

**BRUNSWICK REGIONAL WATER & SEWER H2GO  
REGULAR BOARD MEETING  
TUESDAY MARCH 20, 2018**

**OFFICIAL MINUTES**

**CALL TO ORDER:**

Chairman Jeff Gerken 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 Jeff Gerken, Chairman, Trudy Trombley, Vice Chairman, Bill Beer, Secretary, Ronnie Jenkins and Rodney McCoy, present from H2GO was Bob Walker, Executive Director, Russ Lane, Assistant Director, Scott Hook, Finance Officer, Tyler Wittkofsky, Public Information Officer, Brenda Thurman, Customer Service Supervisor and Deana Greiner, Deputy Clerk to the Board.

**DISCUSSION/ADJUSTMENT OF AGENDA:**

Chairman Gerken opened the floor for any adjustments to the agenda; hearing none a vote was called to approve the agenda as written. **Commissioner Trombley motioned to approve the agenda as written, Commissioner Beer seconded, the motion passed unanimously.**

**CONSENT AGENDA:**

*Approval of Minutes February 22, 2018:* Commissioner Beer mentioned one typographical error on page 9. **Commissioner Beer motioned to approve the February 22, 2018 minutes, Commissioner Trombley seconded and the motion carried unanimously.**

*Motion to ratify Belville's payment of insurance premium for property that is subject of pending litigation:* It was said that according to the Judge's order that the Town of Belville could not spend any of H2GO's money without approval from our board. It was said that this payment is to pay for the insurance premiums insuring the assets. **Commissioner Jenkins made the motion to approve the Town of Belville's payment for the insurance premiums, Commissioner Beer seconded and the motion carried unanimously.**

**COMMISSIONERS REPORT:**

Commissioner McCoy wanted to correct/clarify comments he made previously. "I made a statement that Lake Erie was similar in size to that of the aquifers used to plan for the RO plant. Lake Erie is 116 cubic miles in volume, the Pee Dee aquifer is 924 cubic miles and the Black Creek aquifer is 1662 cubic miles. In fact, these aquifers are massive compared to Lake Erie. Also the average thickness of the Pee Dee is 144 feet, and the thickest part is 300 feet under Brunswick County. The Black Creek averages 149 feet with the thickest part being 200 feet under southeastern North Carolina; not the 20 feet stated during the last meeting. 1,4-Dioxane is currently over 2000% above the federal guideline; this level is readily measured. It was stated at the last meeting that the federal guidelines measurement of .35 parts per billion is not measurable

according to method EPA 522. This measurement is capable of anything down to .1 parts per billion. There was some discussions that aquifers were contaminating except for brine; none of the tested items were above federal guidelines and the permeate from the RO shows everything was 21% or less of the federal guidelines. Contrast this to the perfluorinated compounds of 338% above the guideline and the dioxane of 2080% above the guidelines. One interesting note on that, Chromium at Brunswick County is at 100% of federal guidelines; Chromium at the RO site is at 10% of federal guidelines. Last night I attended the Brunswick County Commissioner's meeting. I listened to a 15 minute presentation that lasted 45 minutes on the solution for providing clean tap water to the County. Basically they stated the solution is reverse osmosis. Any of the other solutions were not practical and much more costly to operate. The consultants felt that RO is the only real solution. The cost to the customers will be at least \$9.71 per month or \$120 per year increase in water rates. That's an increase of over 25%. They stated construction could start July 2019 with possible completion in 2021. This was a preliminary report but does give indication on how Brunswick County will have to proceed on this water problem." Commissioner Beer asked if the rate increases was the impact of customer's rates or wholesale rates. Commissioner McCoy stated it was the impact to the customer's rates; he said they gave a page that showed the impact to the wholesale rates, which will probably be somewhat similar. Commissioner McCoy said they broke down the rates better for the customer's rates.

Commissioner Trombley wanted to clarify comments made during the last board meeting; she explained that during public comments a patron made the comment that Brunswick County's RO Plant expansion would cost \$200 million. Commissioner Trombley stated that she contacted Mr. Forte and Mr. Forte stated that the county wide RO plant could cost upwards of \$200 million. Commissioner Trombley said Mr. Forte stated that he has heard estimates ranging from \$130 to \$200 million and that there is no definite number of the cost. Commissioner Trombley said the \$200 million was not an accurate statement from Mr. Mike Forte.

Chairman Gerken reported that he attended an event, Council for Advancement of Minority Engineers, as a judge for a robotics competition; he said it was encouraging to see the kids fired up and interested in pursuing careers in engineering. Chairman Gerken also reported that he was now the full time chemistry teacher for Isaac Bear Early College High School.

Commissioner Beer commended Mr. Walker and staff for their professionalism and responding to issues in a timely manner. Commissioner Beer explained that he was approached by some customers with some issues and that he was given positive feedback from them on how staff handled these issues. Commissioner Beer stated that Commissioner Trombley and he were signing the account payable checks; he thanked staff for their reminders and for giving him clarity/explanations when needed. Commissioner Beer stated that he was able to take a tour of H2GO's facilities with Commissioner Jenkins and Mr. Walker; he said he found it to be very informative. Commissioner Beer stated that he attended the hearing on March 9, 2018, where a motion was filed to have H2GO adjoin with the Town of Leland as plaintiff; he said Judge Lock ruled in our favor. Commissioner Beer stated that he reviewed the CDM presentation made at the Brunswick County Commissioner's meeting; he mentioned the final report was to be given in the April meeting, which he plans to attend. Commissioner Beer pointed out that the items regarding the cost for removing various contaminants balanced around the institution of a RO unit; he said it was interesting that this unit was a ultra-low pressure unit and that it could operate very efficiently. Commissioner Beer said this was significant in that it was cheaper to operate. Commissioner Beer explained that you could raise the pressure on those units to get more flow through quicker; he said because of this they may consider reducing the size. Commissioner Beer

mentioned the cost of the plant; he said that of the \$130 million that according to John Nichols that \$35 million was already in the budget and covered under the current rate schedule. Commissioner Beer said that would put the cost to build the proposed plant at around \$99 million. Commissioner Beer explained that the report and the presentation could be found under the County's website, under the agendas. The question was asked about the proposed plant removing the contaminants. Commissioner Beer said the report showed the pilot test removed all the known contaminants including the perfluorinated compounds.

Commissioner Jenkins reported that he took the tour of H2GO's facilities with Commissioner Beer; he said they were able to look at the wells that were dug for RO Plant. Commissioner Jenkins said overall it was very interesting.

### **PUBLIC COMMENTS:**

Chairman Gerken opened the floor for public comments; he informed everyone that they would be given 3 minutes each to speak.

Barry Laub; 8190 Ibis Point; "I beseech you, without any statistical data to really backup my desire for the RO; even though last night meeting and presentation by CDM Smith was considered preliminary, it seems very, very, very compelling. I, just at this point, you're saying maybe 99 million, maybe 200 million, whatever. Those are still big numbers, they're still numbers that say our rates will go up. It's just irrefutable right now that RO is the solution. If Ro is the solution, please explain to me why we should be buying water from Brunswick County; if we could produce it ourselves and clean it ourselves. This confuses me to no end; we are not going to be beholding to Brunswick County if they are raising rates on us. If H2GO is running this properly and that is the correct solution; and Mr. Beer, if we could reduce our cost by using the low pressure; I'm in favor of that. The only thing I've been pleading for all these meetings is take care of our health; that's what I want. Let us have clean drinking water; that's what we want and if you could just take all this into consideration and reverse the current position to save money; we have the issue taken care of. Please, now the evidence that RO is the solution, to remove Gen-X and the other contaminants; what is the argument for stopping the RO plant from moving forward?"

Stephen Hosmer; 8452 Forest Crest Court; Mr. Hosmer stated he wanted to talk about an interview that was done between Commissioner Beer and Rachel Lewis on October 6, 2017. "Mr. Beer you said, 'H2GO as an organization, their staff is wonderful. They do a tremendous job maintaining distribution systems, doing what little wastewater treatment that they do. The service that I receive personally from them has been terrific. I think their staff and the people there are just wonderful.' Rachel then said, 'You oppose the construction of the RO plant.' Then Bill said, 'The reason for that, is it's simply not needed, it should be the county that builds it, not H2GO. H2GO doesn't have the experience. They've never made a drop of drinking water for anybody.' There is flawed logic in your comment. If we only did things we had already done before, we would never do anything new. There would be no electricity because back in the 1700s, no one knew how to manage electricity or even knew what it was. In your first statement you praise the abilities of the H2GO leadership and staff and then in the very next statement you claim that they could not figure out how to manage a RO Plant. I find that very contradicting. Bill you said, 'The determination has been made by federal government, state government that Cape Fear River water is safe to drink. Since Chemours has stopped discharging Gen-X, the levels have dropped, the authorities that control drinking water standards, basically say the water

coming out the treatment plant that the local counties produce is safe.' It's simply not true that Cape Fear River water is safe to drink. Chemours continued to leak Gen-X. The CFPUA is spending over \$400 thousand to find out how to get rid of contaminants. Brunswick County is planning to spend, depending on who you talk to, \$100 to \$200 million to build new water capabilities. None of that is because the water is safe. Rachel asked you, 'Wouldn't it be a judicious, to use a readily available pristine water source, that does not contain any of these contaminants?' You answered, 'No water source is pristine, the water source that is going to go through the reverse osmosis, the proposed plant is saltwater, and it's pretty crummy water. The only way to clean it up is with a reverse osmosis plant.' That 'pretty crummy water' you're talking about, can be cleaned with RO. That's precisely the reason the RO plant was always part of the aquifer water solution here at H2GO. You said, 'Well, one thing that's changed is we're going to take a close look at affordability. Affordability is a key factor, the area that we live in is 15 percent below the poverty level.' Ann Hardy, County Manager for Brunswick County, has promised a minimum of a \$9.71 monthly increase in county's water customer's bills. That will make Brunswick County water bills more expensive than H2GO if H2GO builds the plant and completes the project. And to date, no one has provided any analysis by a reputable accounting firm that says that the H2GO project will do anything other than provide clean, industrial contaminant free water with no increase in rates. Which solution is better for H2GO's financially challenged customers, a cheaper rate or more expensive rate?"

Charles Trull; 725 Brunswick Place; "Just a couple of observations, would like to congratulate you on your seemingly ability to schedule these meetings in this small place. I understand it might be a financial problem in scheduling a larger place, is that correct? If it is, an organization with this budget should be able to handle a \$600 payment." Chairman Gerken stated that there were reasons beyond the money for holding the meetings at H2GO. Mr. Trull continued, " Especially, the 200 plus people from Compass Pointe who is against your agenda, I'm sure that's part of it. Anyway, a couple of other things, for a long time the southerners has put up with the damn Yankees coming..." Chairman Gerken cut off Mr. Trull; stated he was out of line; and asked him to take his seat.

Glen Thearling; 3127 Thistlewood Drive; "Going to the meeting with the county yesterday, basically they are on the same path as H2GO was with RO. The key things for the opposition with RO for H2GO has been the cost related to them making it effective. Early in the process the opposed basically stated that it would cost approximately an extra \$9 per H2GO billing; that's almost the exact same cost the County says it will cost them. That was the biggest argument the opposition stuck with; it was going to cost too much. Now we're seeing that basically if we go with the County it's going to cost more than if H2GO could do it themselves. Having said that, I have yet to see any kind of independent financial analysis from the opposition that basically said exactly how much they suspected it to cost. I have not seen that presented to the new board, nor the previous board, nor is it in the records for H2GO to do that. Basically it is the responsibility of the board to get clean water at a cost as low as reasonably possible. I don't see that happening; if you're not willing to go with an independent financial analysis that tells us this is too expensive. Along with that, one of the things that's coming up is the flushing of the water lines and the changing over to chlorine; basically what we hear is that it is an opportunity to release contaminants." Mr. Thearling stated that he hasn't seen the county nor H2GO mention this; he suggested to have sampling done so that the customers would know what could be expected as to what was in the water pipes in terms of containments during this time.

Chairman Gerken allowed Mr. Walker and Mr. Lane to further explain the flushing of the lines. It was said that the County was planning to do their annual switch over in April. It was said this was usually done annually, however; the county did not do this last year. It was said that this was normal standard procedure. Mr. Walker stated a notice is being sent out in the bills to notify the customers of the switch over. It was said that people with aquariums and people who are on dialysis would be affected. Mr. Wittkofsky stated that the notice was already posted on our website.

Victoria Carey; 8256 Egret Pointe Drive; "I would like to address the board with my concern of you not continuing with the H2GO aquifer process. Brunswick County just put out a statement that they did a low pressure RO pilot process through the assistance of CDM Smith Engineering. They stated it has the lowest net present worth cost for removing 90% or more of contaminants. What about the other 10% that is left? They say it will use less water, river water. The cost of low pressure RO is estimated at \$99 million and a house hold rate increase is close to \$10 a month. No time frame of production was mentioned. We have the H2GO process ready to start in 2 years, using non river water, why would H2GO board members not want what's best for their customers. Since CDM Smith Engineering stated that RO was the best choice, why would a commissioner state at a community meeting that was not the way to go. We the people put our trust in those individuals for handling the most important aspect of our lives, drinking water; hoping that they make the right decision. Putting people's health in jeopardy is not only unjust but it's sin."

Jack Aizenman; 2287 Pine Mill Trail; "When Brunswick County announced the result of their treatment study yesterday, they actually did something quite remarkable. They completely vindicated the staff of H2GO and proved once and for all that the new board majority had been completely wrong about the RO plant. TO start with you've been proven wrong about their being a regional solution for our water treatment. There will not be a regional solution. Next you were proven wrong about the need for a H2GO RO Plant. Brunswick believes now RO is the way to go for the county. You can review H2GO's minutes for the number of times the new board majority stated RO wasn't needed at all. You were wrong. You have also been proven wrong about the cost your customers will have to pay for clean water. If you continue to block the H2GO RO plant, you will are forcing your customers to pay a significant part of a \$99 to \$130 to \$200 million price tag. Like Brunswick County, your customers will have to pay around a 12 to 24% rate increase for their RO solution; meanwhile, your customers, whom you are sworn to serve, will not pay any rate increase with the H2GO plant. We heard the new majority state the cost of the RO plant will force people to choose between their water and medicine. Mr. Beer said months ago that the area we live in is 15% below the poverty line. We have to protect the people who can't afford to buy water. Imagine the 12 to 24% rate increase on those customers. Special rates are not allowed under State law. They will have to pay for our mistakes. Yesterday the County proved our majority board wrong once and for all about the RO Plant. It's time to stop being wrong. It's time to protect the health and bank accounts of your customers. It's time to finish the RO plant. It's time to put the needs and interest of your customers first; for after all that's your job.

### **OLD BUSINESS:**

*Revision of the Records Retention Schedule:* Chairman Gerken explained that he spoke with the State representatives regarding the records retention schedule; he said he was told that the

Record Retention Schedule was simply guidelines and that we could adopt other guidelines as we saw fit. With that said he wanted to suggest changing our current records retention schedule in regards to our audio recordings. Chairman Gerken stated that until the end of our litigation we could not delete any recordings; he explained that his proposed change would take effect after the litigation. Chairman Gerken suggested that we keep our audio recordings of our meetings for a minimum of 6 months. **Commissioner Beer made the motion to change the record retention schedule to require that we retain the recordings of the meeting for a minimum of 6 months; Commissioner Trombley seconded and discussion ensues.** Commissioner McCoy asked what was typical for an organization of this size. Chairman Gerken explained that the Town of Leland kept their recordings and made them available on their website. Commissioner Jenkins questioned the long period of time; he suggested keeping the recordings for 2 months. Mr. Coble chimed in; he suggested the time of retention should start once the minutes were approved. **Commissioner Jenkins made the motion to amend the current motion to change the record retention schedule to require that we retain the recordings of the meeting for a minimum of 2 months starting after the minutes are approved; Commissioner Beer seconded the amended motion and the amendment carried with a vote of 4 yeas and 1 nay by Chairman Gerken. Chairman Gerken then stated the original motion was now amended as mentioned and calls for a vote; the motion passed unanimously.**

*Discussion on removing prohibition imposed at the December 4<sup>th</sup>, 2017 meeting by resolution in which stated, "(e)Do not discuss, or allow other staff to discuss, any matters of the sanitary district with the media, and to direct all media inquiries regarding Brunswick Regional Water and Sewer H2GO to Commissioner Jeff Gerken"* It was said that at the last meeting, Commissioner McCoy was to come up with some proposed wording. **Commissioner McCoy made the motion to amend the resolution to say, "Due to potential of information being misinterpreted, H2GO employees are not to discuss the current lawsuits, or asset transfer with outside personnel. When the question(s) arises, they are to be referred to the H2GO PIO. He will determine the best answer, or relay the question to the appropriate person."** **Commissioner Jenkins seconded and discussion ensued.** Chairman Gerken wanted to amend Commissioner McCoy's motion; he explained that in the special case of public records requests, they must be reviewed by the attorney before they can be dealt with. Chairman Gerken stated that the attorney needed to determine whether the public record request was appropriate according to the public record statutes. Commissioner Jenkins expressed that he felt Mr. Edes had addressed this at the last meeting. Mr. Edes explained that most of the request were quick in nature; such as someone wanting a copy of the minutes; he said the attorney is more involved when it came to more legal matters; such as someone wanting a copy of closed session minutes. Mr. Edes expressed that all in all, the attorney should at the least be notified there was a request made; he said he was not suggesting that the attorney handle the response, however; they should serve as a guidance to staff. Chairman Gerken expressed that he felt it was ok to have the requests sent to the PIO; he said, however, they should be immediately forwarded to the attorney to determine whether it was an appropriate request. Mr. Coble chimed in; he stated that historically, for the most part, staff has informed him of public record requests. Mr. Coble questioned the use of "outside personnel" in the motion; he suggested changing the word "personnel" to "persons." Commissioner Trombley suggested adding the statement, "All public records request will be referred to H2GO's attorney." Mr. Coble stated that he had no objections to the statement. Mr. Coble explained that it was not his intention to prepare any responses; he said he would review the request and make sure that what's responded to is what we believe we are bound to respond to. Chairman Gerken explain that the role of the attorney would be to review the appropriateness of the request and to tell staff that this is not an appropriate request

and it does not fall under the public record laws; or this is a sensitive matter and we cannot respond at this time. Mr. Coble explained that in the past a document would be requested that did not exist; he said for example someone would ask for a list of something. Mr. Coble explained that he would get a message from Mr. Walker inquiring whether or not we were required to compile a list. Mr. Coble explained that typically we are not required to create documents that are not already in existence. Commissioner Jenkins expressed that he felt that with what Commissioner McCoy was trying to do, was to make sure everyone was doing their job and not having the board micromanage. Commissioner Jenkins stated that Tyler should be given the right to do what he's supposed to be doing; getting it back into the hands of those who are responsible for doing their job and not board members micromanaging. **Commissioner Trombley stated she thought it should be written, "Due to potential of information being misinterpreted, H2GO employees are not to discuss the current lawsuits, or asset transfer with outside people. When the question(s) arises, they are to be referred to the H2GO PIO. He will determine the best answer, or relay the question to the appropriate person. All public record requests will be referred to H2GO's attorney."** Commissioner McCoy agreed to change his motion to what Commissioner Trombley read; Commissioner Trombley seconded and the motion carried unanimously.

### **EXECUTIVE DIRECTOR'S REPORT:**

*Deed of Dedication: Compass Pointe, Phase 15 Section 1 (MC 103 Pg 60) Sec 2 (MC 105 Pgs 56-57);* Mr. Walker presented to the board two deeds of dedications for Compass Pointe; he stated that everything had been reviewed and approved by staff and Mr. Coble. **Commissioner Jenkins made the motion to accept the deeds of dedication as presented; Commissioner Beer seconded and the motion carried unanimously.**

*Consideration of The Wooten Company engineering services agreement—Task Order No. 26 Hewett Burton Pump Station, Gravity Sewer and Force Main Project:* Mr. Walker presented to the board Task Order 26 from The Wooten Company for engineering services for a new regional pump station; he said it will go in near Hewett Burton Road and serve the corridor that goes from Carol Lynn Drive down to and beyond Hewett Burton Road. Mr. Walker said this project was advertised for engineering proposals some time ago; he said The Wooten Company was the only one to respond. Mr. Walker said that at the last board meeting that the board had authorized him to ask for an engineering service agreement; he said the proposed fees for this project- for Phase 1, design, survey, and bidding services- was \$127,800. Mr. Walker said the fees for construction services was \$104,800; he said there are additional services listed if necessary. Mr. Walker said the total proposed contract price is \$246,050. Mr. Walker explained that this was \$50,000 cheaper than the contract price for our current regional lift station currently under construction. **Commissioner McCoy made the motion to accept the engineering service agreement from The Wooten Company as presented; Commissioner Beer seconded and the motion carried unanimously.**

Commissioner Trombley asked about the cash bond from Adair; she said they stated the paving would be complete by this board meeting. Mr. Walker stated that it was not complete and that we still had their cash bond; he said they were not allowed to start construction until it was completed.

## **ASSISTANT DIRECTOR'S REPORT:**

Mr. Lane stated that he had nothing to report.

## **FINANCE OFFICER'S REPORT:**

*Check Register:* Commissioner Trombley asked about the check written to Gateway Fitness. It was said this was for our wellness program for our employees. Mr. Hook explained that H2GO pays half of the gym membership for each of our employees.

*Budget Workshop Schedule:* Mr. Hook explained that it was time to start thinking about our budget planning; he said we will need to schedule a couple of budget workshops. Mr. Hook said the first budget workshop will be to discuss our capital improvement plan. After a brief discussion the board decided to schedule the first Budget Workshop on April 12, 2018 at 6 p.m.

## **PUBLIC INFORMATION OFFICER'S REPORT:**

Mr. Wittkofsky had nothing to report.

## **ATTORNEY'S REPORT:**

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

## **NEW BUSINESS:**

None discussed.

## **INFORMAL DISCUSSION:**

None

## **EXECUTIVE SESSION TO DISCUSS ISSUES OF CONTRACT NEGOTIATIONS PURSUANT TO NCGS 143-318.11 (a) (5) AND LITIGATION ISSUES PURSUANT TO NCGS143-318.11 (a) (3):**

**Commissioner Beer made the motion for the board to enter into executive session to discuss issues of contract negotiations pursuant to NCGS143-318.11 (a) (5) and litigation issues pursuant to NCGS143-318.11 (a) (3); Commissioner Jenkins seconded and the motion carried unanimously.**

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

Chairman Gerken said there was no action to be taken as a result of Executive Session.

**ANNOUNCEMENT OF NEXT MEETING:**

April 17, 2018 will be the next regular meeting.

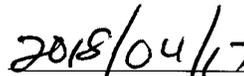
**ADJOURNMENT:**

Commissioner Jenkins made the motion to adjourn the meeting at 7:15 pm, it was seconded by Commissioner Trombley, and the motion carried unanimously.

  
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Jeff Gerken, Chairman

  
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Bill Beer, Secretary

  
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Deana Greiner, CMC  
Deputy Clerk to the Board

  
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Date of Approval