

**BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR BOARD MEETING
TUESDAY, MARCH 15, 2022**

OFFICIAL MINUTES

CALL TO ORDER:

Chairman Ronnie Jenkins called the meeting to order at 6:00 p.m.; a quorum was present. The assembly cited the Pledge of Allegiance.

MEMBERS PRESENT:

Present from the Board of Commissioners were members Ronnie Jenkins, Chairman, Barry Laub, Vice Chairman, Rodney McCoy, Secretary, Bill Beer and Steve Hosmer, present from H2GO was Bob Walker, Executive Director, Russ Lane, Assistant Executive Director, Scott Hook, Finance Officer, Ken Brown, Assistant Finance Officer, Brenda Thurman, Customer Service Manager, and Deana Greiner, Clerk to the Board. Also present was attorney Steve Coble.

DISCUSSION/ADJUSTMENT OF AGENDA:

Chairman Jenkins opened the floor for any adjustments to the agenda. Commissioner Hosmer requested that discussion on the Executive Director's Performance Review be added to New Business. **Commissioner Hosmer made the motion to approve the agenda as adjusted. A vote was called and the motion carried unanimously.**

CONSENT AGENDA:

Commissioner Hosmer made the motion to approve the consent agenda which consisted of the February 15, 2022 Regular Board Meeting Minutes. A vote was called and the motion carried unanimously.

COMMISSIONERS REPORT:

Commissioner McCoy thanked everyone for their thoughts and prayers. Commissioner McCoy explained that back in November he was approached by someone asking his advise on a splash pad for the Belville Park; he explained that he thought maybe we could use the concentrate from the RO Plant. Commissioner McCoy explained that he found out it would require a modification to our NPDES Permit; he said the State was contacted to see if this would be hypothetically feasible. Commissioner McCoy said the State did not show favor in the idea because they treat the concentrate water the same as reuse water from the waste water treatment plant. Commissioner McCoy stated that Belville has made no request for water for a splash pad; he said he just wanted the board to know the possibilities were being discussed.

PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments.

Mel Foles: 1104 Cloverfield Ct: Mr. Foles addressed the board with his concerns regarding the newly adopted irrigation policy; he wanted to know if we set this policy because the RO Plant would not handle the capacity needed for irrigation. Mr. Foles expressed his concern for new sod; he said new sod needed to be watered every day. Mr. Foles expressed that he felt the new policy was being poorly communicated and has caused many people to be upset over it.

Chairman Jenkins asked Mr. Walker to address the irrigation policy. Mr. Walker stated another flyer was planned to be in this months bill. Mr. Walker explained that there will be plenty of water available in the RO Plant; he said the purpose of the irrigation policy is to help extend the life of the plant. Mr. Walker said as far as new grass; the policy allows for a 90 day exception for customers who have new sod in place. Mr. Walker also said that hand held irrigation such as water hoses are not subject to the policy; he said car washing is considered “hand held” and it is not subject to this policy.

Shaunda Blake: 258 Haywood Ct: Mrs. Blake addressed the board with her concerns regarding the newly adopted irrigation policy; she expressed that she felt the policy needed to be better communicated. Mrs. Blake mentioned that she does not have irrigation but was concerned on how the policy was communicated; she also expressed that she felt the penalties were excessive in relation to the average water bill. Mrs. Blake asked the board to reconsider the policy and to reconsider how they communicate with the public.

Bion Stewart: 2100 Forestview Cir: Mr. Stewart addressed the board with his concern regarding the newly adopted irrigation policy. Because of the amount of information Mr. Stewart was presenting; the board asked that he submit his full report to the clerk for their consideration; which is hereby made a part of these minutes as Exhibit A.

OLD BUSINESS:

John Thompson Architectural Services Proposal: Mr. Walker stated that he put a RFQ in the Star News to see about getting other proposals; he said the Wooten Company’s proposal was only for expanding the area from the hall way to even with the board room. Mr. Walker explained that their expansion would not be adequate enough. Mr. Walker explained that the company who did the first building expansion was not interested in this project. Mr. Thompson was present; he explained to the board that he has worked in the area for over 20 years. The board expressed that they thought the construction estimate was a little high; it was said that the estimate was based on similar projects done recently in this area. It was said that it was just an estimate and that the project would go out for bid when the design process was completed. It was said that the only thing the board would be approving now was for the design services and not construction. **Commissioner Laub made the motion to approve the John Thompson Architectural Services Proposal as presented in the amount of \$172,500. A vote was called and the motion carried unanimously.**

NEW BUSINESS:

DOD: Mungo Homes—Mill Branch at Spring Hill Subdivision: Mr. Walker reported that all was completed and all the paperwork has been reviewed and approved by staff and Mr. Coble. **Commissioner Laub made the motion to approve the deed of dedication for Mill Branch at Spring Hill Subdivision as presented. A vote was called and the motion carried unanimously.**

DOD: DR Horton—The Forest at Mallory Creek Phases 1, 2, 3 Mr. Walker explained that this project was started with the Town of Leland and completed with us; he said all was completed. Mr. Walker said the paperwork has been reviewed and approved by staff and Mr. Coble. **Commissioner McCoy made the motion to approved the deed of dedication for The Forest at Mallory Creek Phases 1, 2, 3 as presented. A vote was called and the motion carried unanimously.**

Executive Director's Performance Evaluation: Commissioner Hosmer explained that he felt the board should set a specific time to do the Executive Director's Performance Evaluation each year; he explained that he felt it should be done around budget planning. Members of the board expressed their thoughts and concerns; it was said that the board had planned to wait until the RO Plant was running before doing the evaluation this year. It was said this board could set a specific time and then a new board could decide to do things differently. **Commissioner Hosmer made the motion to set May as the month to do the Executive Director's Performance Evaluation. A vote was called and the motion failed with a vote of 2 yeas by Commissioner Hosmer and Commissioner McCoy and 3 nays by Chairman Jenkins, Commissioner Beer and Commissioner Laub.**

EXECUTIVE DIRECTOR'S REPORT:

RO WTP Update: Mr. Walker reported that the well pumps will be in in May; he said as soon as they are in place that testing can start.

ASSISTANT DIRECTOR'S REPORT:

Mr. Lane stated he had nothing to report.

FINANCE OFFICER'S REPORT:

Check Register-February 10, 2022 thru March 14, 2022: A question was asked about check number 4454 for the printer lease. Mr. Hook explained that the cost of leasing a printer with a maintenance agreement is about the same as if we were to buy and own that same printer; he explained that there were benefits in having the maintenance agreement.

Grinder Pump Rate Fee Change: Mr. Hook explained that the cost of grinder pumps has increased; he explained he wanted to set the fee to "the cost of the pump" plus \$500. Mr. Hook explained that the extra \$500 was to cover our cost to install the pumps; he said we also provide the homeowner a two year warranty. Mr. Hook wanted to leave the policy open ended because the cost of these pumps keep going up and down periodically based on the availability of the materials to build them. **Commissioner Beer made the motion to approve the Grinder Pump Rate Fee Change as presented. A vote was called and the motion carried unanimously.**

Mr. Hook introduced to the board Mr. Ken Brown; he said he will be our new assistant finance officer. Mr. Hook explained that Mr. Brown came to us with 35 years of accounting experience.

ATTORNEY'S REPORT:

Mr. Coble said he had nothing to report in open session.

INFORMAL DISCUSSION:

The board mentioned the possibility of needing to change the September meeting. It was said we could discuss this later.

EXECUTIVE SESSION:

Commissioner Beer made the motion for the board to enter executive session to discuss Consultation with Legal Counsel, pursuant to NCGS 143-318.11(a)(3); and Contract Negotiations, pursuant to NCGS 143-318.11 (a)(5); a vote was called and the motion carried unanimously.

Commissioner Beer motioned for the board to return to open session; a vote was called and the motion carried unanimously.

It was said there was nothing to report out of Executive Session.

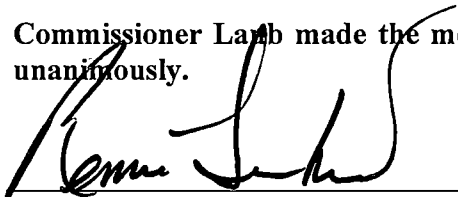
ANNOUNCEMENT OF NEXT MEETING:

Chairman Jenkins announced that there would be Budget Workshop Meeting on April 6, 2022 at 10 a.m.; he said the meeting will be located at H2GO’s office.

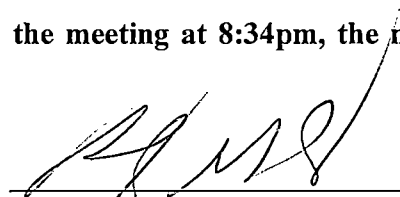
Chairman Jenkins announced the next Regular Board Meeting to be April 19, 2022 at 6 p.m.; he said the meeting will be located at Leland Town Hall.

ADJOURNMENT:

Commissioner Lamb made the motion to adjourn the meeting at 8:34pm, the motion carried unanimously.



Ronnie Jenkins, Chairman



Rodney McCoy, Secretary



Deana Greiner, CMC Clerk to Board



Date of Approval

EXHIBIT A: MR. BION STEWART PREPARED COMMENTS

H2GO Board of Commissioners Meeting 3/15/22

Good evening Commissioners, supporting staff, Mr. Walker and other H2GO representatives. My remarks are extensive and I apologize for the time I will take this evening, but this issue demands a full accounting given the impacts of H2GO's decision to impose unnecessary mandatory irrigation restrictions on our community.

I once again come before this Commission to request H2GO rescind its irrigation mandate. It is arbitrary, it is not supported by science, and the one-size-fits-all approach fails to address the wide variance of climate variables, turf species, soil conditions, root structures, and community characteristics that should drive responsible, observable, localized irrigation practices rather than this mandate. A popular claim by many in positions of authority these days is mandates are necessary because they are based on science and without the wisdom and guidance of scientists, politicians, and in this case a monopolistic public utility company, the general public would not be able to make good decisions on its own. Part of the justification for this mandate is reportedly based on two scientific studies previously referenced by Mr. Walker. I would like to start the body of comments this evening with these two studies.

The first study is titled "Water Requirements of North Carolina"

The stated purpose of this study is to inform turf managers on proper watering levels. At no point does the study indicate it is meant to inform water utility managers on business practices or mandatory water restrictions. Water conservation is a primary theme of the study, but the study uses water conservation principles, not to inform mandatory irrigation restrictions, but to, "providing the correct amount of water at the appropriate time to ensure healthy, high-quality turf..." The study further notes it is important to base watering timing and quantities on a wide range of variables including climate records, root structures, soil depth, type of grass evapotranspiration rates, and notes the factors that drive irrigation schedules are based on temperature, humidity, solar radiation, and vapor pressure. At no point in the study is there any reference to an arbitrary, one-size-fits-all, alternate day irrigation mandate to achieve desired goals.

I further note, the study includes a list of 9 best practices in the "Cultural Considerations in Water Conservation" none of which recommend imposition of mandatory watering restrictions by the water utility.

In general, the study recommends watering 3 days per week for 9 minutes.

However, the study also notes there remain several variables that might require further adjustment to this schedule such as water volume and dispersion characteristics, evapotranspiration rates, soil type, and turfgrass species. While the mandatory restriction to three days a week may follow the first part of the recommendation, H2GO's mandate includes none of the other equally important

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factors. In other words, H2GO's mandate is half-measure that fails to consider the full scope of variables and as such is not only unlikely to achieve its stated objectives, but will actually create more problems than it solves. I will touch again on this point a little later in my remarks.

The second study was conducted by the American Society for Horticultural Science

I want to highlight the opening sentence of this study: "Landscape irrigation frequency restrictions are commonly imposed by water purveyors and municipalities to curtail domestic water use and to ensure adequate water supplies for growing populations DURING TIMES OF DROUGHT."

The study's stated purpose was to, "determine minimal irrigation frequencies needed to support an acceptable aesthetic quality of commonly used warm-season turfgrass species" with a focus of the study on the survivability of different turfgrass species under drought conditions. I note the study took place in the south central part of the country and not in North Carolina or anywhere in the Mid-Atlantic region, most likely be design because we are not in an area prone to persistent drought conditions.

Similar to the previous study, some constants were observed but the primary findings identified a wide range of variables that impact turf quality under minimal watering conditions. The study concludes with, "continued research in this area is important for helping to understand more fully species limitations to irrigation restrictions." To my knowledge, H2GO has not conducted any specific study in the communities it serves related to turfgrass survivability, and therefore has no discrete, localized, scientifically-supported basis for imposing arbitrary, year-round mandatory irrigation restrictions. If this mandate is truly supported by science, where is H2GO's due diligence to conduct a localized study to fully understand and consider the impact of these restrictions on the health of the various turfgrass species in our communities?

I would now like to address the supporting arguments included in the Feb 18th news posting on the H2GO website:

- 1) Peak Day Demands – Mr. Walker notes irrigation on peak day demands double the average daily demand. Missing from Mr. Walker's discussion is an actual problem statement associated with the peak demand. A critical component of such a problem statement would be an assessment of the system's capacity to serve peak demand. In the five years I've lived in Leland, I've never experienced a loss of service beyond a single instance of a local pump station failure. This leaves me to assume that even at peak demand, there remains at least sufficient if not excess capacity to service the community. I also note, while 40% of the customer base may be driving peak demand, that same 40% are also the ones paying for it, which I suspect is a considerable source of revenue for H2GO – revenue I'm sure will be

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made up elsewhere at our expense.

- 2) Irrigation Water Usage – While it is true the referenced study recommends watering 3X week as a general guideline for certain types of grass in certain climates, as I noted previously the science is far from absolute and the variables influencing appropriate irrigation times and volumes are nearly limitless. Further, the imposition of alternating days between odd and even address numbers is entirely arbitrary as there is no foundation to predict actual water usage by volume based simply on the number posted on your home.
- 3) Future Water Demands – I once again emphasize, at no point in this discussion does H2GO claim the current system is not capable of sustaining current demand. Further, forcing reduced demand today does not guarantee future sustainment. We are not talking about a man-made commodity or product where we control and scale production and inventory to demand. Climate impacts, naturally occurring variances in aquafer supplies and other variables completely independent of schedule-dependent demand and beyond our control will have equal if not more impact on the relationship between water supply and demand in the future. Further, if in fact H2GO is aware of planned community development and future demand predictions, the time to invest to meet those demands is now, and not use this arbitrary mandate to try and defer expansion and modernization to the future. Notwithstanding the likelihood the mandate will not achieve desired results, deferring required investment in infrastructure is always shortsighted and almost certainly more costly. There are immutable facts when it comes to capital investment and infrastructure, and those are 1) money never gets cheaper; and 2) construction costs never go down. Annual construction costs historically increase between 3% and 5% every year with recent years approaching and eclipsing 7% cost growth. The smart approach is to spend less now to meet future demand rather than use this mandate as a straw man to delay the inevitable at a much higher cost in the future.
- 4) Irrigation Runoff – Irrigation runoff is a function of quantity over time. As I have already argued, the irrigation restrictions only change the day each residence may experience runoff, but has no impact on the actual quantity and extent of runoff experienced throughout the community. In fact, as I'll explain later, these restrictions may exacerbate the problem.
- 5) Water Conservation – Yes, other areas of the country face persistent drought conditions and appropriately restrict irrigation under those conditions. However, our region is not subject to persistent drought conditions, and to

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my knowledge we are not storing and transporting water to other parts of the country where drought conditions exist. The fact is in our area water is a fairly reliable and renewable resource – often available in excess as we have seen with the past several years of hurricane activity - and arguing we should impose arbitrary irrigation restrictions to “appreciate the value and need for conservation of water” is specious. While there are predictions of increased droughts in certain parts of the country, there are also similar predictions of increased flooding. Let us not forget about the predictions for increased hurricane activity as well. Assuming both predictions come true, given North Carolina’s geography, it is more likely we will experience increased flooding over the next decade rather than drought. Once again, science does not support this mandate.

I will also point out H2GO’s responsibility – what this community pays for - is to provide reliable, clean and safe water services to our community. They were not hired to impose arbitrary mandates on the citizens of this community, and they are certainly not entitled to presume they are empowered to leverage their monopoly to teach us lessons. I am more than capable of learning my own lessons, and I do not pay my water bill every month so H2GO can teach me about water conservation or any other lesson for that matter.

- 6) Environmental Stewardship – Being told what day I can water my lawn based on the street number of my house is not environmental stewardship. It is simply a generalized and undefinable justification for a utility provider to force its views and priorities on our community. I spent over 30 years in the Coast Guard responding to oil spills, protecting endangered species and vital fisheries, and enforcing environmental laws and regulations in the maritime environment – I practiced environmental stewardship, and I can tell you the mandated irrigation restrictions imposed by H2GO have nothing to do with actual environmental stewardship.

H2GO took the wrong approach imposing arbitrary, year-round irrigation restrictions on our community. Their justification for these restrictions are not supported by science. They are not supported by supply and demand realities - even Mr. Walker himself at the February Commission meeting stated to the Board, “We have plenty of water.” The mandate is not supported by sound planning and investment practices. And the mandate is certainly not consistent with the ideals of private property and freedom we must cherish and protect in our community even something as seemingly benign as choosing when we water our lawn.

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As I have stated from the beginning of my interaction with H2GO and the Board on this issue, the right approach is for H2GO to establish an educational outreach and voluntary compliance program, not arbitrary, unsupported irrigation restrictions based on the street number on your house. Every time I say it, the notion this is good public policy sounds more and more ridiculous. I am a student and admirer of the great economist and philosopher F. A. Hayek for many reasons, not the least of which is his stance on individual freedom and the dangers of central planning in a free society. There are two quotes from Hayek I believe are germane to the issue I raise this evening. I think the following quote is compelling in this situation, “The more the state plans, the more difficult planning becomes for the individual.”

I have a simple example of why Hayek’s quote is so prescient in this circumstance: In my neighborhood we have a 15’ offset between houses. This creates a fairly narrow swale between our houses on both sides that tend to pool water even with minimal watering and French drains installed. To control overwatering, maintain adequate turf quality, and minimize the associated runoff between our houses, my neighbors and I water on opposite days. Now – since we are all on the same side of the street with even numbers, we are being forced to water on the same days which is actually exacerbating a problem that on our own we had already solved. This ill-advised, arbitrary, one-size-fits-all mandate is a solution seeking a problem – well I guess for many of us, it achieved its goal and created one.

Residents of our community – like communities all over the state of North Carolina who are not subject to these arbitrary mandatory restrictions - should be allowed to choose what irrigation days are best for them based on the many variables their situation and science – not the water company – indicate are best. This mandate is unnecessary and should be repealed immediately and replaced with an education, outreach and voluntary compliance program that actually addresses real problems - not some notional sense of capitalizing on teachable moments or environmental stewardship claims. In addition, H2GO and this Board should establish and publish measurable, data-driven criteria that might compel temporary mandatory restrictions when necessary, such as substantial decreases in supply due to drought conditions or infrastructure failures, so the public has a clear understanding of the circumstances and facts compelling such restrictions.

I would like to present one more quote from FA Hayek that I think captures the overarching concern this arbitrary mandate presents: “If we wish to preserve a free society, it is essential that we recognize that the desirability of a particular object is not sufficient justification for the use of coercion.” This mandate, under threat of fines, is without question coercion. This mandate should have been a last resort, not the first.

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The Board has the opportunity to right a wrong here. Protecting the citizens that placed their trust in you from unnecessary and unjustified overreach by a monopolistic public utility is the core of your purpose. The residents of this community have the right to expect no less.

Thank you for the time to address you this evening.