

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

August 9, 2021

Chairman Leonard called to order the Authority meeting scheduled on August 9, 2021, 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 Leonard:

Present: Norwood Blanchard, Patrick DeVane, Wayne Edge, Harry Knight, Al Leonard, Al Milliken, Jackie Newton, Charlie Rivenbark, Bill Saffo, Chris Smith, Bill Sue, Frank Williams, and Rob Zapple

Present by Virtual Attendance: Phil Norris

Absent: None

Staff: Tim H. Holloman, Executive Director; Matthew Nichols, General Counsel; Jess Powell P.E., McKim & Creed, Patrick Flanagan, COG, and Danielle Hertzog, Financial Administration Assistant

Guests Present: Eric Gardner, Wilson Hudspeth, and Glen Walker

Guests Virtual Attendance: Carel Vandermeijden, Matt Hourihan, John Nichols, Kenneth Waldrop, Heidi Cox, and John Malone

PLEDGE OF ALLEGIANCE: Vice-Chairman Rivenbark led the Pledge of Allegiance.

APPROVAL OF CONSENT AGENDA

C1 - Minutes of Regular Board Meeting July 12, 2021

C2 - Kings Bluff Monthly Operations and Maintenance

C3 - Bladen Bluffs Monthly Operations and Maintenance Reports

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

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Wayne Edge	X			
Patrick DeVane	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Al Milliken	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
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OLD BUSINESS

OB1- Review of the Demand Response Automation with a Presentation from Duke Energy by Eric Gardner and Wilson Hudspeth.

ENGINEER'S COMMENTS

Jess Powell gave an update on the 54-inch parallel raw water main. There is one line item in the project cost for subgrade stabilization stone. McKim and Creed allotted twelve inches of stone under the pipe, and throughout the project, they have not had to use that line item. That is a total of 1.1 million dollars not anticipated to be needed. Scheduled completion has not changed and is set for January 2022. The new 54-inch pipeline from the pumping station to the ground tank is complete, except for the portion that floated on Rattle Snake Branch. Garney determined the soil did not achieve sufficient cover. The contractor brought in fill dirt to build up the ground surface area, then installed the pipeline, and then came back to remove the additional fill dirt. McKim and Creed designed five feet of cover in this area. Garney completed another surveyor check of the pipeline that floated and determined they only achieved three feet of coverage. Garney is working on installing access to the area to remove the damaged portion of the pipe and replace it. Director Milliken wanted to confirm that Garney will be reusing the undamaged part of the pipeline. Jess advised Garney is only replacing the bent/damaged portion of the pipeline. Director Newton wanted to know if McKim and Creed had signed off on the work. Jess stated they have not signed off because construction is still ongoing. Director Zapple wanted to know what happened with the quality control measures for this portion of the pipeline. Jess advised they did not have survey-grade equipment on site; however, the construction observer could have seen that visually it was not five feet. Also, Garney should have seen it when they did the field test of this area. Director Zapple wanted to know if it will have any financial impact on LCFWASA. Jess advised Garney is covering any finances for the repair/replacement of the pipeline that floated. After Garney completes the replacement, they will begin schedule one of testing the pipeline, doing cleanup, and seeding the right of way.

ATTORNEY COMMENTS

Matthew Nichols spoke to Stephen Johnston from Baron and Budd, who represents LCFWAS in litigation against Chemours Company FC LLC, The Chemours and Company, and the Chemours Company. That litigation is pending in the US District Court and the District of North Carolina. The Authority is the plaintiff along with CFPUA, Brunswick County, and the town of Wrightsville Beach. Mr. Johnston stated an amended scheduling order was entered in the case. The new amended deadline for fact discovery to conclude is June 30, 2022. Mr. Johnson advised there are three tracks of cases: the public authority government track, which we are a part of, the second track is several individual plaintiffs, and the third track is a class action. Director Newton wanted to know if Baron and Budd would report to us regarding the written discovery. Mr. Nichols advised Baron and Budd have a large volume of documents they are looking over. He will talk to Mr. Johnston about a summary update for the Board via a phone or zoom call. Director Newton wanted to know when the three litigation maps converge, will there be one trial for each separate track or joined together. Mr. Nichols stated the class action track is ahead of the Authority's case. Director Zapple wanted to know who is financing Baron and Budd. Executive Director Holloman advised it is on contingency, and LCFWASA has a minor portion. Director Newton and Zapple would like Mr. Nichols to request periodic summary reports from Baron and Budd. Mr. Nichols will contact Mr. Johnston to set up the periodic summary reports. Director Milliken questioned if there was an update on the manufactured home. Mr. Nichols advised we are waiting for comments back on the draft agreement.

EXECUTIVE DIRECTOR REPORT

EDR1 – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending July 31, 2021

Executive Director Holloman reported that during the Month of July 2021, Brunswick County, CFPUA, and Pender County were all above projections. Monthly revenue was up as well.

EDR3 – Summary of Activities

Executive Director Holloman informed the board that he worked with Brunswick County, Underwood Pump, and others to expedite the emergency replacement of VFD that was tested and put into service this past Thursday. Continue reviewing of "Take or Pay" with Matt Nichols. The computer server and new phone were installed after the July board meeting.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

Director Sue wants to know the variable cost to run the generators versus the Demand Response Automation savings. Director Smith would like to schedule a trip to visit the 54-inch pipeline. Chairman Leonard wanted advice on guidance for COVID measures for the Authority and curtailing public attendance. Director Williams advised following Brunswick County Government. Chairman Leonard agreed with LCFWASA to follow Brunswick County Government policy.

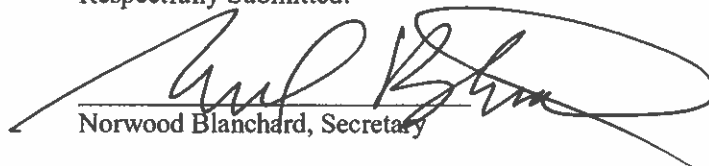
PUBLIC COMMENT

No comment

ADJOURNMENT

There being no further business, Chairman Leonard adjourned the meeting at 10:19 a.m.

Respectfully Submitted:



Norwood Blanchard, Secretary