

**BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR BOARD MEETING
TUESDAY JUNE 16, 2020**

OFFICIAL MINUTES

CALL TO ORDER:

Chairman Ronnie Jenkins called the meeting, located at H2GO via Zoom, to order at 6 p.m.; a quorum was present. The assembly was led in the Pledge of Allegiance.

MEMBERS PRESENT:

Present from the Board of Commissioners were members Ronnie Jenkins, Chairman, Steve Hosmer, Vice Chairman, Rodney McCoy, Secretary, Bill Beer and Barry Laub, present from H2GO was Bob Walker, Executive Director, Russ Lane, Assistant Director, Scott Hook, Finance Officer, Tyler Wittkofsky, Public Information Officer, and Teresa Long, Clerk to the Board. Also present was attorney Steve Coble.

PUBLIC HEARING:

Commissioner Hosmer made the motion to open the public hearing on H2GO's budget for fiscal year 2020-2021, all approved and the motion carried unanimously.

There were no comments heard on the 2020-2021 fiscal year budget.

Commissioner Laub made the motion to close the public hearing, the motion was approved unanimously.

Commissioner Beer made the motion to adopt the proposed Budget Ordinance for the 2020-2021 fiscal year, the motion was approved unanimously.

DISCUSSION/ADJUSTMENT OF AGENDA:

Commissioner McCoy said that Informal Discussion should be placed on the agenda before executive session from now on, **Commissioner McCoy motioned to approve the agenda with the change of putting Informal Discussion before Executive Session, the motion was approved unanimously.**

CONSENT AGENDA:

Commissioner Hosmer made the motion to approve the consent agenda; a vote was called and the motion carried unanimously.

COMMISSIONERS REPORT:

Commissioner Laub informed the board that he, Commissioner Beer and Mr. Walker had met with the county regarding wastewater issues, he said there are still questions that need to be answered.

Commissioner Hosmer said that the state of New Jersey has moved to require all utilities in New Jersey to test for PFNA, PFOA and PFOS and their maximum contaminant levels are 13, 14 and 13 parts per trillion, he said we are seeing a trend downwards in the maximum contaminant levels set by various state and other organizations, he said these levels are currently lower than the EPA's suggested levels. Commissioner Hosmer said the state now has senate bill 518 in process which would create similar limits for PFOA and PFOS.

PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments, none were heard, the clerk stated that she had received none.

OLD BUSINESS:

Resolution Approving Exchange of Real Estate Located on Gregory Road; Mr. Walker said that JBS Associates had agreed previously to extend water lines down Gregory Road in exchange for the two acres H2GO owns on Gregory Road, he said the value of those improvements are equal or greater in value of the two acres. Mr. Coble agreed, he said we went through the proper procedures for property exchange at that time. Mr. Walker said that now the improvements have been made and we need board approval for Resolution 2020.19.06.1, which allows us to complete that transaction. **Commissioner Beer motioned to approve Resolution 2020.19.06.1, the motion carried unanimously and the Resolution was approved. (See Exhibit A, which has been incorporated and made a part of these minutes)**

Resolution to Establish Nonprofit Agency Funding Policy; Mr. Walker explained that this was a tabled item from the last meeting and has to do with a policy to fund charitable organizations, he said he had made changes that Commissioner Hosmer had suggested. Chairman Jenkins called for a motion to approve the Resolution to Establish Nonprofit Agency Funding Policy 2020.19.05.2, **Commissioner Beer made the motion to adopt the Resolution.** Chairman Jenkins called for discussion. Commissioner Hosmer pointed out that at the bottom of page one under the second bullet, he said he was troubled by the use of the word all H2GO customers, he suggested to change "all" to "majority of customers". Commissioner's Laub and Beer argue the point that it says solicit participation, so customers have a choice. Commissioner Hosmer pointed out on the second page, fourth bullet point, he suggested adding, not only used as a platform for political purposes but to add that if the organization is itself a political organization we should not support their activities, he suggested adding, also excludes organizations that are political in nature. Commissioner Laub said that if the funds are used to support political organizations they should not be participants. Mr. Coble said the language appeared to try to avoid contributions that would go towards political platforms, he said if it became an issue, the

problem would be what isn't a political platform, he said it may be difficult to define what you can't give too. Commissioner Laub suggested tabling the Resolution for now so that the wording can reflect what they really want. Mr. Coble suggested that he and staff have an extensive discussion as to the wording, Mr. Walker agreed. **Commissioner Laub motioned to table the Resolution until we get further clarification in the Resolution, the motion carried unanimously.**

EXECUTIVE DIRECTOR'S REPORT:

Transfer of H2GO assets from Belville back to H2GO is Complete; Mr. Walker said that essentially everything is complete with the transfer of the assets, he said the Assignment and the Bill of Sale were recorded on June 2nd at the Register of Deeds in Brunswick County, all titles have been executed, all cash has been transferred, he said the insurance has been taken care of so all the property is now covered by H2GO. Mr. Walker said that anything that was paid on the US 17 Sewer Project, Belville has to file for a refund of sales tax and that will come back to H2GO. Commissioner Laub asked if there are any open items that could lead to future questions, Mr. Walker and Mr. Coble said there were not any that they were aware of. Mr. Coble said that Belville wants something in writing to the respect that H2GO has received all the assets back.

Sensus FlexNet Smart Meter Program Update; Mr. Walker said as of today they completed 5,000 work orders which includes the installation of 3,300 new meters and MXU's and 1,700 MXU's on meters that are in the ground. Mr. Walker estimated that we are 30 percent done with the meter exchange program. Mr. Walker said the third tower at the ground water storage tank has been installed, which will provide additional coverage, he said we are hashing out getting the data to the billing software.

RO Water Project Update; Mr. Walker said the advertisement for Construction Bids was published on 6/6/2020, there is a pre-bid meeting for contractors next Tuesday and bids are due to H2GO on 7/16/2020. Mr. Walker said we have 8 to 10 plant holders for each contract, he said the three contracts are, raw water lines, concentrate discharge lines and river diffuser, and the RO Plant itself. Commissioners Laub and Hosmer question whether there could be some kind of incentive to make the contractors finish the contracts in a quicker fashion. Mr. Walker said he will get with The Wooten Company and see if there is anything we can do about decreasing the time period. Commissioner Beer said that Mr. Walker has heard our comments and he has more experience in handling construction projects. Commissioner Beer said that he trusted Mr. Walker's judgments in handling the construction projects.

RFPs Distributed to Local, Regional and National Banks; Mr. Walker said we have Ted Cole and Mitch Brigulio with Davenport & Company who are our financial advisors on Zoom with us now to discuss financing of the project. Mr. Walker said that we will get bids in in July and get bank rates in July, then we will be in a position to make an application to the LGC and get on their agenda the first week in September.

Mitch Brigulio and Ted Cole give their presentation; Mr. Brigulio said they will be discussing financing schedule, type of debt we are moving forward with and their most recent contact with the LGC. Mr. Brigulio said the project bids are coming in July and will be held for 90 days, we have time to get our financing together hopefully for the LGC to approve the project. Mr. Brigulio said they hope to close on financing in mid-September, however if for some reason

financing gets delayed, we can go to the LGC meeting at the first of October, before the bids expire in October. He said we sent out a bank proposal for financing to a broad range of banks, he said they will actively reach out to all of those banks, he said bank proposals are coming back on July 14th, he said they will come to the July 21 H2GO board meeting and provide some recommendations and get direction on obtaining a lender. Mr. Brigulio said they plan to talk to the LGC again soon, he said the LGC wants to see financial feasibility for this project, he said he hoped to have everything we need by late August, he said he hoped to have approval by LGC on the 1st of Sept. then funds will be available. Mr. Brigulio said they have a plan B, which is going to the public bond market if bank financing is not viable, he said they have estimated both markets, banks and the public bond market and both are coming in at about 2.50% for banks and 2.75% on the public bond market, he said if we get rates back by July 14th they will likely be fixed through mid-September, he said if we get a rate back that we like, we can accept it subject to LGC approval and move forward to close. Mr. Brigulio said if we don't get a bank bid that we like we can move to plan B with the public sale, but we probably cannot lock in that interest rate until early to mid-October, so we will be floating with the market, he said in today's market they are both under three percent, he said regardless of what happens, he will have a proposal for the board at the next regular board meeting. Commissioner Laub asked if there was opposition from some organization to our approval by the LGC, what would happen. Mr. Brigulio said if that was the case, normally the opposing party would submit their opposing reasons to the LGC board prior to the meeting and give all parties a chance to address the opposition, he said if they show up at the meeting, the LGC board will hear their requests, and a vote will be called, he said that was highly unusual.

ASSISTANT DIRECTOR'S REPORT:

Concerning the fire hydrant painting, Mr. Lane said our crew started in a sub-division on Lanvale Road, but because of the rain, it has been held up.

FINANCE OFFICER'S REPORT:

Check Register for June 17, 2020 thru July 15, 2020: No comments were expressed.

PUBLIC INFORMATION OFFICER'S REPORT:

Mr. Wittkofsky had nothing to report.

ATTORNEY'S REPORT:

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

NEW BUSINESS:

Commissioner Hosmer said that he got some pricing on having camera's here in the board room so that our customers could watch our meetings, he said he got pricing for one camera and two cameras, the price range is \$715.00 to \$2,803.00, he said he will give this estimate to Mr. Walker to look over before the next meeting. Chairman Jenkins said this should be a staff issue. Commissioner Hosmer said this is just some information on getting the discussion going. Mr. Walker said he would have Tyler to put it out on social media to see if there is an interest in the

public viewing our meetings. Mr. Walker also asked the board if they were interested in having their agenda packets put on tablets, the board generally were agreeable to that, he said he will look into that, and each commissioner could tune into zoom on these personal tablets.

INFORMAL DISCUSSION:

None

EXECUTIVE SESSION:

Chairman Jenkins announced what is to be discussed in Executive Session;

Contract Negotiations pursuant to NCGS 143-318.11 (a) (5)
Personnel Issues, pursuant to NCGS 143-318.11(a) (6)

Commissioner Laub motioned to go into Executive Session, the motion was approved unanimously by the board.

Commissioner Beer motioned to come out of Executive Session and return to open session, the motion was approved unanimously.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Jenkins announced that the next Regular Meeting would be held on July 21, 2020 at 6:00pm, he also announced that a Public Hearing would be held on June 29, 2020 at 6:00pm to discuss System Development Fee Analysis.

ADJOURNMENT:

Commissioner McCoy made the motion to adjourn the meeting at 8:30 p.m.; a vote was called and the motion carried unanimously.

Ronnie Jenkins, Chairman

Rodney McCoy, Secretary

Teresa Long, CMC
Clerk to the Board

Date of Approval

400

Brunswick Regional Water & Sewer H2GO

Resolution 2020.19.06.1

RESOLUTION APPROVING THE EXCHANGE OF REAL ESTATE LOCATED ON GREGORY ROAD

WHEREAS, Brunswick Regional Water & Sewer H2GO ("H2GO") acquired 34.39 acres of property in the Waterford Commercial Park for the purpose of constructing groundwater well supplies and reverse osmosis water treatment facilities, and

WHEREAS, a 2.30 acre tract of said property has been determined to be surplus acreage not essential for the construction and operation of the groundwater well supplies and reverse osmosis water treatment facilities, and

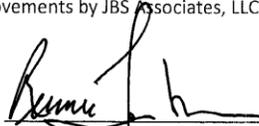
WHEREAS, JBS Associates, LLC has offered an exchange of services and infrastructure improvements as full and fair consideration for the 2.30 acre tract, that value being:

1. \$28,938.19 for labor, material, and equipment to install a 6" water main extended east along Gregory Road to H2GO's property, consisting of 850 lineal feet of C900 water pipe, two fire hydrants, one 6" gate valve, and appurtenances constructed to H2GO development standards, and
2. \$2,500 to design, permit, and construct off-site storm water detention facilities sized to accommodate H2GO's well-site impervious area runoff, and
3. \$7,500 to permit, through the Army Corp of Engineers (ACOE), and to clear and restore 1,250 lineal feet of jurisdictional ditch-line along the north side of Gregory Road extending east from Backhoe Road to the Duke-Progress Energy power line easement, and
4. \$2,800 for a utility easement and to clear 700 lineal feet of right-of-way along the south side of Gregory Road for Brunswick Electric to extend service to H2GO's well site.
5. \$41,738.19 is the total value of all described services and infrastructure improvements to be considered as full and fair consideration for the 2.30 acre tract.

WHEREAS, the Clerk to the Board has duly provided notice by publication the 2.30 acre property to be exchanged and the value of the property and the full and fair consideration for the property exchange.

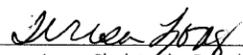
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Brunswick Regional Water and Sewer H2GO: Section 1. That the Board of Commissioners agrees that the exchange of services and infrastructure improvements to be provided by JBS Associates, LLC is a full and fair consideration for the 2.30 acre tract. Section 2. That the Board of Commissioners hereby approves the exchange of the 2.30 acre tract. Section 3. That the Board of Commissioners be and is hereby authorized to provide a Special Warranty Deed conveying H2GO's interest to JBS Associates, LLC for the herein described 2.30 acre tract, upon completion of services and approved construction of the infrastructure improvements by JBS Associates, LLC.

ADOPTED THIS 16TH DAY OF JUNE 2020



Ronnie Jenkins, Chairman of the Board

Attest:



Teresa Long, Clerk to the Board