

**BRUNSWICK REGIONAL WATER & SEWER H2GO  
SPECIAL BOARD MEETING  
TUESDAY JUNE 29, 2018**

**OFFICIAL MINUTES**

**CALL TO ORDER:**

Chairman Jeff Gerken called the special meeting at H2GO to order at 10:00 a.m., 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 Scott Hook, Finance Officer, Russ Lane, Assistant Director and Teresa Long, Clerk to the Board.

**DISCUSSION/ADJUSTMENT OF AGENDA:**

**Commissioner Trombley made the motion to approve the agenda as presented, Commissioner Beer seconded and the motion carried unanimously.**

**EXECUTIVE DIRECTOR'S REPORT:**

*System Development Fees & NEWWTP Capacity Allocation;* Mr. Walker stated that we had contracted with The Wooten Company to develop a system evaluation for our new system development fees. Mr. Walker said that we advertised on July 1<sup>st</sup>, he said a few things have changed since that analysis was done at the boards direction as far as development goes. Mr. Walker said that he had laid out a couple of options for the boards consideration, he said if the board desires to continue business as usual, then he would recommend Option 1, with Water System Development Fee at \$1,800 per Equivalent Dwelling Unit (EDU) and the Sewer System Development Fee of \$7,200 per EDU. Mr. Walker said if that was the option the board elected, staff recommends an allocation of 1.17503 MGD additional capacity in the Northeast Wastewater Treatment Plant bringing our total capacity to 1.86 MGD.

Mr. Walker said if it is the boards desire to limit the water and sewer infrastructure to within H2GO's existing district limits, then some of the capital improvement projects that were included in The Wooten's analysis will be backed out of that system development fees, then he would recommend Option 2 with the Water System Development Fees per EDU remaining at \$1,800 and the sewer would be reduced to \$3,200 per EDU. Mr. Walker said with this option, our capacity in the Northeast Wastewater Treatment Plant expansion would be reduced to 0.71503 MGD, bringing the total capacity allocation to 1.40 MGD.

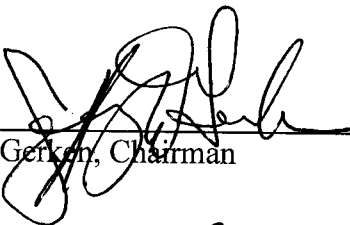
Commissioner Trombley asked how much land is within our district that is not currently developed. Mr. Walker said we track all the DWQ permits (permits for new developments), he said we track them based on what was permitted and we track new connections and we track permitted, not yet tributary flows, he said some of these permits are 20 years old but we still have to track them because they are permitted, he said about 714,000 GPD are permitted not yet

tributary. Commissioner Trombley asked if that land was developed would we need the expanded allocation, not including expanding out of our limits? Mr. Walker said he is assuming that it is already included in the 714,000 GPD. Mr. Walker said that in 2011 there was a transmission study done by the partnership, he said they had estimated that the flows from H2GO in 2036 would be about 1.466 MGD, so our permitted, not yet tributary flows in addition to what we already have is pretty consistent with the 2011 flow connection in the W. K. Dickson transmission study. Mr. Walker said the numbers represent commercial and residential flows. Commissioner Jenkins asked, how much of an impact would option one versus option two have on the last rate study that we had. Mr. Walker said it should not affect the customer rate study, he said this is related to capital improvement projects, whether we extend the infrastructure or not. Mr. Hook said it would only affect it if we went with Option 1 and then did not expand, he said if we went with a larger capacity and didn't expand then obviously our customer rates would go up because then you would be buying more allocation than you need. Chairman Gerken asked if we go with Option 2, is that going to require a revisal of the system development fees, Mr. Walker said no, we just could not charge more than what was in the system development fee analysis. Commissioner Trombley said that until we know the outcome of the court case, a lot of plans will be held up, she said she is hesitant to do anything that would increase our limits, our allocation, until we know what's going on. Mr. Walker said if we don't adopt system development fees before July 1<sup>st</sup>, we can't charge any system development fees. Chairman Gerken said his opinion would be to adopt Option 2, and if things change in the future we can increase the fees, Mr. Walker said we would have to re-advertise and there would be another 45 day period to wait on adopting the fees. Commissioner Trombley asked if our decision would have a bearing on the Northeast Wastewater Treatment Plant expansion? Chairman Gerken said at the May 30<sup>th</sup> meeting, the county indicated that they were going on with their projected expansion regardless of what H2GO does. Mr. Hook said the county may come back and tell us that we have to buy more capacity, but they should put that on the entities that will be doing the expanding. Commissioner Beer said the statutes state that we cannot go outside of our limits unless no other entity will provide the services. Mr. Walker said he believed the statutes state that sanitary districts can provide water and sewer to areas beyond their limits. Commissioner Beer said only if nobody else will do it. Chairman Gerken said that statute 130A-69 provides specific detailed directions as to steps to be taken to expand or to annex an area into the sanitary district service area. Chairman Gerken questions whether a sanitary district can provide service to areas outside their limits without annexing. Chairman Gerken said he was told that the developers who wish to develop down highway 17 have requested to be annexed by the Town of Leland.

**Commissioner Trombley motioned that the board accept Option 2 for the System Development Fees and the allocation, Commissioner Beer seconded.** Commissioner McCoy wanted confirmation that we could go back to Option 1 if it became necessary, the general consensus was that it could be done. Commissioner Beer asked Mr. Walker if he saw the down side to any of this, Mr. Walker said he thought H2GO does a better job than anyone as far as water and sewer service, he said this is the way we have always done business, is to provide water and sewer service to areas that don't have it. **Commissioner Trombley said she would like to make a motion to call the question.** Chairman Gerken called for a vote on the motion on the table, **the motion carried unanimously.**

### **ADJOURNMENT:**

**Commissioner Beer made the motion to adjourn the meeting at 10:23 a.m., it was seconded by Commissioner Jenkins, and the motion carried unanimously.**

  
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Jeff Gerken, Chairman

  
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Bill Beer, Secretary

  
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Teresa Long, CMC  
Clerk to the Board

7-17-2018  
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Date of Approval