

Minutes
MCRWASA Board of Directors Regular Meeting
May 25, 2017

The Martin County Regional Water and Sewer Authority (MCRWASA) Board of Directors met for its Regular Meeting on Thursday, May 25, 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 and Senior O & M Technician Eddie Bristow; Town of Williamston: Water System Operator Gary Barner.

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

AGENDA APPROVAL

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

APPROVAL OF MINUTES – April 27, 2017, Regular Session

Director Patrick 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

Request from the Town of Williamston Concerning Closing of Parkdale Mills

Chairman Bone recalled Williamston Interim Town Administrator Brent Kanipe, on behalf of The Town of Williamston, had asked for consideration in the MCRWASA 2017-18 Budget, as a result of Parkdale Mills announcing it would shut down its Williamston facility on June 10, 2017. Parkdale Mills, the largest water customer for the Town of Williamston, used 35.6 million gallons of water last year. Additionally in his letter, Interim Town Administrator Kanipe suggested Suez may be able to realize an operational cost savings that could be passed on and incorporated into MCRWASA wholesale water rate.

During the April 2017 MCRWASA meeting, Project Manager Thaxton reported while most costs are fixed, a decrease of \$16,583.58 was the estimated amount of cost savings to be realized, as a result of the reduction in chemicals used to treat the water.

Taking into consideration that inherent in the inter-local agreement approved in 2009 by the MCRWASA Board of Directors is a policy that a per thousand water wholesale unit cost is determined in consideration of the "Full Water" usage of each member from the prior year, the request was discussed at length at the April 27, 2017 MCRWASA meeting.

The Board of Directors consensually agreed to delay any action until the Governing Boards of member entities fully reviewed and discussed the ratification of the Parkdale Mill closing on rates for water customers, and options available, if any.

Speaking on behalf of the Town of Williamston Council, Mayor Pro-Tem Al Chesson stated the Parkdale closing will have a tremendous impact on the Town's budget and the Enterprise Fund. After hearing the conversation at the last meeting and understanding the financial condition of Water Districts 1 & 2, as well as the County's (Board of Commissioners') position, and understanding the take or pay agreement that has historically determined rates or usage rates, both entities do not have many options.

Mayor Pro-Tem Chesson wanted it noted the Town of Williamston would appreciate anything that could be done to cut operating costs for the Water Treatment Plant. Understanding most costs are fixed, anything that could be done to soften the blow would surely help. Adding, next year this time, collectively, MCRWASA will have to deal with the loss of 35.6 million gallons of water. Mayor Pro-Tem Chesson stated in the meantime, the Town will try to deal with the situation as best it could. Mayor Pro-Tem Chesson added the Town of Williamston Staff has done a tremendous job in cutting costs.

Speaking on behalf of the Martin County, County Manager David Bone stated he wished there was more that could easily be done. Neither Martin County nor the Town of Williamston has many options, at this time. With the current financial conditions of the Water Districts, it would be difficult to go further into its obligations to the General Fund, at this point. The Local Government Commission has already put pressure on Martin County for several years, regarding the financial conditions of the Water Districts, because Enterprise funds should be self-supporting.

County Manager Bone stated the decreasing population has had a negative impact on the tax base and water users. Hopefully, a strategy to lessen the blow will be realized. The County will continue to advocate for relief from the state, even though it has been tried. Maybe, at some point, the state must realize that financial relief is badly needed for Martin County and its water customers.

No action was taken by the MCRWASA Board of Directors on this matter.

Adoption of the 2017-18 Budget and Wholesale Water Rate of \$5.15 per 1,000 gallons

The MCRWASA Board of Directors held a Public Hearing on the 2017-18 Budget at the April 27, 2017 meeting, but no action was taken. Chairman Bone stated the Board of Directors was asked to approve the 2017-18 annual budget and wholesale water rate of \$5.15 per 1,000 gallons.

Director Patrick made the MOTION to approve the MCRWASA 217-18 Budget and wholesale water rate of \$5.15 per 1,000 gallons, with a SECOND by Director Keel. The motion was APPROVED unanimously.

Martin County Regional Water and Sewer Authority			
Budget 2017-18			
WITHOUT C12/CHLORANIMATION ADJUSTMENTS			
Account Name	2016-17 Budget Revised	2016-17 Actual	2017-18 Budget
REVENUES			
Martin County			
Town of Williamston	1,204,933	702,878	1,262,910
Water Sales Town of Williamston			
Martin County WSD 1	230,316	153,544	238,983
Martin County WSD 2	257,441	171,627	250,174
Fund Balance Appropriation	649,522		50,000
Total Revenues	2,342,212	1,028,049	1,802,067
EXPENSES			
Suez - Contract Services	799,683	426,328	808,664
Suez - Non-Routine Services	5,000		5,000
Advertising	500	348	500
Legal	1,500		1,500
Other prof services	11,000	11,920	15,000
Water Purchases - BPS		1,378	
Permits/Testing - BPS		2,600	
Property & Liability Insurance	40,000	33,905	40,000
Engineering	5,000	1,238	5,000
Postage	250	96	250
Dues and Subscriptions	500		500
Miscellaneous	2,500		-
Debt Service – Principal			290,130
Debt Service – Interest	542,518		522,388
Debt Service – Return Tap Fee	527,031	527,031	
BPS Lease - WSD2	63,135		63,135
Contracted Services – WTP	16,610		-
Contracted Services Booster Pump	36,855		-
Capital Outlay	-		50,000

Contribution to Cap. Reserves	290,130		-
Total Administration	2,342,212	1,004,843	1,802,067
Transfer to Water Treatment Plant Project			
Transfer to Penco Well Project			
Total Expenditures	2,342,212	1,004,843	1,802,067
Revenues minus Expenditures	0	23,206	0

Budget Amendment #6

Chairman Bone explained Budget Amendment #6 would increase the budget for “Other Professional Fees” (audit and IT contracts), “Water Purchases” (water purchased from the Town of Robersonville for the Booster Pump Station) and “Permits”. It would move \$4,000 from the “Insurance and Bonding” line item and \$6,600 from the “Contributions to Capital” line item to allow for the total increase of \$10,600 in the three line items previously mentioned.

BUDGET ORDINANCE AMENDMENT-6

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
Other Professional	\$ 4,000	
Insurance and Bonding		\$ 4,000
Contribution to Capital		\$ 6,600
Water	\$ 4,000	
Permits	\$ 2,600	

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 Vice Chairman Chesson and SECONDED by Director Keel to adopt the above budget ordinance amendment this 25th day of May 2017. The motion was APPROVED unanimously.

Change Order #11

Chairman Bone stated this change order for \$11,315.52 would cover funding for a project already included in the capital projects section of the 2017-18 MCRWASA proposed budget. Change Order #11 would provide air conditioning for the High Service VFD panels in the filter bay. Project Manager Thaxton asked for approval of this change order now so things would be

in place for work to begin shortly after July 1, 2017, the beginning of the new budget year. Air conditioning for the High Service VFD panels had been listed as a high priority on the capital project list because the filter bay has a very high humidity and high temperature. SUEZ felt this temperature would cause the VFD to fail early. Both VFD units would be cooled with a single HVAC panel to protect the assets. Replacement of these units would cost over \$100,000 each.

Chairman Bone noted the actual cost for the single HVAC panel was \$1,315.52 more than originally estimated (\$10,000) for the project.

Director Patrick made the MOTION to approve Change Order #11 for the HVAC for the High Service VFD panels in the filter bay, with a SECOND by Director Keel. The motion was APPROVED unanimously.

Status of Robersonville Interconnection

Chairman Bone stated Suez had been keeping the Robersonville Interconnection active, as a back-up. Project Manager Thaxton was using approximately 100,000 gallons per month to flush this line, with water purchased from the Town of Robersonville. This water costs about \$250 per month. The Board of Directors was asked if they were willing to forego this monthly flushing to conserve water and save money. In this scenario, to bring the line back online, the line would have to be flushed and tested. This process would take a minimum of three days.

Project Manager Thaxton added the MCRWASA Water Treatment Plant normally had ten (10) days plus supply of water in the reservoir, should the need arise, during the time the Robersonville Interconnection was being primed for service.

Vice Chairman Chesson made the MOTION to forego flushing the Robersonville Interconnection starting June 1, 2017, with a SECOND by Director Keel. The motion was APPROVED unanimously.

Robersonville Town Manager Libby Jenkins would be notified of the action taken by MCRWASA Board of Directors, regarding flushing the Robersonville Interconnection.

INFORMATIONAL UPDATES

Update on MCRWASA Well #1

Chairman Bone recalled 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 MCRWASA Well #1 was taken offline, and the Water District #1 Hassell Well has been used instead.

At its February 23, 2017 meeting, the MCRWASA Board approved Budget Amendment #5, which provided funding for the consultative work of Groundwater Management Associates (GMA) and related expenses concerning a hydrogeological analysis of MCRWASA Well #1.

At the March 23, 2017 meeting, the MCRWASA Board received the GMA report. A number of corrected action options were discussed, including:

- Install a pump check valve (estimated cost approximately \$5,000)
- Eliminate the “trickle flow” of chlorinated water or, at a minimum, use a lower concentration or non-chlorinated solution (No cost)
- Set-up an automatic blow-off from the wellhead for 10 minutes (estimated cost approximately \$10,000)
- Prevent short-cycling of the well by modifying the pumping schedule to allow the well to be used for longer periods of time. This would reduce the “water hammering” agitation, in addition to the amount of the water wasted during blow-off on a daily basis.

At the March 23, 2017 meeting, the Board approved maintenance on MCRWASA Well #1, to include replacement of the pump check valve. The pump valve was installed, and Suez staff flushed the MCRWASA Well #1. The corrective action did not appear to be working, although there were benefits gained by the installation of the pump valve.

Project Manager Thaxton stated around \$8,000 of maintenance cap funding was used to purchase and install a double foot check valve, which was slightly higher than estimated. Even though the turbidity improved from 40 NTU (nephelometric turbidity unit) to 10-12 NTU, the quality was not at the preferable level, five (5) NTU.

As stated in the Groundwater Management Associates (GMA) study done for the MCRWASA Well #1 in February 2017, the source of the turbidity is from Kaolinite native clay that commonly occurs in the Cape Fear Aquifer.

The Board of Directors discussed the next steps suggested by GMA and The Wooten Company. Suez had requested an estimate for an automatic blow-off valve and variable frequency drive (VFD) installation. The Board of Directors would consider the estimates at the June 22, 2017 meeting, if available, with construction being slated to begin in July 2017.

Project Manager Thaxton will continue to consult The Wooten Company, the engineering firm and Magette Well, the original installer of the well, on the matter.

Public Notice/Press Release

Chairman Bone recalled the Martin County Regional Water and Sewer Authority (MCRWASA), the Town of Williamston (inside and outside town limits) and Martin County Water District #2 changed the disinfectant used in water treatment from chlorine to chloramines in June of 2016. This change was intended to benefit water customers by reducing the levels of disinfection byproducts (DBPs) in the system, while still providing protection from waterborne disease.

State drinking water guidelines recommend that water systems using chloramines annually switch back to free chlorine (chlorine alone) for a minimum of three weeks. This brief, scheduled change in disinfectant is a standard water treatment practice to keep water mains clean and free of potentially harmful bacteria throughout the year.

This temporary switch was scheduled for June 12, 2017 – July 17, 2017. Ads/press releases about the temporary switch had been placed in the newspaper, and information had been placed on the Town of Williamston and Martin County websites.

Monthly Report from Suez

Project Manager Thaxton discussed the written report that had previously been submitted to the Board of Directors for review.

Surface Water Seminar

Director Patrick stated a surface water seminar hosted at the MCRWASA Water Treatment Plant by Project Manager Thaxton was well received.

It seems every four (4) months the operators/managers of all surface water plants inspected by the NCDNR Washington Regional Office meet to talk and share problematic issues and successes at their facility. The Regional State Regulator also uses this as an opportunity to give updates on new regulations for surface water plants, as well as the status on existing regulations.

Vulnerability Assessment

Project Manager Thaxton also thanked those who provided connections that enabled the Vulnerability Assessment of the MCRWASA Water Treatment Plant to be done at no charge.

Zinc Protection – Galvanize Pipes

Additionally, beginning next week zinc will be added to protect the galvanize pipes, which have been affecting water quality and causing yellow water. Project Manager Thaxton stated it would take three to four weeks to go throughout the system.

ADJOURNMENT

With no further business to discuss, Chairman Bone adjourned the meeting around 3:55 p.m. The next regular meeting for the MCRWASA would be Thursday, June 22, 2017 at 3:00 p.m.

David Bone, Chairman

Marion B. Thompson, NCCCC
MCRWASA Secretary