

Minutes
MCRWASA Board of Directors Regular Meeting
February 23, 2017

The Martin County Regional Water and Sewer Authority (MCRWASA) Board of Directors met for its Regular Meeting on Thursday, February 23, 2017 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, Board Director Junious Horton (alternate), Secretary Marion Thompson and Treasurer / Deputy Secretary Cindy Ange.

Board Director Tommy Bowen (alternate) was not in attendance.

Others present: Martin County: Water District Supervisor Ed Warren and County Commissioner Dempsey Bond, Jr.; SUEZ: Project Manager Joe Thaxton; Town of Williamston: Interim Town Administrator Brent Kanipe and Water System Operator Gary Barmer.

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

AGENDA APPROVAL

Chairman Bone requested a motion to approve the revised agenda with the inclusion of the following item:

- 2nd Amendment to the Operation, Maintenance & Management Services Agreement Between MCRWASA & SUEZ

Director Patrick made a MOTION to approve the agenda as revised, with a SECOND by Director Keel. The motion was APPROVED unanimously.

APPROVAL OF MINUTES – January 26, 2017, Regular Session

Vice Chairman Chesson made a MOTION to approve the minutes as presented, with a SECOND by Director Keel. The motion was APPROVED unanimously.

PUBLIC COMMENTS – None

BUSINESS ITEMS

Budget Amendment #5 – MCRWASA Well #1 Analysis

Budget Amendment #5 provided funding for the consultative work and related expenses concerning a hydrogeological analysis of MCRWASA Well #1 to be done by Groundwater Management Associates (GMA). The Board of Directors approved Budget Amendment #5 as shown below.

BUDGET ORDINANCE AMENDMENT-5

BE IT ORDAINED by the Board of Directors of Martin County Regional Water and Sewer Authority that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2017.

Section 1. To amend the Operating Fund, the expenditures are to be changed as follows.

	Increase	Decrease
Engineering Fees	\$ 9,400	

This will result in an increase of \$36,855 in the expenditures of the Operating Fund. To provide an increase in the revenues for the above, the following revenues will be changed.

Fund Balance Appropriation	\$ 9,400
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

MOTION by Director Keel and SECONDED by Director Patrick to adopt the above budget ordinance amendment this 23rd day of February 2017. The motion was APPROVED unanimously.

Review of Capital Requests by SUEZ

Chairman Bone explained as per its agreement with SUEZ, MCRWASA was obligated 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.” While SUEZ has the responsibility for recommending necessary capital improvements, MCRWASA may elect to contract with a third party engineer to evaluate SUEZ’s recommendations. SUEZ provided a summary of proposed capital projects with a total estimated cost of \$67,500.

The Board of Directors reviewed the proposed capital projects, and sought SUEZ Project Manager Joe Thaxton’s reasoning for the requests listed below.

Description of Proposed Project	Estimated Cost	Board Recommendation
Complete a new Vulnerability Assessment (VA) to address the addition of the new WTP plant. (See ANSI/AWWA G430-09 (First Edition) Section 4.4.2.1 and Section 4.4.2.2.	\$ 3,500	Consider a membership with the NC Rural Water Association; a Vulnerability Assessment may be a no cost benefit of being a member.
An intrusion detection system for the Bailey Booster Pump Station. (See guidelines for the Physical Security of Wastewater/Stormwater Utilities ANSI/ASCE/EWRI 57-10 (Appendix A)	\$ 4,000	Alarms suggested as a detection system method.
More secure protective screening for the finished water clear well.	\$ 12,000	Agreed screen would make the finished water less accessible to intruders.
Closed Circuit Television (CCTV) for security coverage in selected areas at the WTP (i.e. Pulsator, Raw Water Pond, sludge tanks, etc.). See Guidelines for the Physical Security of Wastewater/Stormwater Utilities ANSI/ASCE/EWRI 57-10 (Appendix A). (6 cameras suggested)	\$ 18,000	Acquire a quote from present MCRWASA IT provider, SoundSide; 360 degree cameras may provide the same coverage, thus fewer cameras would be needed.
Provide edge definition (yellow paint) at a number of the concrete step up/down areas, with a change of 1" - 3", throughout the outside area of the plant site; add 2 steps to intermediate lift building to prevent falling out of the building. (See OSHA guidelines)	\$ 5,000	Quotes would be solicited from a local contractor for the painting; order custom poured cement steps.
Sun shield for Power Activated Carbon Control panel to prevent excessive heat to the controls. This is used for taste and odor for the water system.	\$ 4,000	Agreed this was a priority.
Add air conditioning in a high humidity and high temperature area of the building, where the high service Variable Frequency Drives (VFD's) provide the main water flow to the 400,000 water tank. (#1 priority)	\$ 10,000	Agreed this should be a top priority.

Interface lockout of generator at raw water with a larger UPS for the controls - if during a very bad weather or flooding the generator is not needed, diesel fuel would not be wasted.	\$ 11,000	Agreed to delay this item.
Total Capital Budget Needs	\$ 67,500	

2nd Amendment to the Operation, Maintenance & Management Services Agreement Between MCRWASA & SUEZ

MCRWASA and SUEZ entered into an Operation, Maintenance and Management Services agreement for the Water Treatment Plant in November 2014. The 1st Amendment to the agreement was approved at the August 2015 MCRWASA meeting.

During the FY 2016-17 MCRWASA Budget Hearing, it was stated that plans were to change the disinfectant from chlorine to chloramines beginning June 1, 2016. A discussion took place on why the change in disinfectant was needed, the four to six weeks system burn cycle and the annual system flushing requirement.

Chairman Bone stated the Contract Services with SUEZ base fee for June 2016 was to increase by \$1,152.85 to cover ammonia. The adjustment in fees for June was to be taken from the reserves balance.

This 2nd Amendment to the Operation, Maintenance and Management Services Agreement would take into consider the additional cost for the ammonia for the chloramination disinfection.

While the increase had been approved by the Board of Directors as part of the MCRWASA FY 2016-17 Budget, Chairman Bone stated SUEZ had not included the additional monthly cost of \$1,152.85 in the monthly billing for June 2016 to the present because an agreement had not been executed between the parties.

Vice Chairman Chesson made the MOTION to approve the 2nd Amendment to the Operation, Maintenance and Management Services Agreement (*The agreement has been entered into these minutes by title reference.*), with a SECOND by Director Keel. The motion was APPROVED unanimously.

INFORMATIONAL UPDATES

Update on Change Order #9 – BPS Project

On April 28, 2016, the MCRWASA Board of Directors approved Change Order #9 with SUEZ. The Change Order involved a modification to the Bailey Road Booster Pump Station, which would provide a bypass line for smoother operations dealing with Williamston water, the Booster Pump Station, and chlorine levels to that side of the County.

Project Manager Thaxton discussed the timeline for various phases of the project. The anticipated start date was February 24, 2017, with the project being completed in March 2017.

Update on Change Order #10 – Chlorine Pumps

At the November 29, 2016 meeting, SUEZ Project Manager Joe Thaxton asked and was granted approval of Change Order #10, which involved the installation of three new flow meters and additional SCADA controls for Chlorine Pumps. Project Manager Joe Thaxton reported this work has been completed, tested, and was operational.

Monthly Report from SUEZ

SUEZ Project Manager Thaxton gave an overview of the operations and maintenance done at the Water Treatment Plant during the month of January.

2017-18 Draft Budget

Treasurer/Finance Officer Cindy Ange distributed two copies of the MCRWASA FY 2017-18 Draft Budgets to the Board of Directors. One budget was prepared without the C12/Chloramination adjustment; the other with all adjustments.

A total of 2.1 million gallons of water was used for initial and periodic testing to set chlorine and ammonia dosages to maintain adequately chloraminated water from Ed's Grocery Well. All water was diverted to an on-site fire hydrant prior to distribution entry point with the distribution valve closed, so no water went to distribution.

The reason for the two budgets was to obtain clarity as to the intention of the Board of Directors on an action taken during the MCRWASA May 26, 2016 meeting concerning flushing. At that time, the MCRWASA Board was asked to consider a formal policy to adjust charges for water that goes through any of the Member Entities' meters that would be subsequently flushed prior to actually getting to any of the member entities' distribution systems (i.e., Authority / SUEZ operational flushing).

During the meeting in May 2016, Martin County Water Manager Ed Warren explained there could be various scenarios in which any of the MCRWASA member entities could have water go through one of its chargeable meters but be operationally flushed prior to actually going into its distribution systems. It was suggested that MCRWASA consider adjusting these volumes off of the final annual bill. (This would involve SUEZ staff taking start and stop meter readings for operational flushing events and recording / accounting for those volumes, plus and/or minus as applicable, to each event.)

The 2009 Inter-local Agreement Section #5 – Sale and Purchase of Water, Item (k) Water Quality states:

“All water provided to the Member Entities shall be of sufficient quality to meet the requirements of all federal and state drinking water laws and regulations. The authority shall bear no responsibility for the contamination of water or deterioration of water quality originating beyond the Point(s) of Supply, except where treated water is being transferred or “wheeled” through one Member Entity’s water supply facilities to another, in which event the Authority shall, in conjunction with the transferring Member Entity, ensure that such water meets all applicable standards when it passes through the Point of Supply of the receiving Member Entity”.

Martin County has consistently taken the position that if water quality deteriorates sufficiently to the point that it needs to be flushed prior to entry into a member’s entity’s distribution system, such flushing should be performed by MCRWASA / SUEZ, and the member entity should not be responsible for the volume of water flushed.

An additional scenario involved the Booster Pump Station and water from Robersonville. The MCRWASA/SUEZ computer formula being used to inform Entities of prior day’s water usage assumes that volumes denoted in the “Wheeled Water” section of the WSD2 box (i.e., “US 17S” and “Bailey Road”) come from the MCRWASA WTP, wheel through the Town’s system, go into the WSD2 distribution system and count as water used/purchased for that day. The formula also assumes that the “wheeled water” volumes came from the Town and subtracts those volumes from the total in the Williamston box on the report.

Water District Manager Warren also explained the water was being transmitted from Robersonville to the Booster Pump Station (BPS) and then from the BPS to a fire hydrant at WSD2 on Ed’s Grocery Road Well, just prior to the tie-in to the WSD2 distribution system. Therefore, the water did not come from the WTP, was not wheeled through the Town, was flushed, and never got to the WSD2 distribution system; however, by the SUEZ computer formula, this volume was added to the WSD2 numbers and subtracted from the Town’s volume.

At the May 26, 2016, Vice Chairman Chesson made the MOTION to approve a policy of adjusting off of the final annual bill the volume of water used for flushing for water quality reasons, based on the premise that anytime MCRWASA/SUEZ flushed water for water quality reasons Member Entities shall not be charged. Director Perry SECONDED the motion. The motion was APPROVED unanimously.

Water District Manager Warren expressed concern that the motion and action taken did not fully address the scenario regarding when flushing was not done by the Water Treatment Plant but flushing was needed for water quality reasons, and the water never reached the distribution system. However, based on the SUEZ computer formula, this water volume was still being charged to one column and subtracted from another.

The Board of Directors planned to give further consideration to the MCRWASA FY2017-2018 Budget during the March 23, 2017 meeting.

ADJOURNMENT

With no further business to discuss, Chairman Bone adjourned the meeting around 4:49 p.m. The next regular meeting for the MCRWASA would be Thursday, March 23, 2017 at 3:00 p.m.

David Bone, Chairman

Marion B. Thompson, NCCCC
MCRWASA Secretary