

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes
November 13th, 2023

Chairman Blanchard called to order the Authority meeting scheduled on November 13th, 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, Scott Phillips, Chris Smith, Bill Sue, Phil Tripp, Frank Williams, and Rob Zapple

Present by Virtual Attendance: Al Leonard, Jackie Newton, and Charlie Rivenbark

Absent: None

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

Guests Present: Glenn Walker, Brunswick County Water Resources Manager; John Nichols, Brunswick County Public Utilities Director; James Proctor, Pender County Utilities Deputy Director of Utilities; Ken Waldroup, Cape Fear Public Utility Authority Executive Director; Jorgen Holmberg, Computer Warriors; and Anthony Colon, Pender County Utilities Director of Utilities

Guests Virtual Attendance: Aaron Smith, Brunswick County Finance Director; Heidi Cox, NC DEQ Regional Engineering Supervisor; Tom Hendrick, Pender County Utilities Water Treatment Plant Superintendent; Craig Wilson, Cape Fear Public Utility Authority Engineering Manager; Benjamin Kearns, Cape Fear Public Utility Authority Water Resources Manager Water Treatment; and Richard McClung, Willdan Financial Services

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

APPROVAL OF CONSENT AGENDA

C1 – Minutes of October 9, 2023, Regular Board Meeting

C2 – Kings Bluff Monthly Operations and Maintenance Report

C3 – Bladen Bluffs Monthly Operations and Maintenance Reports

Motion: Director Zapple **MOVED**; seconded by Director Williams approval of the Consent Agenda Items C1-C3 as presented. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

OLD BUSINESS

OB1 – Rate Study-Cost Share Methodology Presentation by Richard McClung

The presentation is attached to the minutes. John Nichols with Brunswick County Utilities had a few questions and concerns with the rate study. Mr. Nichols wanted to confirm that the cost allocation methodologies will be approved at some later date; the first resolution (Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Adopting Recommendations of Water Rate Study Methodology as Sound Fiscal Policy) is approving the study. John wanted to know when the vote to approve the cost allocation would be for each project. Executive Director Holloman advised that it will be the year of the project or the year before the project.

OB2 – Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Adopting Recommendations of Water Rate Study Methodology as Sound Fiscal Policy

Director Williams requested two changes in rhetoric in the resolution. In the statement WHEREAS, the Willdan Study contains recommendations for LCFWASA water rate increases for the 20 years FY 2024 through FY 2043 necessary for LCFWASA to achieve the recommended financial plan, in conjunction with recommended future steps to minimize rate increases. He would request that the word necessary be changed to recommend.

The other change is in the statement: While the Board of Directors is not bound by the recommendations in the aforementioned Willdan Study, the Board hereby adopts the recommendations of the Willdan Study as sound fiscal policy for the purpose of providing guidance to the Board as it establishes LCFWASA's annual budgets and water rates in the future. He would like the word adopts changed to accepts.

Motion: Director Williams **MOVED**; seconded by Director Knight, a motion to amendment of verbiage change to the Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Accept Recommendations of Water Rate Study Methodology as Sound Fiscal Policy. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

Motion: Director Sue **MOVED**; seconded by Director DeVane, approval amended Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Adopting Recommendations of Water Rate Study Methodology as Sound Fiscal Policy. Upon voting, the **MOTION CARRIED**.

OB3 – Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Adopting Recommendations of Cost Share Methodology as Generated by the Water Rate Study Sound Fiscal Policy

Director Williams requested three changes in rhetoric in the resolution. In the statement Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Adopting Recommendations of Cost Share Methodology as Generated by the Water Rate Study Sound Fiscal Policy, He would like the word adopting to be changed to accept. The other change is in the statement: While the Board of Directors is not bound by the recommendations in the aforementioned Willdan Study, the Board hereby adopts the recommendations of the Willdan Study as sound fiscal policy for the purpose of providing guidance to the Board as it establishes LCFWASA's annual budgets and water rates in the future. He would like the word adopts changed to accept.

Motion: Director Williams **MOVED**; seconded by Director Phillips, motion to amendment of verbiage change to the Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Accept Recommendations of Cost Share Methodology as Generated by the Water Rate Study Sound Fiscal Policy. Upon voting, the **MOTION CARRIED**.

Motion: Director Phillips **MOVED**; seconded by Director Knight, approval amended Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors Accept Recommendations of Cost Share Methodology as Generated by the Water Rate Study Sound Fiscal Policy. Upon voting, the **MOTION CARRIED**.

OB4 – Amendment to the Professional Services Agreement Between Willdan Financial and Lower Cape Fear Water and Sewer Authority

The Authority awarded Willdan the work for the Rate and Cost Share Methodology. The scope has been exceeded, and there are additional charges to finish the work and compensate for work already conducted beyond the original scope and meetings expected. The additional charges will be eligible for State Revolving Loan Fund Reimbursement.

Motion: Director Knight **MOVED**; seconded by Director Williams, approval Amendment to the Professional Services Agreement Between Willdan Financial and Lower Cape Fear Water and Sewer Authority. Upon voting, the **MOTION CARRIED**.

NEW BUSINESS

NB1 – Demand Automation Reduction Amendment

The Authority entered the Demand Response Automation Reduction Program in 2010. This is an amendment to the Electric Service Agreement and continued participation in the Rider DRA. Adoption of this agreement ensures continued savings based on our usage.

Motion: Director Williams **MOVED**; seconded by Director DeVane, approval of the Demand Automation Reduction Amendment. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB2 – Engineering Services Proposal Ground Storage Reservoir Feasibility Evaluation

- A) A Resolution of Lower Cape Fear Water & Sewer Authority Exempting Lower Cape Fear Water & Sewer Authority from The Provisions of N.C.G.S. §143-64.3
Director Zapple requested a change in rhetoric in the resolution. He would like the statement. It is anticipated that Pender County, Brunswick County and CFPUA representatives will also be provided a copy for review and comment. Comments received will be incorporated and an updated Draft document will be provided to LCFWASA. For Pender County, Brunswick County, and CFPUA to change to all authority partners.

Motion: Director Edge **MOVED**; seconded by Director DeVane, approval of 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. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

- B) Accept the Proposal for Reservoir Feasibility Evaluation
The Authority has received advanced notice of the 30-million-dollar State Budgeted Award for the last 3-mile section of the 10-mile parallel line project, and five million of this is to be used towards the study and possible purchase of land for a 100 MGD reservoir.

Motion: Director Edge **MOVED**; seconded by Director DeVane, approval of the Proposal for Reservoir Feasibility Evaluation. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

ENGINEER'S COMMENTS

Jess Powell updated the board on the Kings Bluff Raw Water Main Phase 2. The Coastal Land Trust is the group that will grant approval of the resolution of condemnation for the easement. That meeting will be on Thursday November 16th, 2023, and Mr. Powell will have an update on that for the board in December. The roof replacement design project should be completed this week and advertised the week after Thanksgiving.

ATTORNEY COMMENTS

No comments

EXECUTIVE DIRECTOR REPORT

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

Executive Director Holloman reported that during October 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 10:15 a.m.

Respectfully Submitted:



Patrick DeVane Secretary