

SGWASA Agenda

September 10, 2019

6:00 p.m.

Town of Butner Town Council Meeting Room – 415 Central Avenue, Butner

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I. Call to Order/Welcome Chair Edgar Smoak	
II. Invocation – Edgar Smoak	
III. Pledge of Allegiance – Kenneth McLamb	
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V. Public Comments	
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IX. Comments from the Executive Director	
X. Comments from the SGWASA Attorney	
XI. Comments from Board Members	
Edgar Smoak	
Tim Karan	
Bill Birdsong	
Jimmy Gooch	
Archer Wilkins	
Herman Wilkerson	
Kenneth McLamb	
XII. Adjournment	

South Granville Water and Sewer Authority
August 13, 2019
Regular Meeting

Board Members in Attendance

Town of Butner-Jimmy Gooch, Bill Birdsong
Granville County- Tim Karan, Edgar Smoak
City of Creedmoor- Herman Wilkerson, Archer Wilkins
Town of Stem – Kenneth McLamb (late)

Board Members Absent

None

Staff in Attendance

Executive Director, Scott Schroyer
Finance Officer, Richard Balmer
Present in the meeting Attorney Jim Wrenn

Media Representative

Amanda Dixon – Butner-Creedmoor News

Call to Order/Welcome

Chairman Edgar Smoak

The Chairman introduced the new Executive Director, Scott Schroyer

Invocation/Pledge of Allegiance

Invocation by Kenneth McLamb
Pledge of Allegiance by Herman Wilkerson

Review and Approval of Minutes from the June 24, 2019 Called Board Meeting

The motion was made by Jimmy Gooch to approve the minutes of the June 24, 2019 Called Board meeting. The motion was seconded by Archer Wilkins. The motion passed unanimously.

Review and Approval of Minutes from the June 27, 2019 Called Board Meeting

The motion was made by Tim Karan to approve the minutes of the June 27, 2019 Called Board meeting. The motion was seconded by Kenneth McLamb. The motion passed unanimously.

Review and Approval of Minutes from the July 9, 2019 Called Board Meeting

The motion was made by Kenneth McLamb to approve the minutes of the July 9, 2019 Called Board meeting. Bill Birdsong asked that the minutes be adjusted to reflect that there should only be one “No Comment” statement for him. The motion was seconded by Herman Wilkerson. The motion passed unanimously.

Public Comments

- John Mayo – Wanted to speak to the new Executive Director to give his side of the story of the issues he feels SGWASA has with the water quality.
- Kurt Klinger – Asked the Board questions concerning the process of the interviewing for the Executive Director position. Attorney Wrenn stated that the questions were getting into personnel issues. Chairman Smoak asked Mr. Klinger if he had further questions to contact SGWASA directly or submit them in writing. Board member Karan told Mr. Klinger that he could contact him with any additional questions.
- Joyce Johnson – Spoke to the Board concerning the rate increase and how the Federal Prison water conservation efforts had caused the increase. Tim Karan responded that the increase was not only from the Federal Prison efforts but many other factors. Chairman Smoak stated that the rates are going to have to match the expenses.
- Edward Gleason – Spoke to the Board addressing his concerns on the situation of SGWASA.
- Dan Smith – Addressed the Board last month and is speaking on his client’s behalf again this month. His client is from 2130 East Lyon Station Road and was unable to attend tonight. He then stated he had two developers with him tonight that are ready to develop but they could not due to sewer capacity.

Fiscal Year 2019-2020 Budget Amendment Number 1

The information for the Fiscal Year 2019-2020 Budget Amendment Number 1 was presented to the Board and the Executive Director recommended that the amendment be approved as presented.

Budget Amendment #1

Be it ordained, the FY 2019-2020 Annual Budget Ordinance is hereby amended as follows:

Revenues: Increase / (Decrease)

Other Financing Sources	\$	405,667	
Transfer from Fund Balance (appropriate)	\$	131,561	
<i>Total Revenues</i>			<i>\$ 537,228</i>

Expenditures: Increase / (Decrease)

Administration	\$	4,000
Water Treatment Plant	\$	40,000
Utilities: Waterline Maintenance	\$	6,500
Projects & Studies	\$	486,728

Total Expenditures

\$ 537,228

*Description Budget for FEMA fixed cost offer \$405,667; Veazey Rd hurricane damages
Reallocate budget from fy 18-19 for laptops for Exec Dir & Util Dir
Reallocate budget from fy 18-19 for rebuilding (2) finish pumps at wtp
Reallocate budget from fy 18-19 for Fleming St bore & taps
Reallocate budget from fy 18-19 for Hazen & Sawyer remaining contract
Reallocate budget from fy 18-19 for Coulter Jewell Thames final invoice*

After some discussion a motion was made by Tim Karan to approve the Fiscal Year 2019-2020 Budget Amendment Number 1 as presented. The motion was second by Bill Birdsong. The motion passed unanimously.

Final Allocation Request for Kennedy's Crossing Phase I

The information was presented to the Board for the Final Allocation Request for Kennedy's Crossing Phase I. The Engineer and Executive Director recommended that the Board approve the final water and sewer allocation request for Kennedy's Crossing Phase I (4 homes).

A motion was made by Kenneth McLamb to approve the final water and sewer allocation request for Kennedy's Crossing Phase I as presented. The motion was seconded by Jimmy Gooch. The motion passed unanimously.

Purchase of Vehicle

The information was presented to the Board concerning the vehicle to be purchased for use by the Executive Director and it was recommended by the Executive Director that the Board approve the presented purchase.

After some discussion a motion was made by Kenneth McLamb to approve the purchase of a 2019 Nissan Pathfinder 4x4 for official SGWASA business use and for commuting to/from the Director's residence within the service area as stipulated in the employment contract. The motion was seconded by Archer Wilkins. The motion passed unanimously.

Resolution for NC DEQ Acceptance of Signature

The Resolution was presented to the Board and it was recommended that the Board approve the Resolution as presented.

A motion was made by Kenneth McLamb to approve the Resolution as presented. The motion was seconded by Jimmy Gooch. The motion passed unanimously.

Resolution for NCDOT Acceptance of Signature

The Resolution was presented to the Board and it was recommended that the Board approve the Resolution as presented.

A motion was made by Herman Wilkerson to approve the Resolution as presented. The motion was seconded by Archer Wilkins. The motion passed unanimously.

Resolution Appointing Deputy Finance Officer

The Resolution was presented to the Board and it was recommended that the Board approve the Resolution as presented.

A motion was made by Jimmy Gooch to approve the Resolution as presented. The motion was seconded by Kenneth McLamb. The motion passed unanimously.

Resolution Delegating Executive Director's Authority

The Resolution was presented to the Board and it was recommended that the Board approve the Resolution as presented.

A motion was made by Tim Karan to approve the Resolution as presented. The motion was seconded by Kenneth McLamb. The motion passed unanimously.

Comments from the Executive Director

Provided the Board with several updates

- Employee Appreciation lunch he will make plans for this and bring them back to the Board.
- He toured the facilities, viewed the service area, and spent time with staff. The staff has been very helpful and he appreciates their help.
- Wants to get with vendors concerning updates to the website and will bring that back to the Board.
- Thanked Attorney Wrenn, Michael Felts, Richard Balmer, and staff for their on-boarding assistance.

Comments from the SGWASA Attorney

No Comments

Comments from Board Members:

Tim Karan – Welcomed the new Director

Bill Birdsong – Also welcomed the new Director

Jimmy Gooch – Welcomed the new Director and stated he appreciated members of the public attending the meeting

Archer Wilkins – Welcomed the new Director and also stated he appreciated people for coming out; stated that last night at the City of Creedmoor meeting he gave an update on SGWASA and was pressed on the Joe Peed Pump Station

Herman Wilkerson – Welcomed the new Director; discussed how others wanting to put filters at every house is going to cost the customers more; stated that the SGWASA staff knew what they were doing when recently getting an issue fixed quickly.

Kenneth McLamb – Welcomed the new Director

Edgar Smoak – Welcomed the new Director

Adjournment

A motion was made to adjourn the August 13, 2019 regular meeting by Herman Wilkerson. The motion was seconded by Kenneth McLamb. The motion passed unanimously.

Respectfully Submitted by: Beverly Beal, Secretary

Chairman Edgar Smoak

VI Fiscal Year 2019-2020 Budget Amendment Number 2

This Amendment appropriates the remaining contractual amount for the attorney retaining lobbying services with Best, Best & Krieger. Re-appropriations from Fiscal Year 2018-19 include the contractual agreement with Davenport Associates for financial services as well as background investigations and travel reimbursements resulting from the Executive Director recruitment.

Budget Amendment #2

Be it ordained, the FY 2019-2020 Annual Budget Ordinance is hereby amended as follows:

Revenues: Increase / (Decrease)

Other Financing Sources	\$	
Transfer from Fund Balance (appropriate)	\$	67,002
<i>Total Revenues</i>		\$ 67,002

Expenditures: Increase / (Decrease)

Administration	\$	67,002
Water Treatment Plant	\$	
Utilities: Waterline Maintenance	\$	
Projects & Studies	\$	
<i>Total Expenditures</i>		\$ 67,002

- Description* *Reappropriate budget for lobbyist Best Best & Krieger May-Jun fy 18-19*
- Appropriate budget for lobbyist Best Best & Krieger Jul-Dec fy 19-20*
- Reappropriate budget for Davenport Associates from fy 18-19*
- Reappropriate budget for Exec Dir background cks (2nd round)*
- Appropriate budget for Exec Dir applicant travel reimbursements*

Recommendation: The Executive Director recommends the approval of the Fiscal Year 2019-2020 Budget Amendment #2 as presented.

VII Veazey Road Aerial Sanitary Sewer Replacement Project Update

Information Only – No Formal Board Action Requested

Background: Veazey Rd. sanitary sewer line damages occurred on September 17, 2018 as the result of Hurricane Florence. The aerial sanitary sewer line is a 10” cast iron pipe that is suspended on steel I-beams and piers on the banks of the Knapp of Reeds Creek. The engineering firm of Freese Nichols was contracted by SGWASA to provide design engineering and construction administration for the project.

At the April 9, 2019 regular SGWASA Board meeting, the SGWASA Board voted to pursue construction that restored the Veazey Road sanitary sewer line back to current code requirements, at a projected construction cost of \$199,000. SGWASA received FEMA funding assistance for this project for reimbursable expenses including engineering, construction, legal, and other costs related to reconstruction/restoration of the site. FEMA provided a fixed cost offer on this project in the amount of \$405,667.00. In August 2019, Executive Director Schroyer accepted FEMA’s fixed cost offer in the amount of \$405,667.00. Under our current agreement with FEMA, the project must be completed in February, 2020.

Project Bid Phase: In August 2019, the Veazey Rd. aerial sanitary sewer replacement construction contract was publicly bid, with a bid opening date of August 20, 2019. One bid proposal was received on the August 20, 2019. In conformance with North Carolina legal requirements for Formal Bidding, the bid was returned to the Contractor and the project was re-bid for 10 days.

A total of one bid proposal for the project was opened and read publicly at 3:00 PM on Friday August 30th. The only bidder on this project was Carolina Civil Works, Inc., at bid price of \$375,183. Freese Nichols reviewed the bid proposal and finds Carolina Civil Works, Inc. to be the lowest responsive and eligible bidder.

Status: Based on the bid price of construction being \$233,183 higher than the estimated cost, along with the associated engineering fees, a short fall of \$60,000 exists between the total cost of the project and FEMA’s fixed cost offer. To address the high bid price, SGWASA staff consulted with Freese Nichols Engineering and McGill Associates to determine the best options moving forward. Options discussed included, negotiating lower prices with Carolina Civil Works, reengineering certain portions of the project to reduce costs, re-bidding the project with the goal of attracting more bidders at more competitive prices, or accepting the current bid price. Based on these options, SGWASA staff directed Freese Nichols to evaluate reengineering certain portions of the project to reduce costs, and to also negotiate with Carolina Civil Works, Inc. on their bid costs.

Next Steps: SGWASA staff will meet with Freese Nichols during the week of September 9th to get a progress report. Based on the report, SGWASA staff will determine how to proceed with the project. SGWASA staff will keep the Board updated on this project, with the goal of bringing a reduced cost project bid award to the Board at the October 2019 Board Meeting.

VIII Grant Funding Opportunities

Background: Recently, SGWASA Finance Chair Karan, SGWASA staff, along with Granville County Administrator Felts met with members from the United States Department of Agriculture (USDA) – Rural Development Utilities Program (RDUP) team to discuss SGWASA’s opportunities to qualify for water & environmental grant funding for future capital improvements projects.

For SGWASA to qualify for USDA grants, certain thresholds must be met. One of the primary thresholds centers on a community’s Median Household Income (MHI). According to the USDA, to qualify for a USDA Grant, the MHI for a jurisdiction must be less than the North Carolina MHI value of \$45,444 (established by the 2010 Census).

With SGWASA encompassing several incorporated and unincorporated areas, SGWASA’s service area total combined MHI must be less than the State’s MHI value of \$45,444. Based on the 2010 Census, only one community (Butner) has an MHI value less than \$45,444. Other areas within SGWASA’s service area are above the State’s MHI value.

Based on the above, the USDA-RDUP team advised SGWASA that an MHI Income Survey could be performed within the SGWASA service area if there is reason for SGWASA to believe that the 2010 Census data is not an accurate representation of the MHI within the area served.

To initiate the Income Survey process, SGWASA must first apply to the USDA-RDUP and request the Income Survey, thus clearly documenting the reason for the survey. If the USDA-RDUP approves the request for an Income Survey, then the USDA-RDUP works with SGWASA to perform the survey.

Once the survey is completed, the MHI data will be used in all cases regardless if it results in a higher or lower MHI. Furthermore, if the required percentage of surveys, as determined by population, is not received during the survey period, then SGWASA would default back to known 2010 Census MHI values.

Cost of Income Survey: There is no direct cost to SGWASA for the Income Survey analysis. However, there are direct costs to SGWASA for the Income Survey, such as postage for surveys, promotional materials, etc. These costs would be relatively minor when compared to the potential value of USDA Grant awards.

Recommendation: The Executive Director recommends that an Income Survey application be submitted to the USDA-RDUP.