

**BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR BOARD MEETING
TUESDAY, OCTOBER 17, 2017**

OFFICIAL MINUTES

CALL TO ORDER:

Chairman Bill Browning called the meeting to order at 6:00 pm, a quorum was present. The assembly was lead in the Pledge of Allegiance.

MEMBERS PRESENT:

Present from the Board of Commissioners were members Bill Browning, Chairman, Ron Jenkins, Vice Chairman, Carl Antos, Secretary, Jeff Gerken and Trudy Trombley, present from H2GO was Bob Walker, Executive Director, Russ Lane, Assistant Director, Scott Hook, Finance Officer, Brenda Thurman, Customer Service Supervisor, Tyler Wittkofsky, Public Information Officer, and Deana Greiner, Deputy Clerk to the Board.

DISCUSSION/ADJUSTMENT OF AGENDA:

Chairman Browning opened the floor for any adjustments to the agenda. Commissioner Trombley requested to add discussion to New Business on Campaign Signs. Commissioner Gerken requested to add discussion to Old Business on the September Billing Insert. Mr. Wittkofsky requested to add Professional Wastewater Operator Committee Tour to his report. **Commissioner Trombley made the motion to approve the agenda as amended; Commissioner Jenkins seconded and the motion carried unanimously.**

CONSENT AGENDA:

Approval of Minutes: September 12, 2017 Special Board Meeting:

September 19, 2017 Regular Board Meeting: Chairman Browning asked if there were any corrections needed for either the September 12, 2017 Special Board Meeting Minutes or the September 19, 2017 Regular Board Meeting Minutes. Commissioner Gerken pointed to page 4, 3rd paragraph, 3rd line of the September 19, 2017 Regular Board Meeting Minutes; he explained that he did not personally speak with Mr. Bowcock. Commissioner Gerken clarified that his team spoke with Mr. Bowcock. Commissioner Trombley pointed to page 5, last paragraph, 14th line from the bottom of the September 19, 2017 Regular Board Meeting; she said the sentence was a long run on sentence that made no sense. Commissioner Trombley asked that the clerk review and rewrite the sentence for better clarity. **Commissioner Gerken motioned to approve the Consent Agenda consisting of the September 12, 2017 Special Board Meeting Minutes and the September 19, 2017 Regular Board Meeting Minutes with the sited corrections; Commissioner Trombley seconded and the motion carried unanimously.**

COMMISSIONERS REPORT:

Commissioner Gerken reported that on September 20, 2017 that he visited the Sweeny Water Treatment Plant; he said it was even more impressive than the North West Water Treatment Plant.

Commissioner Trombley reported that she attended the League of Women Voters forum at the Town Hall; she said she found the meeting to be interesting and informative.

Chairman Browning and Commissioner Jenkins and Commissioner Antos had nothing to report.

PUBLIC COMMENTS:

Brayton Willis: Mr. Willis stated that on "September 19, 2017, 5:21 p.m., on the date of H2GO's last meeting, I had a phone conversation with Mr. Robert Bowcock". Mr. Willis explained that the conversation was regarding the letter reportedly written to Mr. Bob Walker; he said it was the same letter that Mr. Walker described during the meeting as an endorsement to H2GO's Reverse Osmosis Plant. Mr. Willis said, "During my conversation with Mr. Bowcock, I asked him about the contents of the letter and its purpose. He stated that a Mr. Mike McGill requested the letter for Mr. Walker. Mr. Bowcock said he had talked to Mr. Walker and Mr. McGill on the phone about the letter and that Mr. McGill had requested it." Mr. Willis continued, "According to Mr. Bowcock, his staff had drafted the letter to give to Mr. McGill for review. Mr. Bowcock stated that Mr. McGill was upset with the contents of the letter and asked for revisions because the letter was too complex for the H2GO's board to understand." Mr. Willis said, "During our conversation Mr. Bowcock stated a couple of times that 'I don't know anything about H2GO's RO project and I certainly don't know that the letter was going to be used as an endorsement for H2GO's RO project.' Mr. Bowcock stated to me clearly that he has and will continue to endorse regulated activated carbon as a way to clean up the pollution in the river. Mr. Bowcock agreed to a follow up call with Commissioner Gerken and myself on the following day because Mr. Bowcock said he had never seen the letter." Mr. Willis stated that he sent Mr. Bowcock a copy of the letter. Mr. Willis said, "On September 20, 2017 Commissioner Gerken and I, along with one other witness followed up with Mr. Bowcock after he had time to read the final letter. Mr. Bowcock said he was perplexed. He said he intended to clarify the difference between the two types of treatment techniques. He said the letter got exaggerated into an advertisement. I asked Mr. Bowcock if the letter came from his organization or was it written by Mr. Mike McGill. Mr. Bowcock stated mostly yes, he said he wrote the first five lines. Mr. Bowcock said he wrote something more technical and Mr. McGill wrote more like an advertisement." Chairman Browning cut Mr. Willis off saying his time was up. Mr. Willis finished with saying, "The last thing Mr. Bowcock said was that he was frustrated and angry that someone would make this into a political stunt."

William Bernacki: "My concern involves actions of the H2GO's Executive Director, Mr. Walker and recently contracted Public Information Person, Mr. McGill who works directly for Mr. Walker; and to report a confrontation which happened at two water information meetings at Compass Pointe on Wednesday October 11, 2017. Meetings were for residents only, not a

developer's meeting, not a HOA, not a H2GO meeting, it was my meeting. Having over 250 RSVPs in hand made this a rather significant gathering of curious voters. Several weeks prior to the meetings, Mr. Walker contacted Compass Pointe to see if H2GO people could attend and I said NO. Mr. Walker had his time prior to this meeting and I was confident that the word got back to Mr. Walker. Just prior to our water information meetings, I was frankly stunned to see Mr. Walker and another person next to him who I then found out was a Mr. McGill in the audience. I approached, I introduced myself by name, and as meeting organizer, and said this meeting was for residents only; and asked them what resident were they here with, NONE. I asked them to leave. They said, rather argumentatively, that the developer rep suggested they attend. I said it was not a developer meeting. Chicken feathers started to fly. Mr. McGill grabbed his cell phone, held it up to me and said, 'If you kick us out I will call the press right now and tell them you kicked us out of a meeting, how will that play for you-huh?' I approached him and gently put my hand on his shoulder to calm him down and he fired back, 'Get your hands off me!' I sensed I was dealing with a hand grenade with the pin pulled; and I did not want it to influence the meeting. I asked them a final time to leave the event. They sat still in a challenging display of arrogance. I finally told them to leave and only because I have respect for the developer, I would not force them out. I had about 150 folks at the first meeting, standing room only, waiting for it to start, and the confrontation was now attracting an audience behind Walker and McGill; and so I disengaged. The two of them comfortably occupied a table of four by themselves while I had overflow residents, sitting on their own beach chairs and some leaning against the wall. Any counter to my comments tonight might well include, 'we are sorry for the meeting incident, we did not know or understand at the time, we have our rights too etc.' They knew exactly what they were doing by crashing our meetings. As a result of the confrontation that night, I now need to also apologize to the Compass Pointe community. I am convinced your H2GO mission this election year is to take no prisoners, manipulate or ignore key elements of original written materials of others for your own purposes and create media hyped, lots of fear of our water; which is not true; not many folks jumping out of windows. There is fear that citizens should be afraid of the water. I contest that ladies and gentlemen that fear by citizens should be the senior leadership in this room. Thank you for your time and opportunity."

Glen Thearling: Mr. Thearling explained that he had attended the candidate meet and greet forum the night before; he said the one thing that was real clear to him was something Mr. Beer had said. Mr. Thearling explained he was referring to a statement made about the delta between the opposition and H2GO building the RO Plant; he said it was real clear to him that board members are not talking to each other about what's on the plate for the RO Plant. Mr. Thearling said there's no minority report of what is considered to be the differences; he said it became obvious to him when, at the meeting, they brought up the aquifer storage recovery. Mr. Thearling said it all comes down to the fact that people need to talk to each other, write down their differences, bring them to the board's attention; he said it's clear today that everyone is trying to keep themselves separate and there's no discussion. Mr. Thearling said a lot of these discussions should be done outside the board meetings; gather your information, take it to the members, write them down, and allow time for people to respond.

OLD BUSINESS:

Community Water Stations: Mr. Walker stated that he had no new updates regarding this matter; he said they were still working on the logistics.

September Billing Insert: Commissioner Gerken stated that he had a transcript of his comments from the meeting this was discussed; he also stated that he was a part of the phone conversation with Mr. Bowcock the day after the meeting. Commissioner Gerken stated that Mr. Bowcock said the letter is not, not authentic because it did have his signature on it. Commissioner Gerken stated that Mr. Bowcock said it was not his writing and he knew it was not his writing because he would never sign his name with "Mister." Commissioner Gerken stated that Mr. Bowcock said "it's my responsibility, I literally allowed a letter to be manipulated under my authority. I'm not going to deny it. It got manipulated for a political agenda." Commissioner Gerken stated that we put a letter out to our customers indicating that Mr. Bowcock was endorsing the RO Plant; when in fact the letter that he originally wrote was an explanation of the difference between treating water from an aquifer versus treating water from the river; it was highly technical and none of that letter survived in the final product. Commissioner Gerken explained that Mr. Bowcock indicated that he never saw the final product. Chairman Browning asked Mr. Mike McGill to stand and give his comments regarding the insert. Mr. McGill stood, he started off by telling the board that he has been working with Mr. Bowcock since June when the GenX thing started. Mr. McGill said he found the conversations and notes to be shocking because there was never an original letter; he explained that the letter sent to the customers began as an op-ed piece to the Star News. Mr. McGill said it was later turned into a letter word for word from the op-ed piece. Mr. McGill explained that he had asked Mr. Bowcock about turning the op-ed into a letter for our customers; he gave the board screenshots of the Facebook conversation he had with Mr. Bowcock regarding this. Mr. McGill told the board how he worked with Mr. Bowcock's office to get the op-ed into a letter format; he said this was done with Mr. Bowcock's complete permission. Mr. McGill explained that he spoke with Mr. Bowcock last night regarding this and Mr. Bowcock sent him an email stating that he did not make up this letter. Mr. McGill recapped for the board; he said, "first it was not a letter to begin with, it started as an op-ed for the Star News, Mr. Bowcock agreed to turn the op-ed into a letter knowing that it would be sent to our customers, he approved it, he allowed me to work with his office to turn it into a letter format, and he sent me verification that I did not make this letter up."

EXECUTIVE DIRECTOR'S REPORT:

RO Water Project Construction Updates

Well Construction: Mr. Walker reported that well site #5's 24 hour pump test showed over 700 gallons per minute; he said well site #3 showed similar results. Mr. Walker reported that well site #2 was screened and cased today and the 24 hour pump test was scheduled for next week.

RO Plant Site: Mr. Walker said the dewatering stops were to be installed this week.

There was a couple of questions regarding the wells. Mr. Walker stated that Wells #5, #3, and #2 were completed with a 20 inch drill bit and 12 inch casing and screening.

October Billing Insert: Fact vs Fiction: Commissioner Gerken read statements from the insert regarding the rates. Commissioner Gerken pointed out that rates will not increase because H2GO had already increased their rates ahead of this project. Commissioner Gerken mentioned the Raftelis Financial Analysis; he said there is no provision in the analysis for what will happen in 2031 when the RO Plant reaches capacity. Commissioner Gerken explained that there was no

provision in the financial analysis for the construction of any ASR wells; he mentioned the County's connections and stated there was no provision in the financial analysis for the minimum base fees associated with keeping those connections. Mr. Walker responded; he stated that we lowered our rates in 2016. Mr. Walker explained that as far as the connections with the County that there will be a new inter local agreement and there will be no cost associated with these connections. Mr. Walker explained that the planned ASR Well was included in our 20 year CIP Plan and that it would be funded through our capital reserves; he said it will not be financed with the RO Plant. Mr. Walker stated that at the NPDES permit hearing that Mr. Nichols stated the County's wholesale rates would not increase when in fact they were raised 2.9 percent. Commissioner Gerken explained that the County's wholesale rates had not increase on average over the past three years. Mr. Hook argued that looking back 15 years and 10 years could prove a different result. Commissioner Gerken explained that the Raftelis analysis showed our rates increasing 1.7% each year. Mr. Hook argued that rates will not increase 1.7% every year exactly; he explained that it could fluctuate going up 1.2% one year and 2% the next. Commissioner Gerken argued that he wasn't seeing the trend that Raftelis projected in their financial analysis. Mr. Walker argued that it was because Commissioner Gerken was only looking at the past three years rather than the past 15 or 20 years. Mr. Walker said the County's rates have increased 21% over the past 7 or 8 years. Commissioner Gerken moved on to the next statement of the billing insert; he read the statements referring to the impact on the environment. Commissioner Gerken explained that according to the engineering alternative analysis report that the RO concentrate contained radioactive substances; he mentioned that during his conversation with Mr. Bowcock that Mr. Bowcock mentioned gross alpha and gross beta. Commissioner Gerken stated that Mr. Bowcock inferred that it would be hard to get a permit when concentrating gross alpha and gross beta. Mr. Walker argued that the item Commissioner Gerken was referring to was Potassium 40, the same Potassium 40 found in bananas and kidney beans; he said Potassium 40 is already naturally occurring in the river and that the State has deemed it to have no detrimental impact. Commissioner Gerken pointed out the last point of the billing insert referring to individual RO systems in the home. Commissioner Gerken explained that according to an article in the Star News that Dr. Knappe stated that an under the sink RO system was the best choice for homeowners. Mr. Walker explained that he spoke with Dr. Knappe three weeks ago and at that time Dr. Knappe expressed that the idea was "just dumb."

Utility of the Future Today-National Award Mr. Walker reported to the board that he and Mr. Wittkofsky attended a conference in Chicago where they received the Utility of the Future Today Award. Mr. Walker said this was a national award where 25 utilities throughout the county were recognized; he said two of which were from North Carolina. Mr. Walker said the City of Raleigh was the other recipient.

ASSISTANT DIRECTOR'S REPORT:

Mr. Lane stated that he had nothing to report; he mentioned that they received the two new trucks.

FINANCE OFFICER'S REPORT:

Check Register: Commissioner Trombley asked about the check to ILM Stationers. It was said this was for the purchase of monthly office supplies.

PUBLIC INFORMATION OFFICER'S REPORT:

Disaster Preparedness Award: Mr. Wittkofsky reported that earlier this month, H2GO received the NC AWWA's Disaster Preparedness Award; he said the award is presented to individuals and utilities in acknowledgment of outstanding achievement in advancing disaster preparedness initiatives thereby strengthening our preparedness and increasing our resolve to prepare for, respond to, recover from, and mitigate the effects of natural disasters, man-made disasters, and acts of aggression against our locality, county, state, and nation. Mr. Wittkofsky stated that some of the things we've done were preparing a departmental emergency call list, initiating a water emergency operations plan, and drafting communications notices that can be easily modified for customers. Mr. Wittkofsky said that also contributing to this award was the fact that he and Mr. Scott Hook held several FEMA certifications.

Waste Water Operator Committee Tour: Mr. Wittkofsky informed the Board that on November 1, 2017 that the Eastern Section of the NC-AWWA Professional Wastewater Operations Committee will host their next quarterly meeting at our WWTP. Mr. Wittkofsky said the meeting will include a tour of the plant, a presentation from our Wastewater Treatment Plant Operator, Brian Griffith, on extended aeration and a presentation on mixing and the use of Variable Frequency Drive pumps by Dan Joyce, our Xylem representative. Mr. Wittkofsky said the tour will put us into consideration for the Wastewater Treatment Plant Operations & Maintenance Excellence Award from NC-AWWA, which honors organizations that serve their community with pride and are diligent in their work with the wastewater community.

ATTORNEY'S REPORT:

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

NEW BUSINESS:

Signs: Commissioner Trombley stated that over the past week that H2GO employees have been seen putting out the PRO H2GO signs; she wanted to know who paid for those signs. Commissioner Trombley expressed that she was sure we didn't pay for the signs. Mr. Walker explained that he was approached by an employee who wanted to put up 10 signs in front of our lift stations as he went to check out the lift stations. Mr. Walker said he told the employee it was ok because they were not campaign signs, they didn't say vote on them, and there was no referendum. Commissioner Trombley said the signs were not by lift stations; she expressed that it was not our employees' job to put them out. Commissioner Trombley said the signs have a logo on them associated with a Pro H2GO group; a group which has campaigned for various candidates. Mr. Walker said it was his understanding that the Pro H2GO group was non-political. Commissioner Gerken argued that the group has been warned by Brunswick County Board of Elections. Commissioner Trombley stated that she felt the Pro H2GO group should reimburse H2GO for the employee's time spent on putting out signs; she stated that there were several signs not in front of lift stations, prominently displayed next to candidates' names. It was said that there could have been more signs put out by other people. Mr. Walker explained that Commissioner Gerken had previously asked him about the signs. Mr. Walker said he asked the employee to take down the signs that he had put out; he explained that he also told the employee that if he wanted to put out signs that it had to be done on his own time and after hours.

EXECUTIVE SESSION TO DISCUSS ISSUES OF PERSONNEL PURSUANT TO NCGS 143-318.11 (a) (6) and CONTRACT NEGOTIATIONS PURSUANT TO NCGS 143-318.11 (a) (5):

Commissioner Antos made the motion for the board to enter into executive session to discuss issues of personnel pursuant to NCGS143.318.11 (a) (6) and contract negotiations pursuant to NCGS143-318.11 (a) (5); Commissioner Jenkins seconded and the motion carried unanimously.

Commissioner Antos made the motion for the board to resume open session; Commissioner Jenkins seconded and the motion carried unanimously.

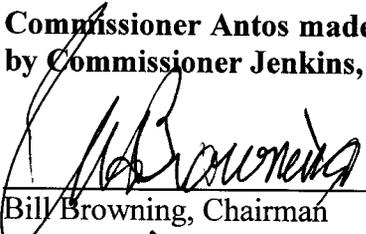
There was nothing to report out of Executive Session.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Browning announced that next regular board meeting will be November 21, 2017 at 6 p.m. There was a brief discussion on this date being close to the Thanksgiving Holiday. The board decided to change the scheduled meeting to November 28, 2017 at 6 p.m.

ADJOURNMENT:

Commissioner Antos made the motion to adjourn the meeting at 7:13 pm, it was seconded by Commissioner Jenkins, and the motion carried unanimously.



Bill Browning, Chairman



Carl Antos, Secretary



Deana Greiner, CMC
Deputy Clerk to the Board

11-28-2017

Date of Approval