's postal mailing address, facsimile number and electronic mail address shall be that as provided by the member on its most recent application. For purposes of illustration and not limitation, a chief administrative official shall be considered to be a manager, administrator, clerk or executive director as may apply with respect to a particular member.

Any notices required or permitted by this Agreement shall be in writing and may be given: in person, by United States Postal Service, by facsimile, or by electronic mail. Notices shall be deemed delivered: (a) when received if delivered in person, (b) three business days after being deposited with the United States Postal Service, postage prepaid, properly addressed to the party to whom such notice is intended to be given at the address established under this section, (c) on the date sent if given by facsimile, provided that an electronic confirmation of delivery has been received by the sender and that a copy of such notice was also sent on such date by mailing, or (d) on the date sent if given by electronic mail, provided a copy of such notice was also sent on such date by mailing and receipt of the electronic mail is acknowledged by the receiving party by return electronic mail. Notices provided to the Administrator shall be delivered, addressed or directed as follows, or to such other address as designated by the Administrator in written notice to the member provided in accordance with this paragraph:

Executive Director
North Carolina League of Municipalities
434 Fayetteville Street, Suite 1900
Raleigh, North Carolina 27601
Facsimile number: 919-301-1053
Electronic address: RMSnotifications@nclm.org

IN WITNESS WHEREOF, the participating entity listed below acknowledges its membership in the Agency and acceptance of obligations hereunder, by the due execution hereof, following appropriate governing body approval, by its duly authorized official. Further, the members of the North Carolina Interlocal Risk Management Agency have caused these presents to be signed by their duly authorized Chair of the Board of Trustees and have had this Agreement attested by its duly authorized Administrator.

WITNESS:

NORTH CAROLINA INTERLOCAL RISK
MANAGEMENT AGENCY

BY: _____
Chair
Board of Trustees

NORTH CAROLINA LEAGUE OF
MUNICIPALITIES

BY: _____
Executive Director
Administrator

(NAME OF PARTICIPATING ENTITY)

(Clerk, or Secretary to the Board)

BY: _____
(Mayor, or Board Chair)

AGENDA ITEM

To: CHAIRMAN MILLIKEN AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2020

Re: A Resolution Honoring Attorney John C. Wessell, III

Background: John C. Wessell, III served as Legal Counsel from April 7, 2009 to July 31, 2020. He also has served as the attorney for the Town of Wrightsville Beach for 36 years, and the attorney for the Town of Leland for 20 years and a stint as the assistant attorney for the City of Wilmington for two years. Additionally, he represented the Towns of Topsail Beach and Surf City. The Authority's Board of Directors desires to express appreciation and to honor John Wessell's outstanding service and commitment to the Authority.

Action Requested: Motion to approve/disapprove

Resolution Honoring Attorney John C. Wessell, III

A Resolution Honoring John C. Wessell, III

WHEREAS, John C. Wessell, III served as Legal Counsel for the Board of Directors of the Lower Cape Fear Water & Sewer Authority (“the Authority”) from April 7, 2009 to July 31, 2020 to; and

WHEREAS, the Authority is a regional organization created to aid development of a water supply system for its sponsoring member governments comprised of Bladen, Brunswick, Columbus, New Hanover, and Pender Counties, and the City of Wilmington; and

WHEREAS, while serving as Legal Counsel for the Authority, John C. Wessel also served as the attorney for the Town of Wrightsville Beach for 36 years, and the attorney for the Town of Leland for 20 years and a stint as the assistant attorney for the City of Wilmington for two years. He has also represented the Towns of Topsail Beach and Surf City; and

WHEREAS, John C. Wessell is respected and admired by all the partner members Directors and Staff members having advised and represented the Authority for over a decade; and

WHEREAS, John C. Wessell has a passion for children in the Lower Cape Fear Region serving on the Board for the Brigade Boys and Girls Clubs of New Hanover, Pender and Onslow Counties; and

WHEREAS, the Authority’s Board of Directors desires to express appreciation and to honor John C. Wessel’s outstanding service and commitment to the Authority.

THEREFORE, BE IT RESOLVED, by the Chairman and the Board of Directors for the Lower Cape Fear Water & Sewer Authority that a copy of this resolution be presented to John C. Wessell, III; and

THEREFORE, BE IT FURTHER RESOLVED, that a copy of this resolution be recorded in the permanent minutes of this Board.

Adopted this 10th day of August, 2020

William A. Milliken, Jr, Chairman

Harry Knight, Director

Trent Burroughs, Vice Chairman

Al Leonard, Director

Charlie Rivenbark, Secretary

Jackie Newton, Director

Norwood Blanchard, Treasurer

Phil Norris, Director

Wayne Edge, Director

Mayor Bill Saffo, Director

Larry Johnson, Director

William Sue, Director

Patricia Kusek, Director

Frank Williams, Director

AGENDA ITEM

To: CHAIRMAN MILLIKEN AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2020

Re: A Resolution Honoring Amy B. Scruggs

Background: Amy Scruggs has served the Lower Cape Fear Water and Sewer Authority since January 5th, 2009 as Finance Administration Assistant. The Authority's Board of Directors desires to express appreciation and to honor Amy Scruggs' outstanding service and commitment to the Authority;

Action Requested: Motion to approve/disapprove

Resolution Honoring Amy B. Scruggs

A Resolution Honoring Amy B. Scruggs

WHEREAS, the Lower Cape Fear Water and Sewer Authority (“the Authority”) is a regional organization created to aid development of a water supply system for its sponsoring member governments comprised of Bladen, Brunswick, Columbus, New Hanover, and Pender Counties, and the City of Wilmington; and

WHEREAS, on January 5, 2009 the Authority’s Board of Directors hired Amy Scruggs for the position of Finance Administration Assistant, a position she held until her retirement on September 1, 2020; and

WHEREAS, during her thirty-nine year career in Public Service, Amy Scruggs, served as library clerk, Teacher Assistant and School Secretary at Wrightsboro Elementary School; Administrative Assistant to the Assistant Superintendent of Student Support service for New Hanover County Schools; Job Secretary at Miller Building, Wilmington; Records Management Supervisor, Public Administrative Support Supervisor and Fiscal Support Supervisor for the New Hanover County Department of Social Services; additionally she held a North Carolina Residential General Contractor License; and

WHEREAS, Amy Scruggs, has worn many hats throughout her tenure with the Authority, being especially diligent during the past nine months of transition as the Authority’s staff members passed the baton to a new Executive Director, a new Attorney and a new Finance Administration Assistant; and

WHEREAS, Amy Scruggs is respected and admired by the Board of Directors, staff members and partner members having been the face and frontline of contact for the Authority for over a decade; and

WHEREAS, Amy Scruggs has completed several mission trips abroad and contributed to the betterment of the citizens and quality of life for those less fortunate and plans to devote her time to more volunteerism and to spend more time with her family and grandchildren that are such a big part of her life; and

WHEREAS, the Authority’s Board of Directors desires to express appreciation and to honor Amy Scruggs’ outstanding service and commitment to the Authority;

THEREFORE, BE IT RESOLVED, by the Chairman and the Board of Directors of the Lower Cape Fear Water and Sewer Authority, that a copy of this resolution be presented to Amy Scruggs; and

THEREFORE, BE IT FURTHER RESOLVED, that a copy of this resolution be recorded in the permanent minutes of this Board.

Adopted this 11th day of August, 2020

William A. Milliken, Jr, Chairman

Patricia Kusek, Director

Trent Burroughs, Vice Chairman

Al Leonard, Director

Charlie Rivenbark, Secretary

Jackie Newton, Director

Norwood Blanchard, Treasurer

Phil Norris, Director

Wayne Edge, Director

Bill Saffo, Director

Larry Johnson, Director

William Sue, Director

Harry Knight, Director

Frank Williams, Director

AGENDA ITEM

To: CHAIRMAN MILLIKEN AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2020

Re: Introduction of Allison Covington

Background: Allison Covington was hired as the new Finance Administration Assistant and will be working with Ms. Scruggs until her retirement on September 1st. Ms. Covington holds a Bachelor of Science Degree in Accounting from Virginia State University and she has over 15 years of experience including governmental accounting and office administrative services.

Action Requested: For information purposes

AGENDA ITEM

To: CHAIRMAN MILLIKEN AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2020

Re: Evaluation Inspection of a Portion of the Kings Bluff 48-Inch Raw Water Transmission Main Aerial Crossing Above Livingston Creek (Tony Boahn, P.E., McKim & Creed)

- A) A Resolution of Lower Cape Fear Water & Sewer Authority Exempting Lower Cape Fear Water & Sewer Authority From The Provisions of N.C.G.S. §143-64.31 and the Lower Cape Fear Water & Sewer Authority Contract and Purchasing Policy
- B) Proposal for Professional Consulting Engineering Services Kings Bluff 48-Inch Raw Water Transmission Main Aerial Crossing Structural Assessment
- C) Fiscal Year 2020-2021 Budget Amendment #1

Background: After meeting with contracted staff on site to view the existing overhead crossing, discussions progressed about having the support structure evaluated while contractors are on site in the event that those structures needed modification or rehabilitation. The current structure does not have the safety walk and other features that the new aerial crossing does and that will be considered as well if any construction or rehab is recommended after the evaluation. The total cost for above and below water evaluation is \$14,500.00 and will require an associated budget amendment.

In order to proceed, the following items are presented for consideration of approval.

- A) Lower Cape Fear Water & Sewer Authority Exempting Lower Cape Fear Water & Sewer Authority From the Provisions of N.C.G.S. §143-64.31 and the Lower Cape Fear Water & Sewer Authority Contract and Purchasing Policy

Action Requested: Motion to approve/disapprove

- C) Proposal for Professional Consulting Engineering Services Kings Bluff 48-Inch Raw Water Transmission Main Aerial Crossing Structural Assessment

Action Requested: Motion to approve/disapprove

- D) Fiscal Year 2020-2021 Budget Amendment #1

Action Requested: Motion to approve/disapprove

A RESOLUTION OF
LOWER CAPE FEAR WATER & SEWER AUTHORITY
EXEMPTING LOWER CAPE FEAR WATER & SEWER AUTHORITY
FROM THE PROVISIONS OF N.C.G.S. §143-64.31

WHEREAS, N.C.G.S. §143-64.31 requires Lower Cape Fear Water & Sewer Authority (the "Authority") to conduct an initial selection of firms to provide engineering services without regard to fee; and

WHEREAS, N.C.G.S. §143-64.32 permits the Authority to exempt projects from the provisions of N.C.G.S. §143-64.31 in the case of proposed projects where the estimated professional fee is less than \$50,000.00; and

WHEREAS, the Authority proposes to enter into a contract with McKim & Creed, Inc. for engineering services as described hereinafter; and

WHEREAS, the estimated professional fee for the work to be done by McKim & Creed, Inc. in connection with such project is less than \$50,000.00; and

WHEREAS, the Authority by its execution of this resolution intends to waive the requirements of N.C.G.S. §143-64.31.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Lower Cape Fear Water & Sewer Authority as follows:

1. The project consisting of consulting engineering services by McKim & Creed per proposal 201788 for the fixed fee amount of \$14,500, to include an above water and underwater water structural evaluation inspection of an aerial crossing above the Livingston Creek water line which is a portion of the Kings Bluff 48-inch raw water transmission main, is declared exempt from the provisions of N.C.G.S. §143-64.31 and from the Lower Cape Fear Water and Sewer Authority Contract and Purchasing Policy.
2. This Resolution shall be effective upon passage.

This Resolution adopted this 10th day of August, 2020.

Al Milliken, Chairman

ATTEST:

Charlie Rivenbark, Secretary



ENGINEERS

SURVEYORS

PLANNERS

June 22, 2020

201788

Mr. Tim Holloman, Executive Director
 Lower Cape Fear Water & Sewer Authority
 1107 New Pointe Blvd Suite 17
 Leland, NC 28451

**Re: Proposal for Professional Consulting Engineering Services
 Kings Bluff 48-Inch Raw Water Transmission Main
 Aerial Crossing Structural Assessment**

Dear Mr. Holloman:

McKim & Creed appreciates the opportunity to provide this proposal for professional services for the referenced project. Our detailed scope of work is provided as follows:

I. SCOPE OF SERVICES

Background

The LCFWSA (Authority) owns and operates the Kings Bluff Raw Water Pump Station located above Lock & Dam No. 1 in Bladen County. The existing 48-inch raw water transmission main was constructed in the early 1980s, nearly 40 years ago. Currently, a 54-inch raw water main is under construction that will parallel the existing 48-inch raw water main that was installed in the early 1980s. For installation of the new parallel raw water main, the contractor Garney Construction has built access roads to Livingston Creek where there is an existing aerial crossing spanning approximately 160 linear feet. The area is difficult to access for inspections due to the surrounding wetlands. The Authority would like to take advantage of the current access and perform a thorough structural inspection of the existing pilings.

Task 1 – Above Water Structural Evaluation Inspection

McKim & Creed will provide following services to evaluate the portion of the aerial structure above the Livingston Creek water line.

243 North Front Street

Wilmington, NC 28401

910.343.1048

Fax 910.251.8282

www.mckimcreed.com

P:\PW20\201788 LCFWSA 48-inch RWM Aerial Crossing Structural Assessment

Mr. Tim Holloman, Executive Director
 Lower Cape Fear Water and Sewer Authority
 June 8, 2020
 Page 2

Review of the timber pilings & bracing to include but not limited to the following:

- Out of plumb or leaning members.
- Section loss or rotted members.
- Splitting or warping of members.

Review of the concrete pile caps to include but not limited to the following:

- Out of plumb, uneven or non-level vertical and horizontal surfaces.
- Surface defects including but not limited to cracks, spalls, delaminations or exposed reinforcing bars.
- Depending upon water level conduct soundings to possibly determine if subsurface voids may exist.

Review of the miscellaneous metals to include but not limited to the following:

- Rusting and/or delamination of metal surfaces.
- Section loss of members.
- Connection fastener conditions.

Review of the existing aerial crossing supports above the waterline, will utilize visual observations and hand tools to form an opinion about the condition of the structural members and the various components of the pipe support assemblies. In general, our review will concentrate on conditions of existing construction to determine if degradation or damage exists. The inspection will be performed from a small 12-foot aluminum boat.

After completion of the above waterline review, a Technical Memorandum (TM) will be issued. The TM will include descriptions and photos documenting conditions observed and conclude with a summary of recommended repairs with an opinion of cost.

Task 2 – Underwater Structural Evaluation Inspection

McKim & Creed, along with Intercoastal Marine, LLC, will provide a three man dive to evaluate the portion of the structure below the Livingston Creek water line. This proposal covers **one** 8-hour day for the dive team to perform a visual underwater inspection and video of the inspection (if water quality allows). McKim & Creed structural engineer will be on-site and present during the

Mr. Tim Holloman, Executive Director
 Lower Cape Fear Water and Sewer Authority
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 Page 3

underwater portion of the inspection. Communication with the diver will be provided by the dive team to the structural engineer.

After completion of the above waterline review, a Technical Memorandum (TM) will be issued. The TM will include descriptions and photos documenting conditions observed and conclude with a summary of recommended repairs with an opinion of cost. Intercoastal Marine, LLC will provide a dive inspection report along with the Technical Memorandum.

II. COMPENSATION

McKim & Creed will complete the work outlined in this proposal for the fixed fee amounts as indicated below.

TASK	TASK DESCRIPTION	TOTAL
Task 1	Above Water Structural Evaluation Inspection	\$6,800
Task 2	Underwater Structural Evaluation Inspection	\$7,700
	Total Fee Tasks 1 and 2	\$14,500

- 1.5% per month on overdue invoices, etc.
- Either party may terminate with a 30-day notice.

III. SCHEDULE

McKim & Creed will schedule and perform the inspection within three weeks of notice to proceed. A draft TM will be submitted within two weeks of the inspection for review. The final report will be completed within one week of receiving comments from LCFWSA.

Inspection schedule may depend on weather conditions and coordination with on-going construction in the immediate area.

IV. ADDITIONAL SERVICES

The Professional Services stated herein above do not include the costs of, but can be provided if requested at a negotiated scope and fee:

Mr. Tim Holloman, Executive Director
Lower Cape Fear Water and Sewer Authority
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- Additional Dive Team Days
- Design Services
- Bid and Award Services
- Construction Administration or Construction Observation Services
- Permits and Permit Fees
- Court appearances for expert witness.
- Design of demolition or abandonment of existing facilities
- Environmental Assessments or Environmental Impact Statements

ACCEPTANCE AND AUTHORIZATION

If this proposal is acceptable, please sign below as indicated and return one executed copy to our office. Upon receipt, McKim & Creed will consider this as the authorization to proceed.

We appreciate the opportunity to provide these services and look forward to our continuing work with the Authority. If you have any questions, please do not hesitate to contact me.

Sincerely,
McKIM & CREED, Inc.



Jess Powell, PE

Enclosure: (1) McKim & Creed, Inc. Engineering Division General Conditions

Accepted by:

LOWER CAPE FEAR WATER & SEWER AUTHORITY

NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

Mr. Tim Holloman, Executive Director
Lower Cape Fear Water and Sewer Authority
June 8, 2020
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E-Verify Requirement. As a condition of payment for services rendered under this agreement, Engineer shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (requirement that employers use E-Verify). Further, if Engineer provides the services to the Client utilizing a subcontractor, Engineer shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes as well. Engineer shall verify by affidavit compliance with the terms of this section upon request of Client.

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act, this the ____ day of _____, 2020

Finance Officer, Lower Cape Fear Water and Sewer Authority



Lower Cape Fear Water & Sewer Authority
Leland, North Carolina

BUDGET AMENDMENT #1

Fiscal Year 2020 - 2021

BE IT ORDAINED by the Board of Directors of the Lower Cape Fear Water & Sewer Authority that the following amendments are made to the FY 2020-2021 Annual Budget Ordinances.

Section 1: To amend the **Operating Fund** the listed appropriation is to be increased as follows:

Operating Fund :

4048-01 Engineer Expense	\$ 14,500
	<u>\$ 14,500</u>

This amendment provides for an unbudgeted appropriation to McKim & Creed for engineering services per proposal 201788 for the fixed fee amount of \$14,500 to include an above water and underwater water structural evaluation inspection of an aerial crossing above the Livingston Creek water line which is a portion of the existing Kings Bluff 48-inch raw water transmission main.

The Revenue for the increased appropriation will be provided as follows:

Operating Fund :

2900-00 – Operating Fund, Unappropriated Fund Balance	\$ 14,500
	<u>\$ 14,500</u>

Section 2: Copies of this Budget Amendment shall be furnished to the Budget Officer for direction in the carrying out of his duties.

Approved as to the availability of funds:

 Tim H. Holloman, Finance Officer

This Budget Amendment adopted this 10th day of August, 2020.

 Al Milliken, Chairman

ATTEST:

 Charlie Rivenbark, Secretary

AGENDA ITEM

To: CHAIRMAN MILLIKEN AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2020

Re: Executive Director's Report

EDR1 - Comments on Customers' Water Usage and Raw Water Revenue for Month Ending July 31, 2020

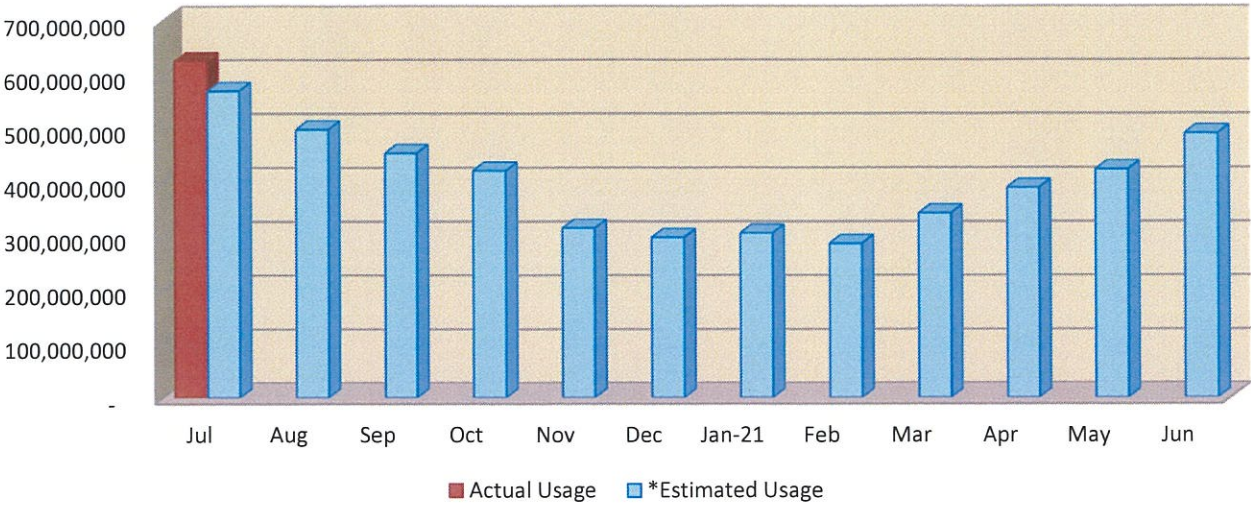
EDR2 - Update on Potential Right-of-Way Maintenance Project

EDR3 - Status Report on the Bladen Bluffs Regional Surface Water Plant Cape Fear River Bank Restoration Project

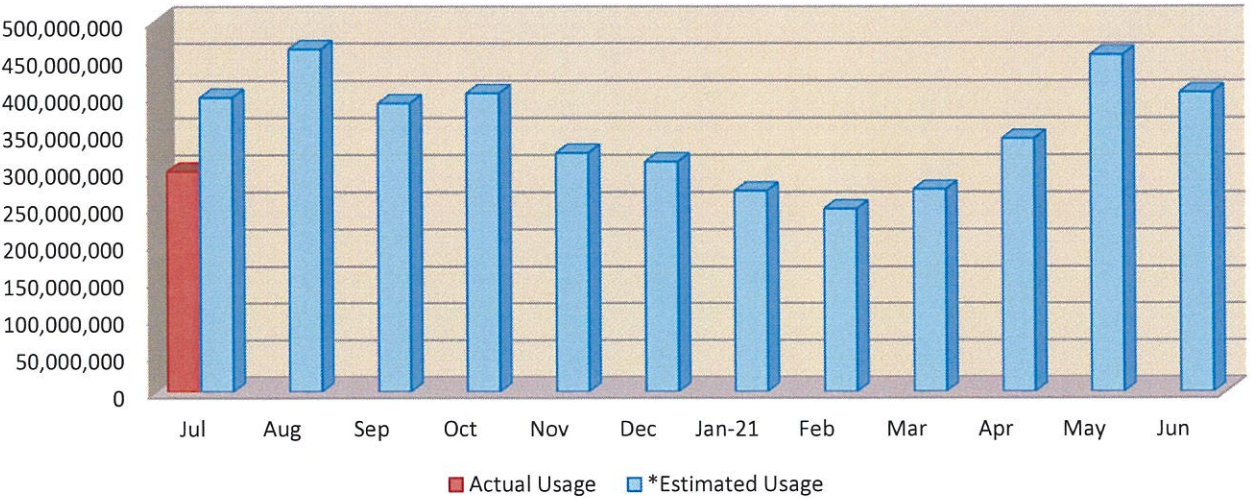
EDR4 - Update on Board Room Audio / Video System

Action Requested: For information purposes

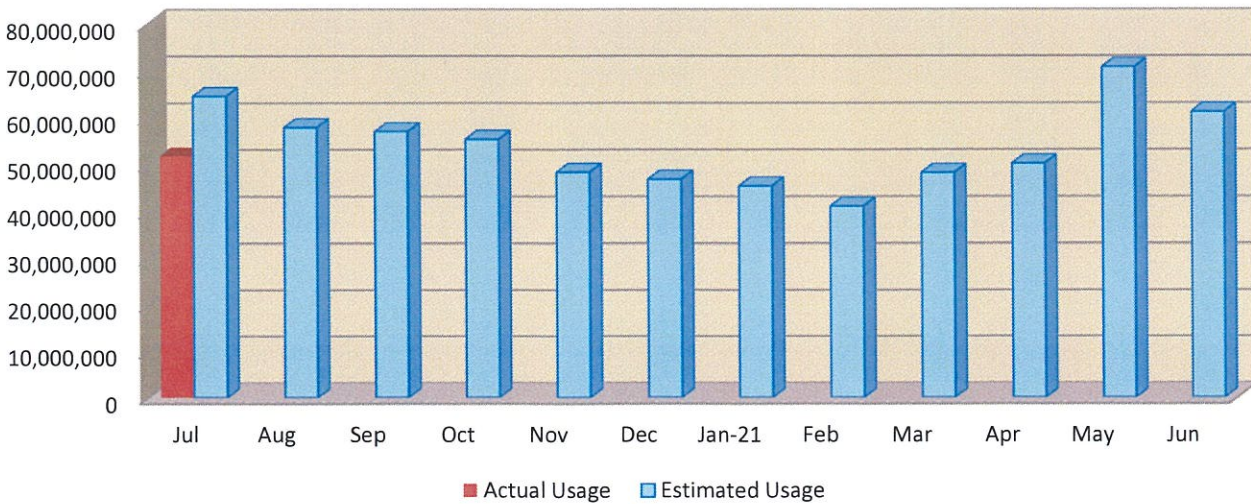
Brunswick County Water Usage FY 20-21



CFPUA Water Usage FY 20-21



Pender County Water Usage FY 20-21



ACTUAL MONTHLY REVENUE COMPARED TO PROJECTED REVENUE

Month	Monthly Projected Revenue	Monthly Actual Revenue	Over/Under Budget Per Month	Total to Date Over/Under Budget
Jul	\$ 286,455.18	\$ 267,576.45	(\$18,878.73)	(\$18,878.73)
Aug	\$ 282,861.32	\$ -		
Sep	\$ 250,903.77	\$ -		
Oct	\$ 245,202.77	\$ -		
Nov	\$ 192,545.63	\$ -		
Dec	\$ 184,257.82	\$ -		
Jan	\$ 175,330.64	\$ -		
Feb	\$ 162,438.53	\$ -		
Mar	\$ 186,673.77	\$ -		
Apr	\$ 218,693.18	\$ -		
May	\$ 264,178.52	\$ -		
Jun	\$ 265,862.86	\$ -		
	\$ 2,715,404.00			

