

Minutes
MCRWASA Board of Directors Regular Meeting
March 22, 2018

The Martin County Regional Water and Sewer Authority (MCRWASA) Board of Directors met for its Regular Meeting on Thursday, March 22, 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 Tommy Bowen (alternate), Board Director Junious Horton (alternate), and Treasurer/Deputy Secretary Cindy Ange.

Board Director Julius Patrick and Secretary Marion Thompson were not in attendance.

Others present: Martin County: Commissioner Dempsey Bond, Jr and Water District Manager Ed Warren; Town of Williamston: Administrator David Jaynes; and SUEZ: Project Manager Joe Thaxton and Senior O & M Technician Eddie Bristow.

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

AGENDA APPROVAL

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

APPROVAL OF MINUTES – February 22, 2018 Regular Session

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

PUBLIC COMMENTS – None.

BUSINESS ITEMS

Public Hearing – 2018-19 MCRWASA Budget

The NC General Statutes have multiple requirements in regards to adoption of a local government's annual budget. A budget public hearing is required by NC General Statute 159-11. The public hearing was duly advertised. The MCRWASA Board was asked to hold a public hearing to receive public comment on the budget.

NCGS 159-13 specifies that no earlier than 10 days after the budget is presented to the governing body and not later than July 1st, the governing body shall adopt a budget ordinance. Otherwise, the MCRWASA Board may adopt an interim budget ordinance to be effective from July 1st to August 1st.

Director Bowen made the MOTION to enter the Public Hearing for the 2018-19 MCRWASA Budget, with a SECOND by Vice Chairman Chesson. The Board APPROVED the motion unanimously.

Chairman Bone recalled the Board discussed the draft 2018-19 MCRWASA Budget at the February 22, 2018 meeting. Based on the discussion after the February 22, 2018 meeting, Staff added the cost of a second annual permit to the budget. Additionally, SUEZ provided more concrete information relating to the CPI increases for labor, chemicals, electricity, etc. However, those adjustments were not substantial enough to cause a change in the proposed rate increase. The 2018-19 total estimated expenses totaled \$1,811,213.

Based on the 8.3% decrease in usage, as well as contractual CPI increases in the agreement with SUEZ, the draft budget included a wholesale rate increase of 48-cents – taking the wholesale rate from the current level of \$5.15 per 1,000 gallons to a draft wholesale rate of \$5.63 per 1,000 gallons. This equates to a 9.3% increase in the wholesale rate.

Williamston Administrator Jaynes inquired about past water rate increases and the cause for the increase. Additionally, Administrator Jaynes asked whether any thoughts had been given to talking to the state about funding assistance with the outstanding debt.

The Directors explained the cause and effect of the water rate increases. At this time, there was not any state or federal funding available to aid in this unusual situation on the back end, after the water treatment plant has begun operations.

Director Keel made the MOTION to close the Public Hearing for the 2018-19 MCRWASA Budget, with a SECOND by Director Bowen. The Board APPROVED the motion unanimously.

Adoption of the 2018-19 Budget and Wholesale Water Rate of \$5.63 per 1,000 gallons

Chairman Bone stated historically, the MCRWASA Board of Directors considered adoption of the budget and wholesale water rate after the budget public hearing. The MCRWASA Board was asked to approve the 2018-19 Budget and Water Rate of \$5.63 per 1,000 gallons.

Vice Chairman Chesson made the MOTION to adopt the 2018-19 MCRWASA Budget with the inclusion of the wholesale water rate of \$5.63 per 1,000 gallons as shown below, with a SECOND by Director Bowen. The Board APPROVED the motion unanimously.

<i>Martin County Regional Water and Sewer Authority</i>	
<i>2018-2019 Budget</i>	
<i>Account Name</i>	<i>Budget</i>
<i>Revenues</i>	
Town of Williamston	1,216,309
Martin County WSD 1	281,235
Martin County WSD 2	263,669

Fund Balance Appropriation	50,000
<i>Total Revenues</i>	1,811,213
<i>Expenses</i>	
<i>Administration</i>	
Other Professional Services	16,000
Office Supplies	200
Postage	250
Advertising	500
Property & Liability Insurance	30,000
Miscellaneous	300
Permits	1,800
Engineering	5,000
Debt Service – Principal	297,130
Debt Service – Interest	514,626
<i>Total Administration</i>	865,806
<i>Water Treatment Plant Operations</i>	
Capital Outlay	50,000
SUEZ – Contract Services	824,672
SUEZ Water – Non-Routine Services	5,000
<i>Total WTP Operations</i>	879,672
<i>Booster Pump Station Operation</i>	
BPS Lease – WSD2	63,135
Permits/Testing – BPS	2,600
<i>Total BPS Operations</i>	65,735
<i>MCRWASA Well #1 Operations</i>	
Contracted Services	
<i>Total Well #1 Operations</i>	
<i>Total Expenditures</i>	1,811,213
<i>Revenue Minus Expenditures</i>	

INFORMATIONAL UPDATES

Monthly Report from SUEZ

Project Manager Thaxton reported the following maintenance procedures in progress or completed:

- Project Manager Thaxton passed the exam for the “A” Well certification.

- MCRWASA Well #1 changed for PWS# NC6059015 to PWS# NC6059018. The MCRWASA Well #1 has its own identification number, independent of the Water Treatment Plant.
- One employees (Eddie) planned to take the examinations for the “A” Well certification and another employee (Steve) for the “C” Well certification. Both exams were scheduled for May 2018.
- Staff would continue to work on the pulsator insulation on the sludge valves.
- The 811 documentation had been uploaded to the NC 811 website.
- Quotes have been received for the new line location equipment and the equipment has been ordered.

Project Manager Thaxton reported the employee had returned to work that was on short-term disability.

MCRWASA Well #1 Offline Due To Turbidity

Project Manager Thaxton reported the MCRWASA Well #1 was once again off-line, due to turbidity/cloudiness. There were some isolated complaints about cloudy water shortly after the MCRWASA Well #1 came online, on August 1, 2016. The Martin County staff increased the frequency of flushing of the Water District #1 lines to address the issue.

The issue arose again in late 2016 – early 2017. Some work was done by Magette Well and Pump Co., the driller of the well, and Groundwater Management Associates (GMA). During the March 23, 2017 MCRWASA meeting, GMA presented the completed hydrogeological analysis of MCRWASA Well #1. GMA determined that the source of the turbidity was Kaolinite native clay in the Cape Fear Aquifer and recommended different options as a solution. As a result of the study, Magette installed a blow-off valve on the well to allow Staff to blow-off water until the desired turbidity levels were received.

Turbidity has become an issue again. SUEZ and Magette would now work to see if the area of the well screens causing the turbidity can be identified and blocked. The MCRWASA Well #1 was taken offline, and the Water District #1 Hassell Well was being used. The Hassell Well draws water for the Cape Fear Aquifer, as well, but has not experienced any turbidity issues.

Project Manager Thaxton and Water District Manager Warren agreed there were turbidity level regulations for the Water Treatment Plant but not the wells.

Project Manager Thaxton stated a budget amendment would be needed to increase the maintenance capital next month, if the Board chose to proceed with testing. The cost was estimated not to exceed \$20,000. The Board of Directors consensually agreed further testing was necessary.

Water Shortage Response Plan

Project Manager Thaxton provided a draft Water Shortage Response Plan for the Board's review. The plan would be added to the MCRWASA April 26, 2018 agenda for the Board of Directors approval.

ADJOURNMENT

With no further business to discuss, Chairman Bone adjourned the meeting around 3:57 p.m. The MCRWASA Board of Directors scheduled its next regular meeting for April 26, 2018.

David Bone, MCRWASA Chairman

Cindy Ange
MCRWASA Treasurer/Deputy Secretary

Marion B. Thompson
MCRWASA Secretary/Transcriber