

**Minutes**  
**MCRWASA Board of Directors Regular Meeting**  
**January 23, 2020**

The Martin County Regional Water and Sewer Authority (MCRWASA) Board of Directors met for its Regular Meeting on Thursday, January 23, 2020 at 3:00 p.m. in the MCRWASA Water Treatment Plant Building, 1001 Park Street, Williamston, NC.

**ASSEMBLY**

Members present: Vice Chairman Al Chesson, Board Director Stacy Stalls, Board Director William Coffield, Board Director Julius Patrick, Treasurer/Deputy Secretary Cindy Ange and Deputy Secretary Christina Craft

Chairman David Bone and Board Director Tommy Bowen (alternate) were not in attendance.

Others present: Martin County: Deputy Secretary Jessica Godard; and SUEZ: Project Manager Joe Thaxton and Senior O & M Technician Eddie Bristow.

Vice Chairman Chesson called the meeting to order at 3:00 p.m.

**AGENDA APPROVAL**

Director Stalls made a MOTION to approve the agenda as presented, with a SECOND by Director Patrick. The Board APPROVED the motion unanimously.

**APPROVAL OF MINUTES – December 5, 2019 Regular Session**

Director Patrick made a MOTION to approve the minutes, with a SECOND by Director Stalls. The Board APPROVED the motion unanimously.

**PUBLIC COMMENTS – None**

**BUSINESS ITEMS**

**2018-19 Audit Presentation**

Chris Burton, of Carr, Riggs and Ingram (CRI) was on hand to officially present the 2018-19 MCRWASA Audit Report, which was distributed to the Board at the meeting.

In the opinion of Mr. Burton, based upon CRI's audit, the financial statements were presented "fairly, in all material respects, the respective financial position of the business-type activities and each major fund of Martin County Regional Water and Sewer Authority as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$8,182,386 (net position). The largest portion (73.45%) of net position reflects the Authority’s net investment in capital assets.
- The government’s total net position decreased by \$760,883, due to increase in operating expenses.
- For fiscal year ending June 30, 2020, the unit cost remained at \$5.63 per 1,000 gallons billed for the fiscal year.

Director Stalls made the MOTION to approve draft audit as presented, with a SECOND by Director Patrick. The Board APPROVED the motion unanimously.

**Capital Requests by Suez**

As per the agreement with Suez, MCRWASA has an obligation to fund capital improvements. The agreement defines "capital improvements" as "all costs related to the construction, installation, repair or replacement of any component of the System in excess of \$5,000 per item." Suez is responsible for recommending necessary capital improvements. MCRWASA may elect to contract with a third-party engineer to evaluate Suez's recommendations. Project Manager Joe Thaxton recommends the addition of UPS (power supplies) to Factory Street, Peak Street, Bailey and the Town Public Works Building for utilization of MicroCom operations during power outages. The estimated cost of the project is \$10,000. He also recommends MCRWASA maintains the \$90,000 as the base amount for the Maintenance Cap. It was the consensus of the Board instructing Project Manager Thaxton to move forward with the UPS project but not to exceed \$10,000.

**Draft 2020-21 Budget**

The Draft 2020-21 Budget for MCRWASA was presented. As per the inter-local agreement, each member is required to make a “minimum purchase.” The trend in daily gallons of water usage is as follows:

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Town of Williamston	701,025	669,791	592,068	577,619	569,054
Martin Co WSD 1	133,997	126,746	136,898	141,541	149,501
Martin Co. WSD 2	149,728	132,681	128,647	150,276	132,230
<b>TOTAL</b>	<b>984,800</b>	<b>929,218</b>	<b>857,313</b>	<b>869,436</b>	<b>850,785</b>

Treasurer Cindy Ange reported the budget will be presented in March. Based on overall usage and chemical cost, the draft budget is based on increasing the current wholesale rate of \$5.63 to \$5.80 per 1,000 gallons but will have a better review in March. The Public Hearing for the budget will be held March 26, 2020.

### **Budget Amendment #3**

Treasurer Ange reported Budget Amendment #3 transfers \$5,500 from the Fund Balance to cover Non-Routine Contract Services for 811 utility location services and Office Supplies.

Director Patrick made a MOTION to approve Budget Amendment #3 as presented, with a SECOND by Director Stalls. The Board APPROVED the motion unanimously.

### **Possible Additional Use of “Non-Routine Services” under the Suez Contract**

Project Manager Thaxton stated there is a provision in the contract with Suez for “Non-Routine Services.” The utility location services provided by Suez are done so under this part of the contract. Cost for Non-Routine Services provided by Suez are paid to Suez by MCRWASA separately on a time and expense basis including overtime. Materials and subcontractors are invoiced to MCRWASA by Suez at cost, plus 10% on the actual cost of materials to reimburse Suez for administrative expenses.

For Suez labor not regularly assigned to the System, MCRWASA shall pay Suez actual wages plus benefits at 35%, plus 11 % for overhead and administration. There will be no additional charge for Suez labor regularly assigned to the System performing non-routine services during the course of their normal working shift; however, if such employee performs services on an overtime basis, MCRWASA shall pay Suez actual wages plus 50% for overtime plus 11 % for overhead and administration.

The chlorine piping failure for the pulsator. Project Manager Joe Thaxton is investigating a vendor coming in to trench and install new piping. Alternatively, Mr. Thaxton is suggesting there may be a savings opportunity for Suez to fix this in-house. He would utilize a Suez employee from another project ( on normal time), as well as Steve ( using overtime), and rent a small backhoe to put in a new line with protection duct. Mr. Thaxton is working to further develop a cost comparison. Director Patrick questioned the warranty aspect. Project Manager Thaxton stated the warranty is void once the backhoe is driven off the property anyway. Director Chesson was appreciative of having capable staff as it is hard to find contractors.

Director Stalls made a MOTION to allow Chairman Bone to approve upon sufficient backup and probable cause to issue a field director or purchase order to make these minor changes as needed, with a SECOND by Director Patrick. The Board APPROVED the motion unanimously.

### **INFORMATIONAL UPDATES**

#### **Merger / Regionalization Study Grant**

Vice Chairman Chesson reported the Board is anxiously awaiting results of the Merger/Regionalization Study Grant. A kick-off meeting for the feasibility study was held on August 28, 2019. Various agreements and documents have been shared with McGill Associates. The study should be completed in the next couple of months.

#### **Monthly Report from SUEZ**

Project Manager Thaxton submitted monthly reports. A few items of note included:

- The well has been using more water in flushing, possibly due to the ground temperature.
- Per contract, all staff is certified and licensed.
- MCAPS are normal. There are a couple of overages and will present at the end of the year.

## **ADJOURNMENT**

With no further business to discuss, Vice Chairman Chesson adjourned the meeting around 3:45 p.m. The next regular MCRWASA Board of Directors meeting and a Public Hearing on the 2020-21 MCRWASA Budget is scheduled for March 26, 2020 at 3:00 p.m.

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David Bone, MCRWASA Chairman

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Christina Craft, NCMCC  
MCRWASA Secretary