

August 12, 2014

Minutes of the regular meeting of the Yadkin Valley Sewer Authority (YVSA) held Tuesday, August 12, 2014 at 9:00 a.m. at the YVSA Office.

PRESENT

Board: Chairman Wayne Moore, Vice-Chair J. L. Lowe, Jr., Directors Tommy Casstevens, Victor Varela and Harold Lee Wagoner.

Also present: Executive Director Nicole Johnston; Jerry Twiggs, Engineer with West Consultants PLLC; Attorney James Freeman; and YVSA Administrative Assistant Susan White. Secretary/Treasurer John W. Holcomb was absent.

I. WELCOME

- * With a quorum of five present, Chairman Moore welcomed everyone and called the meeting to order.

II. CONSENT AGENDA

- *Tab A – Consent Agenda:*
 - Minutes of the June 10, 2014 Board Meeting (Regular Meeting).

➤ *Chairman Moore asked for a motion to approve the Consent Agenda in its entirety.*

- ✚ *Following a motion made by Mr. Lowe and seconded by Mr. Casstevens the minutes were approved by a vote of five - zero with no discussion.*

III. ACTION ITEMS/UPDATES FROM STAFF

- *Tab B– Executive Director's Update - Nicole Johnston*
 - Two reportable spills Monday – three thousand gallons at the Regional Pump Station and two thousand gallons at Little Dutchman Pump Station.
 - Spills were due to four inches of rain in a short amount of time. System still held much better than it used to because of our efforts in locating I&I in the system.
 - She appreciated receiving an email from Elkin Town Manager Lloyd Payne volunteering the Town's help if needed. Mayor Lestine Hutchens had sent him an email about water standing somewhere near her house.
 - Ronda Park Pump Station only had one pump in service this weekend and it went into seal failure. Other pump is already out being rebuilt. Had to call for a by-pass pump this morning. Had to babysit this Station all weekend.
 - Lowe stated we need something in writing about the pumps at the Ronda Park failing and costs involved in fixing them. Let everyone know the pump that is already out to be fixed will be \$10-12,000. This is Ronda's main Pump Station. Lowe stated the letter should go to the other two towns also.
 - Johnston stated we had no sludge hauling last month.
 - There is a lot of foam in the oxidation ditches. United Water brought in a bacteriologist last week to look at the issues at the Plant. There is a nocardia bacterium in the plant caused by too much flow coming into the plant right now. The Plant is still in compliance but is starting to get foamy. Will have to haul soon.
 - Went with Jerry (Twiggs) to Raleigh on July 23rd to get information on the \$50,000 TAG grant for Jonesville.
 - Application for this Grant was approved by the Board at the May 15th meeting.
 - Have another agenda item later today to apply for State Grants and Loans for the Wastewater Treatment Plant. Want to get rid of chlorine gas and put the Treatment Plant

on UV for disinfection. We are finishing the Grant Application; there is \$2.5 Million worth of grant money for “green projects”. Taking Chlorine gas out is a very green factor.

- John (Holcomb) wants guidelines from the Board on the direction for loans for equipment needed.
 - * Trucks are so old they are incapable of pulling our equipment. Trucks are 10-28 years old. Transmission is going out on the Service Truck that pulls the jetter. Brakes and transmission are giving trouble on the next best truck.
 - * We need new equipment now. He wants to know what equipment he should put together to get the loan.
 - * It is in this budget to purchase a Vac-Tron and a backhoe. Not as crucial to get a camera right now as we can call KRG to come camera a line if necessary.
 - * Need the backhoe now. Currently having to borrow one from the three Towns when we need one.
 - * John had put \$66,000 in this year’s budget to purchase the backhoe and Vac-Tron.
 - * Will discuss further later in Agenda.

- *Tab C– Private Pump Station Discussion - Nicole Johnston/James Freeman*
 - Johnston stated in the Agenda packet she has included two invoices Victor (Varela) brought to her regarding a private pump station at Jennifer Murray’s home in Ronda.
 - Murray relayed to Varela that plumbers from B&S Plumbing told her they had Harris Electric come out to work on her pump and Harris told them the pump was wired wrong when it was originally installed, causing the pump to burn out.
 - This was the last pump to be installed in the Ronda Project. Her house is at the end of Gwyn Street, next to the Gwyn Street Pump Station.
 - Twiggs stated when that pump was installed, a Wilkes County Electrical Inspector had to come out and approve the installation of the pump before power could be turned on to the Station. Wilkes County said it was properly installed and signed off on it. Just recently was brought to our attention that another electrician has stated it might not have been wired right. When West Consultants signed off on the Station, the electrical work had been signed off on by their electrician and the electrical Inspector for Wilkes County. Varela asked when this pump was installed. Twiggs stated four to five years ago.
 - Lowe asked how long had it been in operation before it gave problems. Twiggs stated four to five years; this was the first time.
 - Johnston stated Murray said because the pump was installed wrong, she wants the plumbing and electrical bills paid by the Authority. Murray stated Harris Electric inspected the Pump said it was improperly wired.
 - Twiggs was asked what the average life of those pumps is and he stated about 25 years. Also stated it needs regular maintenance.
 - Johnston stated she had the crew go out and clean the pump out. Had to get a pumper hauler out there to pump out the station because it was full of grease. It is like any other pump station, it needs to be cleaned out at times.
 - Twiggs stated Murray has owned the property all along. He remembers having to meet with her about where to locate the station on her land because of all the rock on her property. He remembers speaking with her about the pump and that it would become her pump when the project was completed.
 - Twiggs would like to find out from Harris Electric if the pump was wired wrong.
 - Johnston stated this caused the need to talk about private pump stations in our system.
 - Freeman stated the initial issue was whether or not she knew about the Pump Station being hers when she bought the property. Now we find out she is the original owner so that changes things.

- Freeman stated for the Boards protection in the future, the property owners must understand and acknowledge in writing that the pump is theirs and the Sewer Authority will not be responsible for the stations after they are turned on.
 - Varela stated we needed to have a reminder for these people to check their pumps.
 - Freeman recommended putting the wording in the Customer Service Policy that the Pump Stations are solely the responsibility of the property owner.
 - Moore stated he does not want the Authority to have the responsibility of telling property owners it is time to have maintenance performed on their pumps.
 - Varela stated we need written understanding of whose pump it is.
 - Freeman stated all of our other Pump Stations are ours – we own the properties in fee simple. For these private pump stations, we have no legal right to be there on their property and own nothing. We should do something going forward to cover this; a simple document that states it is the land owner’s responsibility going forward to keep up and maintain the Pump Station that is on their property after it is turned on. This simple document can be used each time a private pump is needed on someone’s land.
 - Moore stated they would delay a decision until next month to give time for the electrician to be contacted and we find out if the pump was wired wrong.
 - Wagoner asked Freeman if a property owner must acknowledge a private pump is there when selling property. Freeman stated yes, the homeowner has the responsibility to tell the buyer. He also stated it is above ground and should be noticed by all.
- *Tab D – Amendment to Pretreatment and FOG Program Fee Schedule – Nicole Johnston*
- Johnston stated she is proposing a couple of changes to the Fee Schedule.
 - * Under Industrial Permit application, including each renewal, a SIU (Significant Industrial User) will now pay \$300.
 - * Domestic Waste will now be charged at \$0.05/gallon. We will begin taking waste from a small community in State Road through Agua America.
- *Chairman Moore asked for a motion to approve the two amendments made to the Pretreatment and FOG Program Fee Schedule:*
- ✚ *Following a motion made by Mr. Lowe and seconded by Mr. Casstevens, the Board approved the Schedule by a vote of five-zero with no further discussion.*
- *Tab E – YVSA Services Fee Schedule – Nicole Johnston*
- Johnston further stated an YVSA Services Fee Schedule had been created to put in writing fees we have previously been charging and a new one recommended by Operations Manager Brad Haynes.
 - Stated we have been charging \$100 per job (not per hour) for camera or jetter work for the public. She feels we need to charge more as it can take some length of time to complete these processes. Recommends changing the fee to \$100 per hour. Also wants to institute a Sewer Verification Fee of \$50 each to go to a property and check/dye/camera lines to see if they are connected to sewer when the property owner is not sure. This mostly involves Real Estate Agencies wanting homes checked when they take the listing. This takes time and may take two people to complete.
- *Chairman Moore asked for a motion to adopt the YVSA Services Fee Schedule as stated.*
- ✚ *Following a motion made by Mr. Lowe and seconded by Mr. Casstevens, the Board approved the Schedule by a vote of five-zero with no further discussion.*
- *Tab F – Sewer Impact Fee Schedule – Nicole Johnston*
- Johnston proposed a rate increase due to the rising cost of pipe and supplies.
 - Also recommends adding a Commercial Low Volume User category to the Fee Schedule. This rate was brought about in part due to a new Storage Facility customer across from

- Wal-Mart being a low-volume user. Overall, you typically charge a low-volume customer if their anticipated volume will be equivalent to residential. This charge will be determined by the definition in the proposal. She proposes cutting the Storage Building facility fee in half - \$2,500.
- Residential Impact Fee will increase \$100, from \$800 to \$900 for a basic tap. Outside city limits will increase to \$1,700.
 - Low-volume Commercial is new and is now \$2,500.
- *Chairman Moore asked for a motion to approve increases and add a new Low-Volume Commercial User Fee to the Sewer Impact Fees.*
- ✚ *Following a motion made by Mr. Varela and seconded by Mr. Casstevens, the Board approved the motion by a vote of five-zero with no further discussion.*
- *Tab G – Contract Agreement for PGW Project with Department of Commerce – Nicole Johnston*
 - Department of Commerce has approved us for a grant of \$830,000 for the PGW Project.
 - This is a routine contract that must be adopted by the Board.
- *Chairman Moore asked for a motion to adopt the Contract Agreement for Grant Number 2013-108-40401-107 for the PGW Project between the NC Department of Commerce and the YVSA.*
- ✚ *Following a motion made by Mr. Varela and seconded by Mr. Casstevens, the Board approved the Schedule by a vote of five-zero with no further discussion.*
- *Tab H – Resolution to Apply for State Grant and Loan Funds for WWTP Improvements – Nicole Johnston*
 - This is a resolution to apply for State Grant money to make the improvements we discussed earlier today to the Wastewater Treatment Plant.
 - This is “Green Money” from CWSRF.
 - This resolution just authorizes us to make the application.
- *Chairman Moore asked for a motion to approve the Resolution Regarding a CWSRF Application for 2015 Wastewater Treatment Plant Improvements Project.*
- ✚ *Following a motion made by Mr. Casstevens and seconded by Mr. Wagoner, the Board approved the motion by a vote of five-zero with no further discussion.*
- *Tab I– Engineer’s Update – Jerry Twiggs, West Consultants, PLLC.*
 - A) SW Elkin Collection System Rehab Project:
 - ◇ Funding agencies gave us notice this week they were turning us lose on the SW Elkin Project.
 - ◇ They are aware they are late and will approve everything this week. As soon as we get the signed documents we will go to bid quickly.
 - ◇ You have approved everything already so we should be in process by our next Board meeting.
 - B) Pump Station Rehab/Upgrade:
 - ◇ Were told last month we would have a check by this month.
 - ◇ Only got the agreement to sign last week.
 - ◇ We will get a \$92,000 reimbursement in our checking account on August 20th.
 - ◇ Some other reimbursement requests should be coming in soon also.
 - ◇ Pump Station Rehab was supposed to start yesterday. Still expect them this week.
 - C) PGW Improvements Project:
 - ◇ All easements have been signed. We are ready to go. James has them to be recorded this week. We met that short deadline.

- ◇ Our only issue was with the Litz Adams property. He has passed away and the property is in the hands of the executor. As we were pressed for time we decided to go another one-hundred (100) feet with the force main to skip his property. As this was the most difficult part of the project anyway going this way may actually save us money in the long run.
 - ◇ Everything else is ready to go. The money is ready to go.
- D) Weyerhaeuser Sewer Extension:
 - ◇ All survey work is complete.
 - ◇ Project design is 35% complete.
 - ◇ Meeting with Weyerhaeuser on August 18th to put all the information together and get the project started.
 - ◇ Still don't have all the information from them we need but will get together with what we have.
 - ◇ Again requested their engineering firm run a TCLP for us to see what is in their flow.
 - ◇ Lowe asked if we have established a surcharge price for their flow.
 - ◇ Johnston stated the price will be determined by what comes in; what we allow them to send up. They know we will be surcharging them and we will not be giving them a permit until after the state approves it.

Tab J – Financial Update – Secretary/Treasurer John W. Holcomb

- Ms. Johnston passed around an email from Mr. Holcomb stating he would not be able to attend today's Board meeting and asking her to give the financial update in his stead.
- He stated FY2015's numbers are not yet in the system. He will bring the figures up to date at next month's Board Meeting.
- Johnston stated the cash balance in checking as of August 8th was less than \$6,000.
- We have another \$26,000 in invoices, waiting for Town collection payments to come in.
- Lowe asked what we could do to get the Towns to pay on time.
- Moore stated the Town of Jonesville always gets in to a squeeze this time of year.
- Lowe stated remember that money is ours, not theirs. This is the twelfth of the month and we don't have a Ronda check yet. Just got Jonesville's check yesterday, eleven days late, and are due another one this Friday. Ronda has not given us their receivables numbers all year. We do have a problem with collections right now.
- Johnston stated Holcomb will have more information on all collections next month.
- Wagoner asked if we had bid out the trucks we need to buy.
- Johnston stated we are waiting for Winebarger Ford's quote now.
- We need something to pull the jetter right now.
- Trying to get two trucks and hopefully a Vac-Tron.
- Need a diesel truck that will pull items on hills and in bad weather. Cost may be up to \$45,000.
- Vac-Tron is already in our budget for \$49,000. Backhoe is budgeted at \$87,000 and also already approved in the budget.
- Can delay getting the backhoe but we have to have two trucks now; the Vac-Tron next.
- She asked the Board to approve Holcomb to go ahead and get three loans totaling about \$150,000 to get those items.
- Moore asked for guidelines to give Holcomb and Johnston for borrowing the money. Repayment schedule will begin in FY2016.
- Lowe stated if we have to get a loan but not make any payments until FY2016 why not get all of it and put it on one loan. Go ahead and get what you need.
- Moore stated we will be able to get two trucks, a Vac-Tron, and a backhoe with \$225,000. Still no camera though – the camera is another \$50,000.
- Varela asked what KRG charges to camera our lines.
- Johnston stated we paid them \$17 per foot on our last project.

- Moore asked Johnston to estimate how often we would be calling them out. Johnston stated she needs them for ten things right now.
- Varela stated he thinks we should have our own camera and we should increase the loan amount to \$275,000 now.
- Moore directed Johnston to have Holcomb get the numbers on a \$225,000 loan and another on of \$275,000.
- Also check with Winebarger's about servicing diesel vehicles.
- *Chairman Moore asked for a motion to give John Holcomb, Nicole Johnston, and him the authority to go ahead with getting a loan and making the decision whether it would be \$225,000 or \$275,000.*
 - ✚ *Following a motion made by Mr. Wagoner and seconded by Mr. Lowe, the Board approved the motion by a vote of five-zero with no further discussion.*
- Moore stated he will inform the Board of what they do before they do it.

❖ **Item 11 - Legal Update - Attorney James Freeman**

- Worked mostly this month on easements.
- All easements for the PGW project have been signed. I am reviewing them now before taking them to record. Looks like there will be minimal expense to the Board for this group of easements.
- Stated there is one easement that will require a manhole on Surry County's property.
- Said the County had been very supportive of this project and there should be no problem putting a manhole on their property.

IV. BOARD OF DIRECTORS' COMMENTS

- Chairman Moore asked if there were any comments from the Board. There were none.
- Chairman Moore asked if there were any comments from Staff. There were none.

V. ADJOURN

Being no further comments or discussion, Mr. Lowe made a motion to adjourn. The motion was seconded by Mr. Casstevens and the meeting was adjourned.

Respectfully submitted by:

Susan White
YVSA Administrative Assistant

Wayne Moore, Chair

Attest:

John W. Holcomb, Secretary/Treasurer