

Minutes
MCRWASA Board of Directors Regular Meeting
January 25, 2018

The Martin County Regional Water and Sewer Authority (MCRWASA) Board of Directors met for its Regular Meeting on Thursday, January 25, 2018 at 3:00 p.m. in the MCRWASA Water Treatment Plant Building, 1001 Park Street, Williamston, NC.

ASSEMBLY

Members present: Chairman David Bone, Vice Chairman Al Chesson, Board Director Hilton Keel, Board Director Julius Patrick, Secretary Marion Thompson and Treasurer/Deputy Secretary Cindy Ange.

Board Director Tommy Bowen (alternate), Board Director Junious Horton (alternate) were not in attendance.

Others present: Martin County: Commissioner Dempsey Bond, Jr. and Water District Manager Ed Warren; and SUEZ: Project Manager Joe Thaxton.

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

AGENDA APPROVAL

Vice Chairman Chesson made a MOTION to approve the agenda, with a SECOND by Director Keel. The Board APPROVED the motion unanimously.

APPROVAL OF MINUTES – November 30, 2017 Regular Session

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

PUBLIC COMMENTS – Chairman Bone asked for public comments, and there were none.

BUSINESS ITEMS

Contract Amendment #3 with SUEZ Additional Provision of Water Line Location Service

Chairman Bone recalled there had been discussions between MCRWASA Board of Directors and SUEZ on the issue of locating MCRWASA water lines/infrastructure in the right-of-way for other utilities performing maintenance/construction work in the right-of-way and the potential liability, in the event the utility lines were not located/identified properly. At its October 26, 2017 meeting, the Board of Directors asked Project Manager Thaxton to get a quote for the necessary equipment and to draft a contract amendment for SUEZ to handle this work. In November 2017, Project Manager Thaxton reported the desired equipment would be a Schonstedt MPC-800 locator, estimated to cost \$3,800.

SUEZ prepared a draft contract amendment. SUEZ would provide the line location service at a cost of \$75 per hour (with a minimum charge of \$150), if approved, and add the fee on the monthly bill. Project Manager Thaxton explained SUEZ usually pays a minimum of two (2) hours for a technician to report to work.

Chairman Bone strongly suggested SUEZ amend the contract so there would not be a minimum hourly charge of \$150. Chairman Bone suggested Project Manager Thaxton use staff already on duty, as much as possible, to detect the location of water lines to alleviate overtime. Project Manager Thaxton stated he would discuss the matter with SUEZ.

Vice Chairman Chesson made the MOTION to approve Contract Amendment #3 with SUEZ – additional provision of the water line location service, with the revision of a \$75 hourly rate with no 2-hour minimum, with a SECOND by Director Keel. The Board APPROVED the motion unanimously.

THIRD AMENDMENT TO OPERATION, MAINTENANCE AND MANAGEMENT SERVICES
AGREEMENT BETWEEN MARTIN COUNTY REGIONAL WATER & SEWER AUTHORITY AND
SUEZ WATER ENVIRONMENTAL SERVICES INC.

THIS THIRD AMENDMENT (“Third Amendment”) to the Operation, Maintenance and Management Services Agreement, dated January 16, 2018, by and between Martin County Regional Water & Sewer Authority (“Owner”), with an address of 305 East Main Street, P.O. Box 668, Williamston, North Carolina, 27892-0668 (“Owner”) and SUEZ Water Environmental Services Inc. (“Company”; formerly known as United Water Environmental Services Inc.), a Delaware Corporation, having its principal place of business at 461 From Road, Suite 400, Paramus, New Jersey 07652 (“Company”) (together, the “Parties”).

RECITALS:

WHEREAS, the Owner and the Company entered into an Operation, Maintenance and Management Services Agreement for the Owner’s Water Treatment System (“the Agreement”); dated November 20, 2014 and

WHEREAS, the effective on March 1, 2018, SUEZ will begin to provide line location services for Martin County Regional Water and Sewer Authority Water Piping located in Martin County, North Carolina and connected to the Owner Surface Water Facility;

WHEREAS, the line location service will assist the System to maintain compliance with state and federal regulations as they pertain to digging projects undertaken by utilities and/or their designated contractors;;

WHEREAS, the Parties agree that it is fair and reasonable to compensate the Company for the costs associated with the added line location scope of services;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is mutually agreed as follows:

1. The following language is hereby added to the Scope of Services section set forth in the Agreement's Appendix B, following the last bullet point under the heading "Water Filtration Plant"

Line Location Services Provided by Company to Owner

- Effective on March 1, 2018, Company will provide line location services to Owner's distribution system which shall be first coordinated through the Owner's existing membership with the relevant 811 program for the Martin County North Carolina locality.
- Company shall notify Owner's board chairman that a request has been made with an estimated timeline under which to complete such digging task.
- Owner will provide approval for the purchase of a line location device for an amount not to exceed Four Thousand Dollars (\$4,000). Company will maintain this device and the device shall be added to any relevant inventory maintained by Company under this Agreement.
- Owner shall complete any required registration applications and shall be responsible to pay for all 811 program service charges.
- Owner's board chairman will serve as the main point of contact with Company's project manager to receive any digging requests.
- Limitation of Company's Liability for Line Location Services.

Regardless of the type of claim or loss related to or arising out of Company's provision of line location services to Owner, Company shall not be liable to defend, indemnify or hold harmless Owner or any other party for any type of claim or loss except to the extent caused by Company's negligence, willful misconduct or other intentional tortious act. The Parties further agree that the total liability of Company related to or arising out of its provision of line location services under this Agreement, for any reason whatsoever to any claimant whatsoever (regardless of whether based in tort, contract, warranty, indemnity or other area of law), shall not exceed the lesser of: 1) the amount paid by Owner to Company for the line location services event from which such liability was alleged to have arisen, or 2) Five Hundred Dollars (\$500.00). Notwithstanding the above, Company will not be liable for any indirect, special, consequential or incidental damages of any kind regardless of whether the claims for these indirect or special damages arise in tort or any other area of law. The limitations set forth in this paragraph shall survive expiration and/or any termination of this Agreement."

2. The following language is hereby added to the Pricing section set forth in the Agreement's Appendix C:

"The billing rate of line location services as set forth in Exhibit B's Scope of Services and payable by Owner to Company shall be Seventy Five Dollars (\$75.00) per hour ~~with a minimum charge of One Hundred Fifty Dollars (\$150.00)~~ to be billed as a

separate line item wherever applicable in Company's monthly invoice to Owner. The Parties agree that any amounts invoiced by Company to Owner relating to Company's provision of line location services during any Agreement year shall also be included in the calculation of any applicable annual adjustments to the Base Fee."

3. All references to the Agreement shall mean the Agreement, as amended herein.
4. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement, as amended.

IN WITNESS WHEREOF, the Parties have caused this Third Amendment to be duly executed intending to be bound thereby as of the date first written above.

Owner:

Martin County Regional Water & Sewer
Authority

Witness:

By: _____

(Name)

Its: _____

(Title)

Date: _____

Company:

SUEZ Water Environmental Services Inc.

Witness:

By: _____

(Name) Dominique Demessence

Its: _____

(Title) President

Date: _____

Maintenance Cap Review for the Water Treatment Plant, as Stipulated in the Contract with SUEZ

Chairman Bone stated the contract with SUEZ stipulates for the inclusion of a Maintenance Fund in the compensation to SUEZ. From the Maintenance Fund, SUEZ is to pay for necessary predictive, preventive, routine and minor corrective maintenance and repairs required for the continued operation of the system. The contract stipulated an initial maintenance cap of \$35,000. Last year, SUEZ recommended an increase in the maintenance cap to \$90,000. The contract requires notification to MCRWASA when SUEZ has utilized 80% of the cap. SUEZ had expended \$24,674 of the cap through December.

Project Manager Thaxton anticipated the following Water Treatment Plant maintenance/repairs for the remainder of this fiscal year, totaling an estimated \$76,000:

- Generator \$13,000
- HACH Analyzers \$23,000
- Elevator \$2,300
- Fire System and Backflow preventers \$7,000 (Semi-annual)
- TOC analyzer \$8,000
- SCADA software agreement \$3,400
- PLC software agreement \$3,400
- HACH Analyzers reagents \$6,600

Ten thousand dollars (\$10,000) of the estimated \$76,000 included the cost to repair the freeze valve that failed because of the extreme cold weather in January 2018. SUEZ took the necessary action to be prepared for a similar situation in the future. Without this unexpected expense, Project Manager Thaxton stated the Maintenance Fund would be within the allocated budget. Project Manager Thaxton suggested waiting further into the year before considering a budget amendment. SUEZ would continue to review maintenance expenses in preparation for the MCRWASA Budget for 2018-19.

INFORMATIONAL UPDATES

NPDES Permit Annual Report

Chairman Bone stated a National Pollutant Discharge Elimination System (NPDES) permit is one of the permits required to operate the water treatment plant. An annual report is required to maintain this permit. MCRWASA completed and submitted its NPDES annual report for calendar year 2017. In addition to being accessible through the NC Department of Environmental Quality – Division of Water Quality, copies of the 2017 System Annual Performance Report would be available at the Williamston Town Hall, Martin County Governmental Center (County Manager's Office), as well as on the Martin County website, for public review.

Monthly Report from SUEZ

SUEZ prepared and submitted the WTP water production reports for November and December 2017 for the Board's review.

Project Manager Thaxton reported the NC Department of Environmental Quality changed the Authority Well public water system (PWS) number to NC6059018, due to it being free chlorine and not connected to the Water Treatment Plant.

Project Manager Thaxton planned to test in February for a North Carolina Class A Ground water certification. Senior O & M Technician Eddie Bristow planned to test for the North Carolina Class C Ground Water certification.

Project Manager Thaxton stated the elevator system contractor performed a safety inspection for the elevator. The change orders for the door alarm security for the Bailey Booster Pump Station and the Water Treatment Plant were complete. The contractor designed security for the clear well. The design was under construction, and installation should take place in February.

From January 4, 2018 to January 11, 2018, the MCRWASA Water Treatment Plant distributed emergency water to the Town of Williamston because the chlorinator froze under the extreme cold temperatures, and the Town could not use its wells. By being able to tap into the Water Treatment Plant as a back-up source of water, the Town avoided having to issue a boil water advisory notice. The Town used approximately 3.2 million gallons above the allotment. Additionally, the Town of Williamston had water leaks. The County Water District had leaks, as well, but were able to operate within the allocation limits proposed in the budget.

Vice Chairman Chesson commented some of the increased water use was because water customers allowed the water to drip to avoid frozen pipes.

Project Manager Thaxton added he was very impressed with the way the Water Treatment Plant ran during the severe weather.

Chairman Bone commented the MCRWASA 2018-19 budget would be on the February agenda for discussion.

ADJOURNMENT

With no further business to discuss, Chairman Bone adjourned the meeting around 3:30 p.m. The MCRWASA Board of Directors scheduled its next regular meeting for February 22, 2018.

David Bone, Chairman

Marion B. Thompson, NCCCC
MCRWASA Secretary