

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes

July 12, 2021

Chairman Leonard called to order the Authority meeting scheduled on July 12, 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, Phil Norris, Charlie Rivenbark, Bill Saffo, and Chris Smith

Present by Virtual Attendance: William Sue and Rob Zapple

Absent: Frank Williams

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: Carel Vandermeijden, Jess Powell, Anthony Colon, Thomas Hedrick, and John Nichols

Guests Virtual Attendance: Glenn Walker, 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 June 7, 2021

C2 - Minutes of Long Range Planning Committee Meeting June 7, 2021

C3 - Kings Bluff Monthly Operations and Maintenance

C4 - Bladen Bluffs Monthly Operations and Maintenance Reports

C5 - Line-item adjustments for June

C6 - Juneteenth addition to Holiday and Leave Policy

Motion: Director Norris **MOVED**; seconded by Director Norwood, 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			
	11	0	0	3

OLD BUSINESS

OB1- Authority Comparisons mentioned at the March 8th meeting

Chairman Leonard refreshed the board that Mr. Rivenbark from the School of Government came to the Lower Cape Fear Water and Sewer Authority to gauge our financial status. Executive Director Holloman compared LCFWASA

to other authorizes in North Carolina. Executive Director Holloman advised the Martin County Regional Authority has a treatment capacity of two million gallons of raw and treated water. Martin County Regional Authority has an annual budget of eight million to service Williamston and Martin County. The Neuse River Water and Sewer Authority, established in 2006, has a ten-million-dollar yearly budget to service Lenior and Pitt County. The Water and Sewer Authority of Cabarrus County supports five jurisdictions: Cabarrus, Concord, Kannapolis, Harrisburg, and Mount Pleasant. WSACC is an agent for water and sewer, and they have an annual budget of 16.7 million. Piedmont Triad Regional Water Authority, established in 2010, has a seven and a half million-dollar yearly budget to service Greensboro, High Point, Jamestown, Archdale, Randleman, and Randolph counties with a seven and a half million-dollar budget. LCFWASA's quick ratio is 1.3, while the LGC recommends 3. The Capital Assets condition is .32, and 5.0 or higher is a good benchmark which the other four exceed compared to the LCFWASA. LCFWASA has the fourth-highest Debt service ratio. The ratio will change when the LCFWASA assumes the new 54" transmission line.

NEW BUSINESS

NBI – Restructure staffing under current Operations and Maintenance Agreement

Executive Director Holloman outlined the meetings with John Nichols from Brunswick County regarding an additional position at King's Bluff. The LCFWASA and Brunswick County have discussed ways to strengthen oversight and increase this critical infrastructure's operation and maintenance activities. The desired restructuring would implement a strategy that would be beneficial in the long term for the facility. The Authority would request an additional full-time position be created so the plant can function with two full-time employees and one part-time employee. The current full-time position will have extra management responsibilities and allows for succession planning. Brunswick County uses one former employee from a staffing agency, and this position will not change. Associated cost with implementation will be \$44,000. John Nichols advised that it would be good for Brunswick County to have two full-time staff for their succession planning and ensure that both employees are fully involved with the Kings Bluff daily function. It will require moving some people around, but it will also allow them to hire somebody.

Executive Director Holloman could be part of the hiring process, and Brunswick County could hire somebody specifically designated for working at Kings Bluff. There are some additional costs associated with hiring for a full-time position. This new position will give the current employee management responsibility, new title, and adjusted salary. Director Newton questioned John Nichols if the Kings Bluff plant was understaffed or mismanaged, and he advised not at all. However, taking on the new infrastructure and the facilities being so critical to the region and three counties, they are looking at steps to improve the process. John advised it could take six to twelve months for the new person to learn the assets and the infrastructure. Direct Norris wanted it noted that he appreciated Executive Director Holloman and John Nichols working together because he certainly agrees that it is paramount that we have staff at Kings Bluff that understands how things operate. Director Newton wanted it noted that she still stands behind the comments that were made at the June 2021 board meeting where the Authority would not manage the Brunswick County Kings Bluff employee. Director Newton thinks this is an undue influence on the management contract that we have with Brunswick County to operate these facilities.

Motion: Director Norris **MOVED**; seconded by Director Blanchard, approval of the New Business as presented. Upon vote, the **MOTION CARRIED**.

	<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				
Frank Williams	X			
Rob Zapple	X			
	12	1	0	0

ENGINEER'S COMMENTS

Jess Powell updated the Board on the status the 54-inch parallel raw water main project, and we had a 37.2-million-dollar contract. We do have one change order and it's been approved for \$25,812. Construction is moving along right on pace with the contractor's original schedule that they provided. This week, they will complete the mainline installation of the 54 inch water main, which leaves the interconnections of the meter vaulted Brunswick County. They have a few 100 feet left to do this week, near the intersection of Blue Banks Rd and Gooseneck Rd. He provided an update on Mrs. Peterson's area that used to be the tennis court. She opted to have the tennis court removed and the area sodded back when we met with her in 2019. The sodding was installed two weeks ago. Once the new 54 inch line comes online, we will need to complete testing and feeding the tank. Then we will work with all the team members on shutting the 48 inch line down to do the interconnections to the 54 inch line and the meter vault. That work is expected to be completed right around Thanksgiving. Director Milliken questioned if the 500 feet of pipe that floated up is back down yet. Jess advised they are working with Garney on that section of pipe at Rattlesnake Branch that was installed five months ago. All the calculations showed good cover designs to keep that pipe down with a safety factor of two to three times. Garney is having their surveyors check the current pipeline around this area.

ATTORNEY COMMENTS

Matthew Nichols updated the board regarding the manufacturer home easement matter on Port Royal Rd in Brunswick County. We've made some progress in those discussions, and without getting into specifics, we agree in principle on a framework for relocating the mobile home. Matthew hopes to have a signed agreement by the August 9, 2021 board meeting. The resident has verbally agreed to move the manufactured home in one hundred and twenty days.

EXECUTIVE DIRECTOR REPORT

EDR1 – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending June 30, 2021

Executive Director Holloman reported that during the Month of June 2021, Brunswick County was above projections, while Pender County and CFPWA were below projections. Monthly revenue was slightly up as well.

EDR2 – Operating Budget Status, Ending June 30, 2021

Executive Director Holloman reported operating revenue is at seventy four percent. Administration expenditure is at sixty nine percent. Operating expenditures is at fifty four percent.

EDR3 – Summary of Activities

Executive Director Holloman informed the board that he is still working on the American Rescue Plan Funding for selected Capital Projects from three counties. Holloman has been continually working with Brunswick County on staffing alternatives at Kings Bluff while reaching out to partners about conservation efforts through the 4th of July. Holloman has also been working with partners and Engineers to update the Strategic/Capital Improvement Plan. On Wednesday, July 14, 2021, Computer Warriors will be in the LCFWASA office to get the new computer and phone system installed.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

Executive Director Holloman asked the Board members if they would like a speaker from Duke Energy to come to the next board meeting to speak about the Demand Response Automation Program. Director Blanchard stated he would like to hear about that program. Chairman Leonard, when the time is right, would like an update on cybersecurity and malware. John Nichols advised Brunswick County and Cape Fear Public Utility Authority are having conversations about cybersecurity and malware. John Nichols said to get LCFWASA a high technical level update; he would need to get another department involved. Chairman Leonard also wanted to know if there is an update on the VFD that went down last week. Executive Director Holloman advised that GE is looking into the issue as the meeting is being held. John Nichols reported Brunswick County is looking at the VFD and have narrowed down where the problem is. The good thing about the system where it stands now is that we've got double redundancy, so it's not a significant issue at this time.

PUBLIC COMMENT

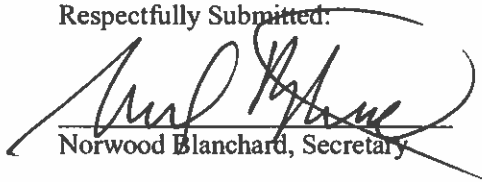
Anthony Colon, the Pender County Assistant Director, advised they have managed to get two groundwater wells within the county's eastern side up and running. They plan to add three additional wells and a water tank to provide

more pressure and fire support for that area. Thomas Hedrick is the newest water treatment plant, superintendent. Mr. Hedrick will have complete control of the booster pump station to see the daily report of how much water is being purchased from LCFWASA. He will advise Pender County if they need to increase their water usage to meet the projected number. Thomas Hedrick announced this would help tremendously. We have some more realistic projections for this coming year. John Nichols appreciates CFPUA and McKim Creed admin staff for their responsiveness in handing the calls for the raw water line project.

ADJOURNMENT

There being no further business, Chairman Leonard adjourned the meeting at 9:41 a.m.

Respectfully Submitted:



Norwood Blanchard, Secretary