

Lower Cape Fear Water & Sewer Authority
 Regular Board Meeting Minutes
 May 9th, 2022

Chairman Rivenbark called to order the Authority meeting scheduled on May 9th, 2022, 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 Edge gave the invocation.

Roll Call by Chairman Rivenbark:

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

Present by Virtual Attendance: Phil Norris, Bill Saffo, and Chris Smith

Absent: Frank Williams

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

Guests Present: Glenn Walker, Brunswick County Water Resources Manager

Guests Virtual Attendance: Ken Waldroup, Cape Fear Public Utility Authority Executive Director; Matt Hourihan, Cape Fear Public Utility Authority Assistant Operations Director; Heidi Cox, NC DEQ Regional Engineering Supervisor, Division of Water Infrastructure; Tom Hendrick, Pender County Utilities; James Proctor, Pender County Water & Sewer Superintendent; John Malone, Cape Fear Public Utility Authority Water Resources Manager; and Jordan Clark, Computer Warriors

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

APPROVAL OF CONSENT AGENDA

C1 - Minutes of April 11, 2022, Regular Board Meeting

C2 - Kings Bluff Monthly Operations and Maintenance Report

C3 - 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 2022-23

C6 - Line-Item Adjustment for March 31, 2022

Motion: Director Newton **MOVED**; seconded by Director DeVane, approval of the Consent Agenda Items C1-C3, C5, and C6 as presented. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	For	Against	Abstained	Absent
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	13	0	0	1

Motion: Director Newton **MOVED**; seconded by Director Blanchard approval of excusing Director Williams from the May 9th, 2022, Board Meeting. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	13	0	0	1

PUBLIC HEARING: PRESENTED DRAFT BUDGET FOR THE FISCAL YEAR 2022-2023 BUDGET AND BUDGET ORDINANCE:

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

Motion: Director Blanchard **MOVED**; seconded by Director Edge, to open Public Hearing. 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			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	13	0	0	1

Review of the Fiscal Year 2022-2023 Budget and Budget Ordinance for Consideration of Approval On June 6th, 2022.

Executive Director Holloman reviewed essential cost items for the FY 2022-2023 draft budget. Our customers have projected to use 9,382,106 gallons of water for an estimated revenue of 3.2 million. Health insurance will be increasing by 5%. The property and liability insurance expense will increase by 8%. The state retirement will increase from 11.35% to 12.1. LCFWASA will be financing a forklift for Kings Bluff Plant for sixty thousand (over two years). We have a VFD replacement budgeted as a capital expense this year. VTR Pump rehabilitation and equipment are also needed at Kings Bluff Plant. We will move \$150,000 to Renewal and Replacement Fund and \$100,000 to Enterprise Fund to build up the funds. No increase in engineering cost for this year for the annual inspection report. The raw water rate will increase to \$0.36 per 1,000 gallons. The final recommendations on a resolution for the November leak are still being worked out.

The FY 22-23 budget is a 4% increase from the FY21-22 budget due primarily to operating capital expenses and building the R & R Fund. Director Blanchard wanted to confirm our customers are on board for the increase. Executive Director Holloman said yes because we use the funds to work on the pipeline. Director Newton would like the public comments to be left open until the June 6th, 2022, board meeting. Director Norris wanted to confirm the rate increase for the Fiscal Year 2022-2023 is not due to the future expansion for the additional ten miles. Executive Director Holloman advised no; we hope to receive funds from the State appropriation to complete that project. Director Zapple wanted to know if LCFWASA plans to use the R&R Funds in the Fiscal Year 2022-2023. Executive Director Holloman does not intend to use those funds and would like to build those funds to a better standing. Director Zapple and Newton would like Bladen Bluff to supply an annual budget report to LCFWASA in April of each year.

Ken Waldroup with CPFUA agrees with the need for the proposed rate increase. CFPUA understands the need to invest in infrastructure and the inflation drivers this year.

No public written comments were received with concern for the Fiscal year 2022-2023 budget.

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

Motion: Director Leonard **MOVED**; seconded by Director Knight, to close Public Hearing. 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			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	13	0	0	1

NEW BUSINESS

NB1 – Finance Committee Comments and Review of Draft Recommended Budget for the Fiscal Year 2022-2023 (Finance Committee Chairman Charlie Rivenbark)

Chairman Rivenbark advised the Finance Committee reviewed the budget and recommend the draft budget to be voted on at the June 9th, 2022, Board Meeting.

NB2 – No Cost Solutions Audit Proposal regarding Electric Utilities for LCFWASA

Executive Director Holloman advised No Cost Solutions would perform an audit of our electrical usage to confirm we are not missing any discounts or being charged for a service we are not using. If we get a refund, they receive half of the savings they found for three years. If they do not see any savings or issues, we do not have to pay them. Director Leonard recommended we review the item in June once Executive Director Holloman finds out if we must implement their findings.

Motion: Director Leonard **MOVED**; seconded by Director Blanchard, to move this item to June 6th, 2022, to verify additional information. Upon vote, the **MOTION CARRIED UNANIMOUSLY.**

	For	Against	Abstained	Absent
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	13	0	0	1

ENGINEER'S COMMENTS

Tony Boahn gave an update on the 54-inch parallel raw water main. The project is deemed substantially complete. Mr. Boahn received preliminary data stating that one pump was at 47.5 MGD, two pumps at 80.0 MGD, and three at 91.0 MGD. Mr. Boahn did advise a leak was discovered on the older 48-inch on the PCCP line. They will be able to take the 48-inch pipeline down in the section and repair the leak.

ATTORNEY COMMENTS

No comments

EXECUTIVE DIRECTOR REPORT

EDR1 – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending April 30, 2022

Executive Director Holloman reported that during the month of April 2022, Brunswick County, CFPWA, and Pender County were above projections. Monthly revenue was up last month.

Closed Session

At the request of Chairman Rivenbark to go into closed session to discuss Attorney-Client Privilege and for Personnel Matters respectively, Chairman Rivenbark requested a motion.

Motion: Director Leonard **MOVED**; seconded by Director Blanchard, to go into closed session in accordance with N.C.G.S. §143-318.11(a)(3) and (6) to preserve Authority's Attorney-Client Privilege and for Personnel Matters respectively. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	For	Against	Abstained	Absent
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	13	0	0	1

At 9:52 a.m., the board went into closed session. At 10:16 a.m., the board returned to open session. Discussion only; no action required.

Chairman Rivenbark advised in the closed session. They discussed Executive Director Holloman’s salary increase. He recommended the 7.5% cola and merit of 2.5% for a total increase of 10%.

Motion: Director Newton **MOVED**; seconded by Director Knight, to approve 7.5% cola and merit of 2.5% Executive Director Holloman for the Fiscal year 2022-2023. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris				X
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	12	0	0	2

Motion: Director Leonard **MOVED**; seconded by Director Sue, to approve 7.5% cola and merit of 2.5% Administration Assistant Danielle Hertzog for the Fiscal year 2022-2023. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris				X
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	12	0	0	2

Motion: Director Leonard **MOVED**; seconded by Director Newton, for all expenses to be budgeted to cover the cost for Administration Assistant to receive training towards certification. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris				X
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	12	0	0	2

Motion: Director Leonard **MOVED**; seconded by Director Blanchard, for Executive Director to be paid the IRS rate of mileage whenever he travels outside of the five counties in the region. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris				X
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	12	0	0	2

Motion: Director Blanchard **MOVED**; seconded by Director Sue, to make the meeting on May 20th, 2022, an official Board Meeting. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	For	Against	Abstained	Absent
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris				X
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams				X
Rob Zapple	X			
	12	0	0	2

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

No comments

PUBLIC COMMENT

No comments

ADJOURNMENT

There being no further business, Chairman Rivenbark adjourned the meeting at 10:26 a.m.

Respectfully Submitted:



 Harry Knight, Secretary