

Lower Cape Fear Water & Sewer Authority

Long-Range Committee Meeting Minutes

June 7th, 2021

Chairman Leonard called to order the Long Range Planning Committee Meeting on June 7, 2021, at 11:05 a.m. The meeting was held at the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.

Present: Al Leonard, Frank Williams, Al Milliken, Patrick DeVane, Norwood Blanchard, and Kenny Keel

Present by Internet/Telephone: Carel Vandermeijden

Absent: Charlie Rivenbark and Harry Knight

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

Guest: Glen Walker

REVIEW AND ANALYSIS OF CURRENT WATER SUPPLY AGREEMENTS

Matthew Nichols reviewed the existing agreements with the Authority's customers.

Brunswick County water supply agreement originally started in 1982, with a 2nd restated agreement in 1992, and subsequent 3rd restated agreement in 1993. Brunswick County is currently operating under the 4th restated agreement dated 2012, and that term will end on January 1, 2031. There was a proposed fifth amended and restated water supply agreement. This board approved that in 2013, but the county did not support that. The main one is the operating and maintenance agreement. That agreement is dated 2020 for all practical purposes and continues until terminated with two years' notice from either party.

The Cape Fear Public Utility Authority water supply agreement originally started in 1991. The term for this agreement will end on January 1, 2031. In 2008, the Authority consented to the city's assignment of its facilities and infrastructure to the CFPUA. The Authority had a proposal to amend this in 2013 with the CFPUA; this board approved that proposal. However, the CFPUA never approved that agreement.

Pender County water supply agreement is still operating under the original water supply agreement from 2006. The term will end in the year 2046. The Authority proposed to amend this in 2013 with the Pender County; this board approved that proposal. However, Pender County never proved that agreement.

Smithfield Packing Company is a treated water supply agreement dated 2006. There was an amendment to the treated water supply agreement, and the one that we're currently operating under is dated December 18, 2009. That agreement can be terminated at any time by either side requires a two-year notice. There is also an operation and maintenance agreement with Smithfield Packing Company, and this is for the company's plant on a US Highway 87 Tar Heel. Either party can terminate that agreement upon one year's written notice to the other party.

Invista, now Stephan, water supply agreement is currently operating under the 2019 agreement. The current agreement says that the initial term ends March 11, 2029, but that agreement can be terminated at any time by either side with two-year notice.

Praxair water supply agreement was dated 1992, and that's what we're operating under now. That agreement can be terminated at any time by either side with two-year notice.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

Chairman Leonard would like draft language for the initial take or pay agreement circulated to our partners and member.

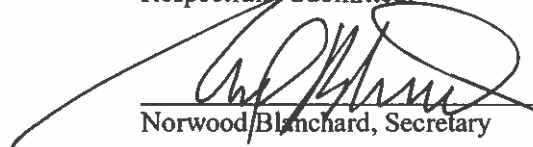
FUTURE MEETINGS

August 9th.

ADJOURNMENT

There being no further business, Chairman Leonard adjourned the meeting at 11:47 a.m.

Respectfully Submitted:



Norwood/Blanchard, Secretary