

BRUNSWICK REGIONAL WATER & SEWER H2GO  
REGULAR BOARD MEETING  
WEDNESDAY, FEBRUARY 21, 2024

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, Commissioners Steve Hosmer, and Bill Beer. Present from H2GO was Bob Walker, Executive Director, Russ Lane, Assistant Executive Director-Operations, Scott Hook, Assistant Executive Director-Administration, Ken Brown, Finance Officer, and Stephanie Blair, Communications Director, Jennifer Philips, Lead Accountant, Jennifer Goley, Procurement Analysis, Sara Meyer, Human Resource Director, Brenda Thurman, Customer Service Manager, Adrianna Weber, Engineering Director, Lloyd Brown, IT Manager, and Deana Greiner, Clerk to the Board. Also, present was the attorney, Steve Coble.

DISCUSSION/ADJUSTMENT OF AGENDA:

Chairman Jenkins opened the floor for any adjustments to the agenda. Staff presented the board with several changes. Under Old Business, the Amended Procurement Policy was added and removed from Finance Officer's Report; Resolution 2024-02-02 was added and removed from Finance Officer's Report; Contract S-23-0224.1 Stone Purchase was added, an RO Budget Amendment was added, and a letter to the Local Government Commission was added. Under the Engineering Director's Report, three releases of performance guarantees were added. New Business was moved after the Executive Session. Commissioner Beer made the motion to approve the agenda as amended. A vote was called, and the motion was carried unanimously.

CONSENT AGENDA:

Commissioner Beer made the motion to approve the consent agenda which consisted of the January 17, 2024, Regular Board Meeting Minutes, and the February 09, 2024, Special Meeting Minutes. A vote was called, and the motion was carried unanimously.

COMMISSIONERS REPORT:

Commissioner Laub reported that he has been getting a lot of negative feedback on the billing system; he said customers are complaining that it is not user friendly. Commissioner Beer mentioned that he attended a social event where several customers expressed their satisfaction with the RO Plant. Chairman Jenkins stated that he was receiving a lot of positive feedback about the water.

## PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments.

*Owen Wargo, Brunswick Forest:* Mr. Wargo presented to the board an opportunity to give back to the community. Mr. Wargo explained that he was affiliated with the local American Legion Post 68; he said they were holding a golf tournament to help raise funds for local vets and scholarships to local graduates. Mr. Wargo said that all monies raised will go back to the local community. Mr. Wargo also explained that they were partnering with Wreaths Across America in which all wreaths will go to the Wilmington National Cemetery honoring local veterans.

## OLD BUSINESS:

*CFCOG-Allen Serkin:* Mr. Allen Serkin explained that he was there to answer any questions the board may have for him regarding allowing the Cape Fear Council of Governments to assist in setting up voting districts. Mr. Serkin stated that he has helped several municipalities across the State; he said part of the scope of the work was to assist in preparing maps and resolutions. Mr. Serkin explained that the voting districts would most likely be set up based on the population distribution; he said he would have to fully review the state bill to understand all the criteria. It was said that the next step would be for the board to decide whether they want to proceed, then Mr. Serkin will send in a formal proposal detailing the scope of work and the cost.

*Amended Procurement Purchase Policy:* Mr. Brown presented to the board the amendment to the Procurement Purchase Policy; he said this was the same as what was presented during the last meeting. **Commissioner Hosmer made the motion to approve the Procurement Purchase Policy as amended; a vote was called, and the motion was carried unanimously.**

*Resolution 2024-02-02: Increase Procurement Limits for Executive Director:* Mr. Walker presented to the board Resolution 2024-02-02; he explained that this resolution approves raising the spending limits on materials for self-performing projects. Mr. Walker explained that by doing this it would allow the project to keep moving forward; he explained that the cost of materials would still fall within the overall fund budget limit of the project. It was said that if costs went over budget, there would need to be a budget amendment, and that amendment would have to be approved by the board. **Commissioner Beer made the motion to approve the Resolution 2024-02-02: Increase Procurement Limits for Executive Director as presented; a vote was called, and the motion was carried unanimously.**

*Contract S-23-0224.1 Stone Purchase:* It was said this item was added to the agenda in case the previous resolution was not passed; it was said there was no action needed for this item.

*United Rentals-Project #23 Waterline Extension-Malmo Road to Goodman Road:* A Purchase Order to rent all the equipment needed to complete the waterline extension, Malmo Road to Goodman Road, for United Rentals in the amount of \$110,000 was presented. Commissioner McCoy made the motion to approve the United Rentals Purchase Order in the amount of \$110,000 as presented; a vote was called, and the motion was carried unanimously.

*RO Budget Amendment:*

*Letter to Local Government Commission:*

Mr. Hook explained that at the last meeting the auditor gave a report on the audit; he pointed out a couple of notes that were given from the auditor regarding the district reporting expenditures more than the Water Distribution and Collections Distribution Budgets. Mr. Hook explained that this was due to the ILA we have with Leland; anytime an area is deeded and dedicated to us, a value is attached to those projects; he stated that 50% of that value is given to Leland. Mr. Hook said this is an error in how we make those journal entries; he said there is no actual cash being transferred. Mr. Hook stated that we were working with the auditor to keep this from happening next year. Mr. Hook explained the second point the auditor made had to do with the RO Plant Budget; he said when the plant project started up the second time, we started a brand-new budget in which the auditor combined with the previous project budget. It was said the item regarding the RO Budget was not reportable; however, Mr. Hook said because of this there needed to be a budget amendment so this item will not come up again in the next audit.

Mr. Hook said that he has a letter written to the LGC explaining these items; he said each board member needs to sign the letter.

Commissioner Hosmer made the motion to approve the Reverse Osmosis Budget Amendment as presented; a vote was called, and the motion was carried unanimously.

#### EXECUTIVE DIRECTOR'S REPORT:

*RO Plant Update:* Mr. Walker presented to the board the monthly usage report from the RO Plant; he said our average daily demand for the month of January was 2.4 million gallons. Mr. Walker mentioned that he plans to start an irrigation/water conservation campaign to help lower our usage during the peak season.

*ASR Well Update:* Mr. Walker reported that they finished drawing the water from the test wells; he said we should have a full report in March.

#### ASSISTANT EXECUTIVE DIRECTOR'S REPORT-OPERATIONS:

*2023 Recap of Local Water Supply Plan:* Mr. Lane reported to the board that in 2023 we purchased 417 million gallons of water from the County; he said that from June to December the RO Plant produced 733 million gallons of water. Mr. Lane said that altogether we used 1, 149,000,000 gallons of water; we billed for 1,113,000,000 gallons of water. Mr. Lane said our unaccounted-for water percentage was well below the State

Standard at 3.17 percent. Mr. Lane stated that in 2023 we added 89,000 feet of water lines, 72,000 feet of sewer lines, and 2,000 feet of force main.

## ENGINEERING DIRECTOR'S REPORT

*Grand Park Phase 1 Performance Guarantee:* Ms. Weber presented to the board the performance guarantee for Grand Park Phase 1 in the amount of \$146,543.

*Townes at Seabrook Phase 1 Performance Guarantee:* Ms. Weber presented to the board the performance guarantee for the Townes at Seabrook Phase 1 in the amount of \$116,166.88.

Commissioner Beer made the motion to accept the performance guarantees for Grand Park Phase 1 and Townes at Seabrook Phase 1 as presented; a vote was called, and the motion was carried unanimously.

*Brunswick Forest Phase 9 Section 3A Deed of Dedication:* Ms. Weber presented to the board a deed of dedication for Brunswick Forest Phase 9 Section 3A; she said everything was found to be in order.

*Del-Web Phase 1G Deed of Dedication:* Ms. Weber presented to the board a deed of dedication for Del-Web Phase 1G; she said everything was found to be in order.

*Del-Web Phase 1A Deed of Dedication:* Ms. Weber presented to the board a deed of dedication for Del-Web Phase 1A; she said everything was found to be in order.

Commissioner McCoy made the motion to accept all the deeds of dedications for Brunswick Forest Phase 9 Section 3A, Del-Web Phase 1G, and Del-Web Phase 1A as presented; a vote was called, and the motion was carried unanimously.

*Release of Performance Guarantee: Brunswick Forest Phase 9 Section 3A:* Ms. Weber asked that the board release the Performance Guarantee for Brunswick Forest Phase 9 Section 3A; she stated that this was the phase they just approved the Deed of Dedication for.

*Release of Performance Guarantee: Seabrooke Section 4:* Ms. Weber asked the board to release the Performance Guarantee for Seabrooke Section 4; she stated the Deed of Dedication was approved at a previous meeting.

*Release of Performance Guarantee: Magnolia at Mallory Creek Phase 1:* Ms. Weber asked the board to release the Performance Guarantee for Magnolia at Mallory Creek Phase 1; she stated the Deed of Dedication was approved at a previous meeting.

Commissioner Hosmer made the motion to release the performance guarantee for Brunswick Forest Phase 9 Section 3A, Seabrook Section 4, and Magnolia at Mallory Creek Phase 1 as presented; a vote was called, and the motion was carried unanimously.

## ASSISTANT EXECUTIVE DIRECTOR'S REPORT-ADMINISTRATION:

*Purchase Approval: Two Maintenance Trucks:* Mr. Hook presented to the board two purchase orders to purchase two maintenance trucks; one from Jeff Gordan for \$35,338.28 and the other from Bob King for \$37,980.00. Commissioner Beer made the motion to approve the maintenance trucks as presented; a vote was called, and the motion was carried unanimously.

*Purchase Approval: Meters:* Mr. Hook presented to the board a purchase order to purchase meters from Ferguson in the amount of \$228,418.85. Mr. Hook explained that we did not have to pay our last bond payment with the County; he said we will use that money to purchase the meters. Commissioner McCoy made the motion to approve the purchase order to purchase meters from Ferguson as presented; a vote was called, and the motion was carried unanimously.

## HUMAN RESOURCE DIRECTOR'S REPORT:

*Monthly Report:* Mrs. Myer directed the board to her report; she introduced Mr. Lloyd Brown as the new IT Manager.

*Tuition Policy:* Mrs. Myer presented to the board a tuition reimbursement policy. Mrs. Myer explained that this policy would give an employee the opportunity to apply for reimbursement for tuition for any schooling that would pertain to that employee's position with H2GO. Commissioner Laub made the motion to approve the tuition policy as presented; a vote was called, and the motion was carried unanimously.

## FINANCE OFFICER'S REPORT:

*Check Register- January 1-30, 2024:* Mr. Brown presented the January 2024 Check Register; no comments were made.

*January Financial Report:* Mr. Brown presented the January 2024 Financial Statement and asked the board to approve posting it on the website. Commissioner Hosmer made the motion to approve posting the January 2024 Financial Statement as presented; a vote was called, and the motion was carried unanimously.

*Corporate Resolution-Credit Card Borrowing:* Mr. Brown presented to the board a corporate resolution to add a credit card to our account with First Bank; he explained that the bank requested that all board members sign this resolution. Commissioner McCoy made the motion to approve the corporate resolution to add a credit card to the First Bank account as presented; a vote was called, and the motion was carried unanimously.

*FY2023-2024 Fund 23 Waterline Ext Malmo to Goodman Budget Ordinance Amendment:* Mr. Brown presented to the board a budget ordinance amendment for Fund 23-Waterline Extension Malmo to Goodman; he explained that money was being moved out of the contingency to cover the stone purchase. Commissioner Hosmer made the motion to

approve the budget ordinance amendment for Fund 23-Waterline Extension Malmo to Goodman as presented; a vote was called, and the motion was carried unanimously.

*FY2023-2024 Fund 50 Operating Budget Ordinance Amendment:* Mr. Brown presented to the board a budget ordinance amendment for Fund 50 Operating Budget; he explained that \$146,000 was being moved out of contingency to help cover an increase in vehicle premiums and to moving and expanding office spaces. Commissioner Beer made the motion to approve the Fund 50 Operating Budget Ordinance Amendment as presented; a vote was called, and the motion was carried unanimously.

#### COMMUNICATIONS DIRECTOR'S REPORT:

*Monthly Report:* Mrs. Blair directed the board to her monthly report; she explained that she included a summary of the social media posts and the Google overview. Mrs. Blair directed the board to the request from Mr. Wargo; she suggested that we do a golf card and score card sponsorship for \$800. Mrs. Blair presented to the board our logo that will be used; she explained that with it, she added a reminder for customers to conserve water. It was said the sponsorship request was in line with our non-profit policy. Commissioner Laub made the motion to approve the sponsorship request as presented; a vote was called, and the motion was carried unanimously.

#### ATTORNEY'S REPORT:

Mr. Coble stated that he had nothing to report in open session.

#### INFORMAL DISCUSSION:

Commissioner Beer suggested placing the emergency on call numbers on the front door of the Village Road office.

The incident with Mr. Ivey was mentioned; it was suggested that we either video or take pictures of future projects performed to prevent someone saying we caused damage or did not fix damage. Mrs. Webber spoke up and said she was adding a picture/video documentation requirement to all future projects.

Bonding was mentioned. It was said that the League of Municipalities provided a blanket bond for all boards. It was said that the board members do not need to be bonded.

#### EXECUTIVE SESSION:

Commissioner Beer made the motion for the board to enter executive session for the purpose of Consultation with Legal Counsel, pursuant to NCGS 143-318.11(a)(3); to discuss Contract Negotiations, pursuant to NCGS 143-318.11 (a)(5); and to discuss Personnel, pursuant to NCGS 143-318.11 (a)(6); a vote was called, and the motion carried unanimously.

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

It was stated that there was nothing to report out of the executive session.

NEW BUSINESS:

*Resolution 2024-02-01 Interlocal Cooperative Growth Resolution:* Commissioner Laub made the motion for the board to approve Resolution 2024-02-01 Interlocal Cooperative Growth Resolution as presented; a vote was called, and the motion was carried unanimously.

*East Lake Developer's Agreement:* Commissioner Hosmer made the motion to approve the East Lake Developer's Agreement as presented; a vote was called, and the motion was carried unanimously.

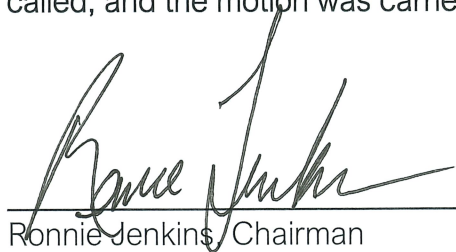
ANNOUNCEMENT OF NEXT MEETING:


Chairman Jenkins announced the next Regular Board Meeting to be March 20, 2024, at Belville Town Hall at 6 p.m.

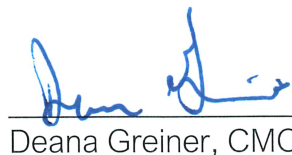
Mr. Walker explained that a special meeting was needed to discuss the H2GO Administration and Field Operations Complex. After a brief discussion, the board decided to meet March 7, 2024, at 10 a.m.

ADJOURNMENT:

Commissioner Hosmer made the motion to adjourn the meeting at 8:07 p.m., a vote was called, and the motion was carried unanimously.

  
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Ronnie Jenkins, Chairman

  
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Rodney McCoy, Secretary

  
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Deana Greiner, CMC Clerk to Board

  
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Date of Approval