

Lower Cape Fear Water & Sewer Authority  
Regular Board Meeting Minutes  
May 8<sup>th</sup>, 2023

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Chairman Blanchard called to order the Authority meeting scheduled on May 8<sup>th</sup>, 2023, 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 DeVane gave the invocation.

**Roll Call by Chairman Blanchard:**

**Present:** Norwood Blanchard, Patrick DeVane, Wayne Edge, Harry Knight, Jackie Newton, Phil Norris, Scott Phillips, Charlie Rivenbark, Chris Smith, Bill Sue, Frank Williams, and Rob Zapple

**Present by Virtual Attendance:** Al Leonard and Bill Saffo

**Absent:** None

**Staff:** Tim H. Holloman, Executive Director; Tony Boahn P.E., McKim & Creed; Matthew Nichols, General Counsel; Sam Shore, COG; and Danielle Hertzog, Financial Administration Assistant

**Guests Present:** Glenn Walker, Brunswick County Water Resources Manager; Jordan Clark, Computer Warriors; Kenny Keel, Pender County Public Utilities Director; Jess Powell P.E., McKim & Creed; Craig Wilson, Cape Fear Public Utility Authority Engineering Manager; Karen Pallansch, Cross Water Strategies LLC; and John Nichols, Brunswick County Public Utilities Director

**Guests Virtual Attendance:** Tom Hendrick, Pender County Utilities Water Treatment Plant Superintendent; Benjamin Kearns, Cape Fear Public Utility Authority Water Recourses Manager Water Treatment; Frank Styers, Cape Fear Public Utility Authority Linear Assets PM Administration, John Grabartis, Northwest Pipe Company.

**PLEDGE OF ALLEGIANCE:** Chairman Blanchard led the Pledge of Allegiance.

**APPROVAL OF CONSENT AGENDA**

**C1 – Minutes of April 10, 2023, Regular Board Meeting**

**C2 – Minutes of April 10, 2023, Long Range Planning Committee Meeting**

**C3 – Kings Bluff Monthly Operations and Maintenance Report**

**C4 - Bladen Bluffs Monthly Operations and Maintenance Reports**

**C5 - Retainer for General Counsel Services Agreement: Matthew Nichols, Attorney at Law in the amount of \$195 per hour for FY 2023-2024**

**C6 – Line-Item Adjustment for March 31, 2023**

**C7 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 for C7 B**

**C7 B – Retainer for Engineering Services Agreement: McKim & Creed in the amount of \$21,000 for Fiscal Year 2024-2025**

**Motion:** Director Williams **MOVED**; seconded by Director Rivenbark, approval of the Consent Agenda Items C1-C7B as presented. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

**PUBLIC HEARING: PRESENTED DRAFT BUDGET FOR THE FISCAL YEAR 2023-2024 BUDGET AND BUDGET ORDINANCE:**

**Motion to open Public Hearing per North Carolina General Statute Section 159-12**

**Motion:** Director Phillips **MOVED**; seconded by Director Edge, to open Public Hearing. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

**NEW BUSINESS**

**NB1 – Review of the Fiscal Year 2023-2024 Budget and Budget Ordinance for Consideration of Approval On June 5th, 2023.**

Executive Director Holloman reviewed essential cost items for the FY 2022-2023 draft budget. Our customers have projected to use 9,781,217 gallons of water for an estimated revenue of 3.9 million. Health insurance will be

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increasing by 5%. The property and liability insurance expenses will increase by 10%. The state retirement will increase from 12.1% to 12.85. Anti Vortex Equipment for one assembly costs \$50,000 for Kings Bluff Plant. Preliminary engineering and permitting for the fourth pump. No increase in engineering cost for this year for the annual inspection report. We will move \$380,000 to the Renewal and Replacement Fund and \$100,000 to Enterprise Fund to build up the funds. The raw water rate will increase to \$0.40 per 1,000 gallons. The FY 23-24 budget is a 9% increase from the FY22-23 budget due primarily to operating capital expenses and building the R & R Fund.

**NB2 - Consideration of Design Build Team and Award contingent on funding receipt of initial pre-construction costs**

Executive Director Holloman advised LCFWASA to award the design-build contract for the project to the design-build team of Garney Companies, Inc. and McKim & Creed, Inc. The resolution would authorize the director to sign the paperwork, and LCFWASA will have to bill each of our entities for the initial preconstruction cost. Director Zapple would like a copy of the breakdown for the billing of the entities emailed to him and the other directors.

**Motion:** Director Newton **MOVED**; seconded by Director Rivenbark, to approve the resolution for Design-Build Contract Team of Garney Companies, Inc., and McKim & Creed, Inc Upon voting, the **MOTION CARRIED UNANIMOUSLY.**

**NB3 - Draft Master Plan for 25 Year Planning Period FY 2023-2047**

Executive Director Holloman advised the increase is for Bladen Bluff's revenue and expenditures to balance the budget. Tony Boahn presented the current draft Capital Improvement Plan (CIP) from 2023 through 2047, including Kings Bluff Raw Water facilities, and Bladen Bluff water treatment facilities. The CIP had several factors, including category of need, capacity issue, whether it needs to be replaced or rehabilitated, and whether there is a maintenance efficiency or redundancy issue. They assigned each project a criticality score regarding whether it's a high or low priority and also looked at no consequence if no action. There are three primary drivers: demand and capacity, life cycle, redundancy, and resiliency. The criticality is scored one, two, or three. One being the lowest and three being the highest need. The preliminary design memorandum is based on a demand table for projected usage from the different entities, with a future demand of 96 million gallons per day in 2062.

Tony Boahn listed eleven projects for Kings Bluff and seven cost-sharing projects. KB1 New 4th Pump at Kings Bluff has a criticality of three because current pumps will meet projected demands by 2035. The fourth pump will be standby/backup and added to pump rotation to reduce hours per pump. KB2 Rebuild high-service pump motor. Rebuilding of the pumps will extend the service life of the pumps. KB3 New generators have a criticality of three due to the need to upgrade due to the future increased load associated with auxiliary pump motor HP and larger quantities pump. KB4 Pig 48" pipe from Kings Bluff pump station to 3 MG ground tank is critical because pigging will maintain a clean pipeline free of sediment, silt, and debris cleaned. It will also improve the efficiency of pumps by reducing the frictional characteristics of the pipeline. KB5 Pig future 54" pipe from 3MG ground tank to US 421 has a criticality of one sighting, the same reason as pigging the 48" pipeline. KB6 Walkway and air backwash building replacement have a criticality of two because the walkway is in serviceable condition and will need to be replaced by 2024 due to rotting wood and overall weathering. KB7 Replacing raw water pumps 1,4, and 5 has a criticality of three due to age and mechanical wear. This project is more of a placeholder so we can budget and plan for replacement. The pumps have been in operation since 2009. KB8 New surge tank at Kings Bluff has a criticality of two because as the demand increases, surges in the system will likely increase, and this needs to be installed before the fifth pump comes online. KB9 5 ROW acquisitions rated a criticality of two. KB10 48-inch PCCP inspection and pig from the ground tank to US 421. KB11 48-inch PCCP repairs. KB10 and KB11 have been added this year. The cost-share projects now have CS, and the KB has been removed. CS1 Intermediate booster pump station shelter has a criticality of three due to needing to protect existing pumps and equipment from elements. CS2 Intermediate booster pump station upgrade has a criticality of three because US 421 area demands will exceed the current 29MGD capacity in approximately 2037. CS3 New fifth pump at Kings Bluff raw water pump station has a criticality of three because decreasing the load and run times of existing pumps will extend the life and improve all pumps' reliability. CS4 20 MG ground tank has a criticality of two for increasing the available system storage and providing a more consistent supply for the safe and efficient operation of the adjacent interim booster pump station. CS5 7-mile 48-inch Parallel raw water main from the ground tank to US 421. CS6 3-Mile 48-inch parallel raw water main from US 421 to the Cape Fear Public Utilities vault. CS7 100MGD Reservoir has a criticality of one due to the increasing availability of a system for water storage, which allows for temporary redundancy of supply in the case of an emergency (line break, power outage, hurricane).

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**Motion:** Director Williams **MOVED**; seconded by Director Knight, to approve Draft Master Plan for 25 Year Planning Period FY 2023-2047. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

**NB4 - Budget Amendment #4**

Executive Director Holloman advised that this budget amendment is necessary for preconstruction costs on the raw water pipeline and the rate study.

**Motion:** Director Williams **MOVED**; seconded by Director Newton, to approve Budget Amendment #4. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

**ENGINEER'S COMMENTS**

No comments

**ATTORNEY COMMENTS**

No comments

**EXECUTIVE DIRECTOR REPORT**

**EDR1 – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending March 31, 2023**

Executive Director Holloman reported that during April 2023, Brunswick County and Pender County were above projections.

**DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS**

No comments

**PUBLIC COMMENT**

No comments

**ADJOURNMENT**

There being no further business, Chairman Blanchard adjourned the meeting at 9:56 a.m.

Respectfully Submitted:



Patrick DeVane Secretary