

**NEUSE REGIONAL WATER AND SEWER AUTHORITY
MINUTES OF BOARD MEETING DATED
Thursday, May 25, 2023**

The Neuse Regional Water and Sewer Authority held its Monthly Board Meeting on Thursday, May 25, 2023 at 5:30 P.M. at the Neuse Regional Water and Sewer Authority Water Treatment Plant.

MEMBERS PRESENT: Barry Sutton, Steve Miller, Bruce Parson, Sammy Aiken, Polly Hardee, Andy Heath, Vallie Johnson, Timmy Kennedy, Anthony Riggs, Darrell Rudisill, Victor Styles

MEMBERS ABSENT: Rhonda Barwick, Jamie Cannon, Virgil O’Neal, Mark Warren,

ALTERNATES PRESENT: None

NRWASA STAFF PRESENT: Harold Herring - Executive Director
Angela McKenzie – Administrative Assistant
Kathryn Barker - Administrative Secretary
Charlie Colie - WTP Superintendent
Jacob Brown – WTP Assistant Superintendent
Dustin Smith- Facility Supervisor
Jamie Norment – Legal Counsel

SPECIAL GUESTS: None

Call to Order

Chairman Barry Sutton called the meeting to order at 6:01 P.M. and there were no special guests present.

Revisions, Additions and Adoption of Agenda

Mr. Victor Styles moved to adopt the Revised Agenda as presented. Seconded by Mr. Bruce Parsons and upon unanimous vote, the motion carried.

ACTION ITEMS

1. Approval of Revised March 2023 Minutes.....Chairman Sutton

Mr. Steve Miller moved to approve the Revised March 2023 Minutes as presented. Seconded by Mr. Darrell Rudisill and upon unanimous vote, the motion carried.

2. Approval of April 2023 Minutes.....Chairman Sutton

Mr. Victor Styles moved to approve the April 2023 Minutes as presented. Seconded by Mr. Vallie Johnson and upon unanimous vote, the motion carried.

3. Approval of May 2023 Treasurer’s Report.....Chairman Sutton

Mr. Sammy Aiken moved to adopt the May 2023 Monthly Treasurer’s Report. Seconded by Mr. Victor Styles and upon unanimous vote, the motion carried.

4. Approval of 2022/2023 Annual Operating Budget Amendment #1.....Mr. Harold Herring

Mr. Darrell Rudisill moved to approve the 2022/2023 Annual Operating Budget Amendment #1 as presented. Seconded by Mr. Bruce Parsons and after discussion and upon unanimous vote, the motion carried.

5. Approval of PBMares Three Year Audit Contract Proposal FYE 2023, 2024, 2025 Mr. Harold Herring

Mr. Victor Styles moved to approve PBMares Three Year Audit Contract Proposal FYE 2023, 2024, 2025 Seconded by Mr. Anthony Riggs and upon unanimous vote, the motion carried.

6. Approval of PBMares FY2023/2024 Audit Communication Letter and Contract Mr. Harold Herring

Mr. Bruce Parsons moved to approve PBMares FY2023/2024 Audit Communication Letter and Fees for the Annual Audit. Seconded by Mr. Victor Styles and upon unanimous vote, the motion carried.

7. Approval of Water Shortage Response Plan Mr. Charlie Colie

Mr. Charlie Colie updated the Board that every 5 years that NRWASA has to have an approved Water Shortage Response Plan. He further stated, that contingent upon State approval, that he would like the Board to approve the Resolution.

Mr. Darrell Rudisill moved to approve The Water Shortage Response Plan, upon State approval. Seconded by Mr. Victor Styles and upon unanimous vote, the motion carried.

8. Finance Committee- FY23/24 Annual Operating Budget Mr. Steve Miller

Mr. Steve Miller updated the Board that the Finance Committee held a meeting on April 26, 2023 with Mr. Harold Herring to discuss the Budget and all Member Entities were represented at the meeting, with the exception of one. There were discussions regarding chemical costs, PFAS, and river screens. He stated that the meeting was productive and commended Mr. Harold Herring for his hard work on the Budget. He further reviewed the FY23/24 Annual Operating Budget and recommended that the Board move to adopt the FY23/24 Annual Operating Budget as presented. He informed the Board that the FY23/24 Annual Operating Budget includes a 5% COLA for NRWASA employees. Mr. Darrell Rudisill had a question concerning the miscellaneous income. Mr. Bruce Parsons asked the Board if solar panels would be a solution to reducing the electrical Budget.

9. Public Hearing FY23/24 Annual Operating Budget Mr. Steve Miller

The NRWASA Board opened the Public Hearing for discussion of the FY23/24 Annual Operating Budget at 6:17 P.M. There were no public comments offered. Public Hearing was closed at 6:18 P.M.

10. Adoption of FY23/24 Annual Operating Budget Chairman Sutton

Mr. Darrell Rudisill moved to adopt the FY23/24 Annual Operating Budget as presented. Seconded by Mr. Andy Heath and upon unanimous vote, the motion carried.

Chairman Barry Sutton thanked Mr. Harold Herring and staff for their efforts in preparing the Budget and making sure that NRWASA stays within the Budget each and every year.

11. 2023/2024 Chemical Bid-Part 1 Mr. Charlie Colie

Mr. Charlie Colie advised the Board that the Chemical Bids went down roughly \$31,000 for six months. He further referred the Board to the Agenda packet with the Chemical Bid tabulation sheet for their review.

Mr. Charlie Colie recommended that the Board award the bids to the Vendors per the tabulation sheet contained in the Agenda Packet.

Mr. Victor Styles moved to approve the Chemical bids for all Chemical Vendors as presented. Seconded by Mr. Vallie Johnson and upon unanimous vote, the motion carried.

12. Approval of Capital Project Budget and Ordinance for PFAS Engineering and Testing Study

Mr. Harold Herring

Mr. Harold Herring updated the Board that NRWASA has been doing some testing for the last couple of months and the cost is approximately a \$1,000 a month for the testing. He further stated that NRWASA would continue to move forward working with CDM Smith to see where NRWASA is with the PFAS. Mr. Harold Herring stated that what NRWASA would be asking for is \$150,000 to be pulled out of fund balance for this Capital Project Budget. He further stated that this would only be the beginning and that NRWASA would start with this and then as the project moves along, that NRWASA will come back to the Board with an amendment for an additional funds for projects. Mr. Harold Herring referred the Board to CDM Smith's Engineering Agreement in the Agenda packet. The Agreement is for \$48,000 with an additional \$100,000 for PFAS testing. He further recommended that Board approve the Capital Project Budget and Ordinance for PFAS Engineering and Testing Study for \$150,000.

Mr. Darrell Rudisill moved to approve the Capital Project Budget and Ordinance for PFAS Engineering and Testing Study as presented. Seconded by Mr. Andy Heath and upon unanimous vote, the motion carried.

Mr. Steve Miller asked the Board what would be different with the sampling. Mr. Charlie Colie stated that NRWASA is currently sampling and further stated that NRWASA started testing with the Virgin GAC to see how long it lasts.

13. Approval of CDM Smith PFAS Engineering Agreement

Mr. Harold Herring

Mr. Victor Styles moved to approve CDM Smith PFAS Engineering Agreement. Seconded by Mr. Bruce Parsons and upon unanimous vote, the motion carried.

14. Approval of MICROCOMM Replace/Upgrade Existing MDS Backup Radios

Mr. Harold Herring

Mr. Harold Herring advised the Board that NRWASA was able to get MICROCOMM to agree to a 5-year contract for the replacement/upgrade of Existing MDS Backup Radios. The total of the contract will be \$118,250 and the payment schedule, which is included in the contract in the Agenda packet. The first-year payment will be \$59,125 and this amount is reflected in the Budget that the Board approved.

Mr. Vallie Johnson moved to approve MICROCOMM Replace/Upgrade Existing MDS Backup Radios. Seconded by Mr. Victor Styles and Mr. Anthony Riggs and upon unanimous vote, the motion carried.

DISCUSSION ITEMS

15. Ward & Smith

Mr. Jamie Norment

Mr. Jamie Norment advised the Board that at the March 2023 meeting the Board authorized Ward & Smith to work with Mr. Barry Sutton, Mr. Steve Miller, and Mr. Harold Herring to move forward with comments to the EPA about the new PFAS rules that the EPA has proposed. He stated that the EPA comments were prepared by Ward & Smith and Mr. Harold Herring, Mr. Barry Sutton and staff have reviewed them and approved them. The deadline for filing the comments with the EPA is next week and assuming that the Board does not object, he stated that his plan was to file them in the coming days with the EPA. The EPA issued their rule on PFAS regulations that would essentially make PFAS a regulated pollutant and set the standards for water treatment on the PFAS, which would affect NRWASA and require additional treatment. He further stated that the EPA has asked the public to comment on these proposed rules and the comments that were prepared. The comments are 7 single spaced pages. Mr. Jamie Norment highlighted the high points of the comments, he further stated that the EPA rule was 117 pages and within the rule the EPA asked for responses to 59 different questions and asked that the supporting documentation that was over 2,000 pages be reviewed as well. The deadline for responses was 60 days. Mr. Jamie Norment stated the 60-day deadline was not possible and they have asked for an extension, as well as other water entities and other cities/towns. He further stated he checked and at the moment the

EPA has not granted an extension to the 60-day deadline. Mr. Jamie Norment stated that the points being made to the EPA should be the shift of the costs to those responsible for the PFAS pollution. He further stated that it would cost to comply with the EPA rule and the EPA is not providing any funds to comply with the rule. Mr. Jamie Norment stated that the rule does not cover all the different forms of PFAS, which leads to a constant compliance issue constantly changing. He further stated that the rule applies regardless of rural, city, wealthy, poor communities and that PFAS is the same regardless of the community. Mr. Jamie Norment stated that the comments do not speak for the member entities, however it should help all entities. He advised the Board that they may look over the comments and he would answer any questions that they may have before filing them.

Chairman Barry Sutton advised the Board that it would be in the best interest for the Board to make comments to the EPA. Mr. Harold Herring requested that the Board make a motion to accept the comments provided by Ward & Smith to present to the EPA.

Mr. Bruce Parsons moved to accept the comments provided by Ward & Smith. Seconded by Mr. Vallie Johnson and upon unanimous vote, the motion carried.

16. Miscellaneous & Informational Discussion Items Chairman Sutton

Mr. Jamie Norment advised the Board regarding legal options for dealing with PFAS. The option would be in the involvement of a Multidistrict litigation for PFAS, which would be essentially suing the manufacturers and then working through the lawsuit and then arriving at settlement. He further stated that a Multidistrict litigation is not something that Ward & Smith could do alone, they would have to team up with another firm or retain another firm who handles those type of cases. Mr. Jamie Norment stated that they have spoken with a firm out of Texas, Baron & Budd, P.C., which is a firm that Ward & Smith has developed a relationship with and has worked with over the years on different types of litigation. There is another firm out of Chicago, Illinois, Napoli Shkolnik that is very much on the forefront of the litigation effort. He further stated that they have worked with National Rural Water Association and have teamed up at that level. Mr. Jamie Norment stated that there are still a lot of unknowns about how this will turn out. He further stated that NRWASA needs to decide soon about getting into a lawsuit soon. He further stated that it would be NRWASA represented, not the individual member entities, that it could take years, but it would be important if NRWASA is to proceed, that they start the process soon.

Mr. Jamie Norment stated that if NRWASA pursues the lawsuit, that NRWASA would not be responsible for paying anything unless they win the lawsuit.

Chairman Barry Sutton advised the Board to move forward with having another meeting in the next few weeks to discuss and then making a decision to move forward with possible lawsuit.

Chairman Barry Sutton advised the Board that Mr. Harold Herring's 20-year NRWASA anniversary is June 2, 2023 and he thanked him for his years of service and the tremendous asset he has been to the organization over the last 20 years.

No Board meeting in June, next meeting August 24, 2023.

ADJOURNMENT

Being no further business before the Board, the meeting was adjourned without objection at approximately 7:19 P.M. Motion to adjourn by Mr. Vallie Johnson seconded by Mr. Victor Styles.

Sincerely,



Kathryn Barker,
Administrative Secretary



Virgil O'Neal
NRWASA Secretary