

**BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR BOARD MEETING
WEDNESDAY MAY 11, 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, Scott Hook, Finance Officer, Ken Brown, Assistant Finance Officer, Brenda Thurman, Customer Service Manager, Stephanie Blair, Communications Director, 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. Hearing no adjustments; **Commissioner Beer made the motion to approve the agenda as amended. A vote was called and the motion carried unanimously.**

PUBLIC HEARING FOR THE FY2022-2023 BUDGET & RATE & FEE SCHEDULE:

Commissioner McCoy made the motion to open up the public hearing for the FY2022-2023 Budget and Rate & Fee Schedule; a vote was called and the motion carried unanimously.

No comments were brought forth.

Commissioner Hosmer made the motion to close the public hearing for the FY2022-2023 Budget and Rate & Fee Schedule; a vote was called and the motion carried unanimously.

CONSENT AGENDA:

Commissioner Laub made the motion to approve the consent agenda which consisted of the April 19, 2022 Regular Board Meeting Minutes as written. A vote was called and the motion carried unanimously.

COMMISSIONERS REPORT:

Commissioner Laub mentioned a complaint that he received from a resident in Compass Pointe; he said they were wanting to know about the RO Plant and when it would be online. Commissioner

Laub said he passed the comments on to Mr. Walker; with the help of our communications director, Mrs. Blair, they were able to formulate a response. Commissioner Laub said the customer was well pleased with the response.

Commissioner Hosmer mentioned that he had a similar experience with another customer; he said with the help of our communications director they were able to formulate a response that was well received.

PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments.

No comments were brought forth.

OLD BUSINESS:

Mr. Walker mentioned that at the previous meeting the board wanted a draft policy for community pools; he stated that staff would have something available for the next board meeting.

NEW BUSINESS:

FY2021 Audit Presentation: Wade Greene: Mr. Wade Greene presented to the board the FY2021 Financial Audit; which is hereby incorporated and made a part of these minutes as Exhibit A.

PC Solutions Service Agreement: Mr. Walker presented to the board a service agreement for PC Solutions; he explained this service agreement would hire them to monitor our whole computer system including all servers, and set forth network protection against hackers and other cyber-attacks. Mr. Walker explained that the service agreement also included added security cameras at the RO Plant that would be digitally recorded. Mr. Walker stated he decided to reach out to PC Solutions because they are the ones that have built our network and are already familiar with our systems. **Commissioner McCoy made the motion to accept the service agreement for PC Solutions in the amount of \$1915 monthly as presented; a vote was called and the motion carried unanimously.**

EXECUTIVE DIRECTOR'S REPORT:

RO WTP Update: Mr. Walker explained that there were issues with the well pumps; he was told that last month pumps could be delivered starting in May and ending in August. Mr. Walker said after a few meetings here and there that four pumps has been delivered; a fifth pump was shipped this past week; and three more pumps will ship in June and that will leave us one pump to go. Mr. Walker said we are still waiting for the pump for Well Site 1 so we can start testing. Mr. Walker explained the issues with the pumps is the stainless steel impellers; he said there is supply issues with the foundries for the stainless steel. Mr. Walker explained that every day, every week, new information comes about deliveries and what not; he said as soon as he receives concrete information, he will share. Mr. Walker cautioned the board not to share everything with the public because of the quickly changing supply issues; he promised to relay information as soon as it was confident that what is being told will happen. There was a brief discussion on communicating with the public; it was suggested that all communications should come through Mr. Walker and Mrs. Blair and that all communications be consistent throughout.

Mr. Walker updated the board on Well Site 3; he said this was the well they had to redo. Mr. Walker said that Well Site 3 should be completed by the end of this month.

Mr. Walker mentioned the 24 inch raw water line by Jacky's Creek; he said the section in Jacky's Creek failed the pressure test. Mr. Walker said the contractor stepped up and said it was on them and they are paying to fix it. Mr. Walker explained that the contractor will fix this using a pipe bursting technique; he said this will allow them to use the same bore hole.

ASSISTANT DIRECTOR'S REPORT:

There was mentioned of a leak on Goodman Road. Mr. Lane reported that they found the leak and was able to fix it without any major disruption.

FINANCE OFFICER'S REPORT:

Check Register-April 13, 2022 thru May 5, 2022: There was a question regarding the checks to Shallotte Electric. It was said that we pay Shallotte Electric by invoice and we are invoiced by purchase order.

April Income Statement: Mr. Hook presented to the board a monthly income statement for the month of April; he said he will show this to the board every month from now on. Mr. Hook explained that the board should be able to see the expenses, the revenues, and how many new connections that were made.

Mr. Hook explained that there was questions on how we went from a \$7 million budget to a \$32 million budget. Mr. Hook showed a financial breakdown of the past 10 years; he said the budget has increased due to growth and debt services.

There was concern expressed on how long we could absorb the cost of purchasing water from the County. It was said that it is taking us longer to bring the RO Plan online than what we originally anticipated. Mr. Hook explained how we could move money around and still be good; he said if the RO Plant was not online by October or November then there may be a need to discuss some other options. There was a brief discussion on if or when we should put information out to the public regarding this issue. The consensus of the board was to give it a little time, to wait to see where we were in July to readdress this issue.

ATTORNEY'S REPORT:

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

INFORMAL DISCUSSION:

Commissioner McCoy shared comments from a personal friend of his; Amy Shands and her family. Mr. McCoy explained that Amy and her family wanted to share awareness of the PFAS exposure and the affects it has to the human body. It was said that Amy was diagnosed with a rare reoccurring tumor shortly after GENX was found in our drinking water. It was said that while the family wasn't sure it was related; they wanted the story shared because they want the word out there to show a need for studies to see how GENX and other PFAS affect humans.

It was mentioned that it was reported in the news that Cape Fear Public Utilities Authority was increasing their rates by 8 percent.

EXECUTIVE SESSION:

Commissioner Hosmer 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:

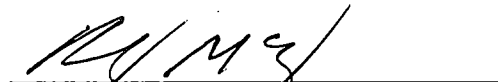
Chairman Jenkins announced the next Regular Board Meeting to be June 22, 2022 at 6 p.m. at Belville Town Hall.

ADJOURNMENT:

Commissioner McCoy made the motion to adjourn the meeting at 7:08pm, the motion carried unanimously.



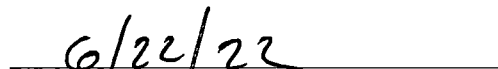
Ronnie Jenkins, Chairman



Rodney McCoy, Secretary



Deana Greiner, CMC Clerk to Board



Date of Approval



Brunswick Regional
Water and Sewer

Audit Presentation

Fiscal year ending
June 30, 2021

Audit Report

• **Unmodified**

- The financial statements present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of the Brunswick Regional Water and Sewer H2GO as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.
- This represents the *highest* level of assurance.

Financial Highlights

- Assets and deferred outflows exceeded liabilities and deferred inflows by \$95,056,559
- Total Net Position increased by \$21,108,043
- Total debt increased by \$56,319,662

EXHIBIT A

Statement of Revenues, Expenses, and Changes in Fund Net Position (Accrual Basis)

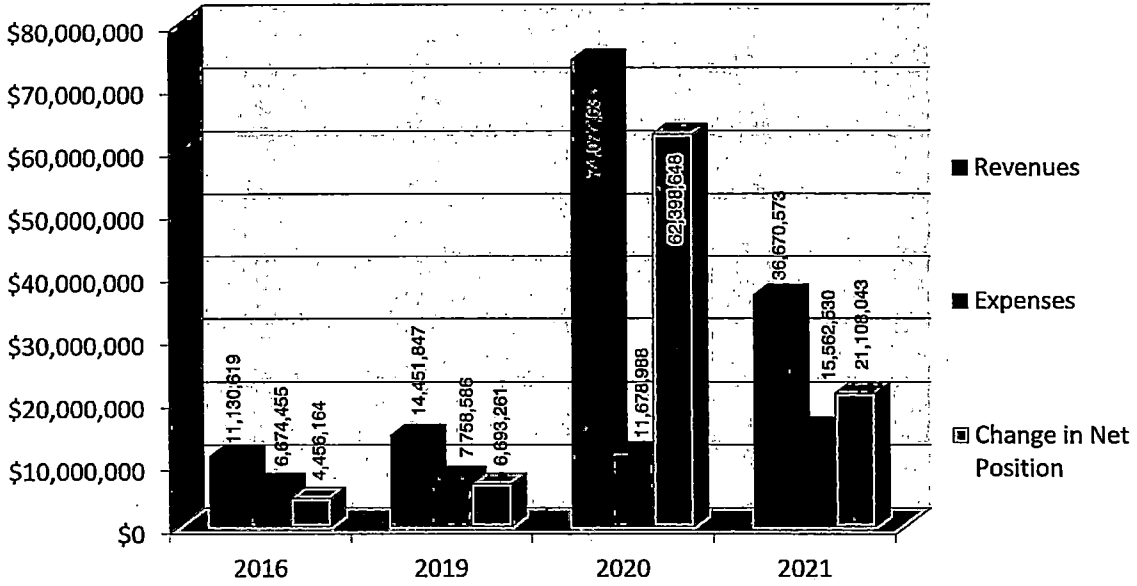


EXHIBIT A

Water and Wastewater Fund Revenues and Expenditures

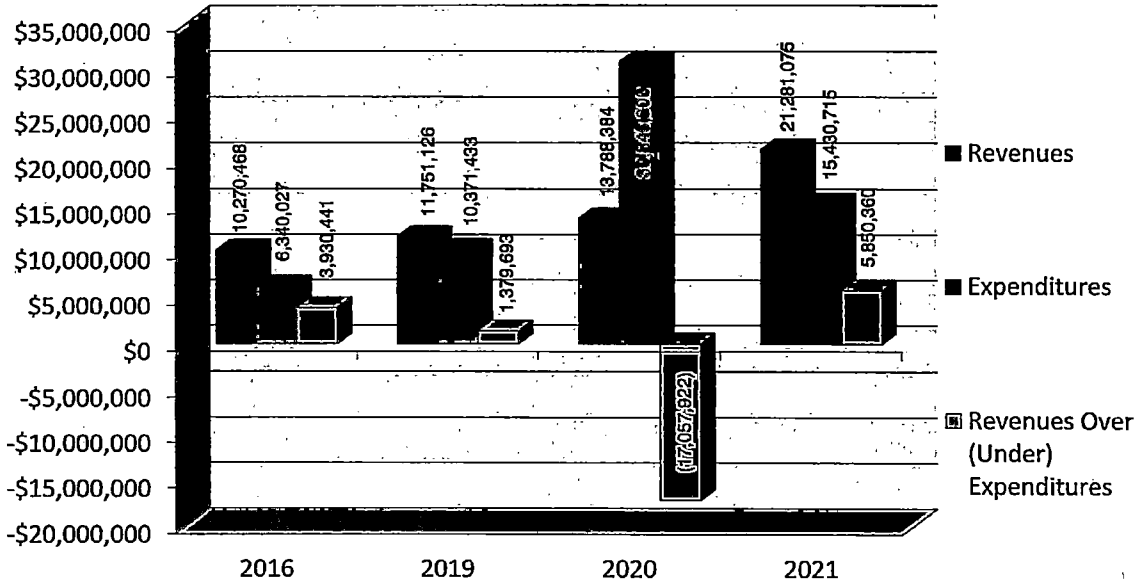


EXHIBIT A

Water and Sewer Fund Fund Balance Available

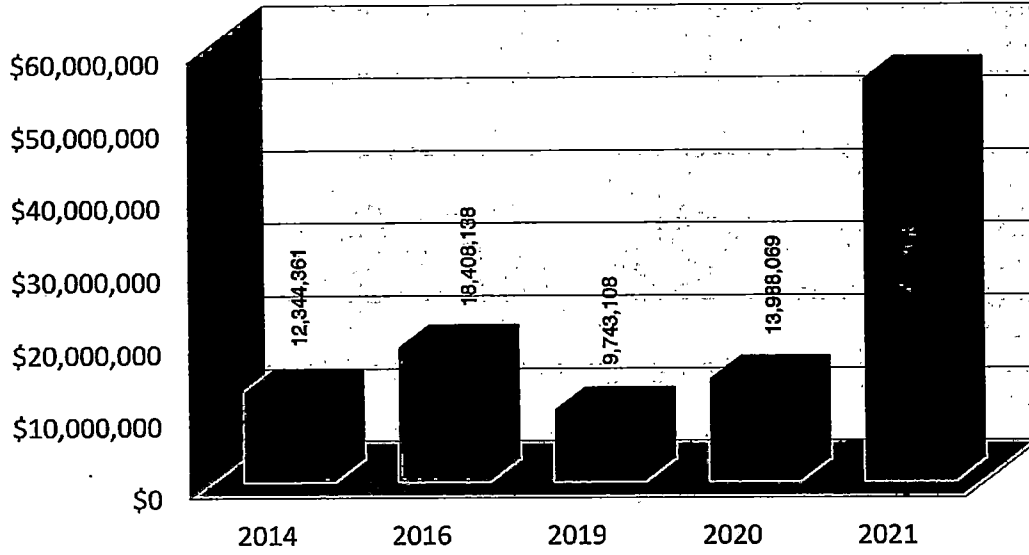


EXHIBIT A

Water and Sewer Fund

FUND BALANCE AVAILABLE AS A PERCENTAGE OF EXPENDITURES

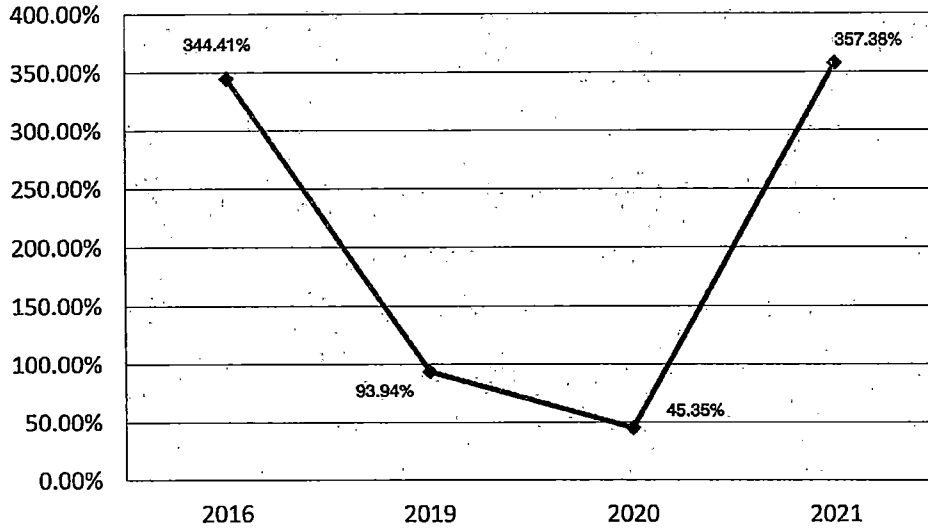


EXHIBIT A

Cash

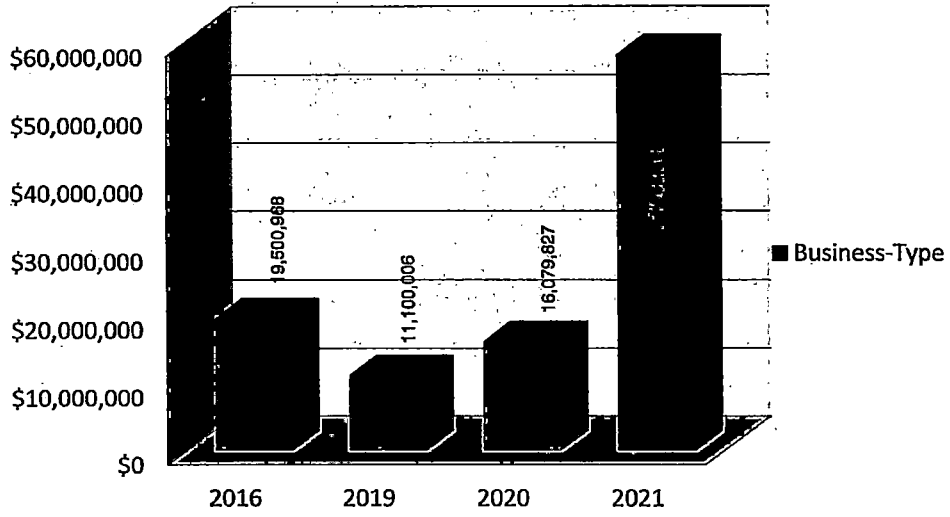
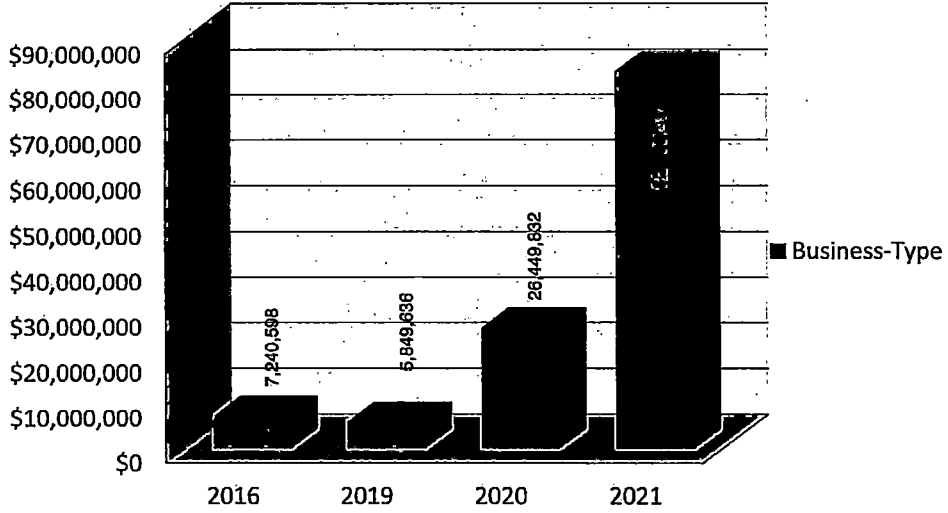


EXHIBIT A

Long-Term Debt



Other Matters

- Appreciation of cooperation and assistance extended by Scott Hooks, Finance Officer, and other members of the Finance Department to us in successful completion of the audit.
- Any questions or comments, please contact:

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W GREENE
— PLLC —

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