

**BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR BOARD MEETING
TUESDAY, MAY 18, 2021**

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, Steve Hosmer, Vice Chairman, Rodney McCoy, Secretary, Bill Beer and Barry Laub, present from H2GO was Bob Walker, Executive Director, Scott Hook, Finance Officer, Russ Lane, Assistant Executive Director, Tyler Wittkofsky, Public Information Officer, and Deana Greiner, Deputy Clerk to the Board. Also present was attorney Steve Coble.

DISCUSSION/ADJUSTMENT OF AGENDA:

Chairman Jenkins opened the floor for any adjustments to the agenda. Mr. Hook requested adding discussion on a shut off policy to Old Business; he requested that the auditor's presentation be moved up to New Business and add discussion to the LGC Letter under the auditor. Mr. Hook requested to add discussion on establishing a separate account for the Town of Leland's US 17 Sewer Extension project with BB&T; he requested added a budget ordinance for this project as well. Mr. Walker requested to add discussion on a one time contribution to the Town of Belville to New Business; he requested that we delete the Cash Bond item off the agenda. Mr. Walker requested to add two deed of dedications to New Business. **Commissioner Laub motioned to approve the agenda as amended, a vote was called and the motion was approved unanimously.**

CONSENT AGENDA:

Approval of April 20, 2021 Regular Meeting Minutes: **Commissioner McCoy made the motion to approve the consent agenda as presented; a vote was called and the motion carried unanimously.**

COMMISSIONERS REPORT:

Each commissioner stated that they had nothing to report.

PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments, none were given.

OLD BUSINESS:

Shut-Off Policy for non-payment: Mr. Hook explained that we haven't done any shut offs for non-payment since the COVID pandemic started; he said that even though we were authorized to start back doing shut offs that we decided to extend the period of not doing them. Mr. Hook expressed that he felt we were at a point now that we should try to implement a new shut off policy. Mr. Hook said he wanted to give the board a modified policy to try to get some of our customers caught back up; he suggested that we require the customer to pay the current bill plus 25% of any past due amount in order to avoid cut off. Mr. Hook said he didn't think it would be feasible to charge the full amount because some customers haven't paid since day one. Payment plans were mentioned and Mr. Hook said that a payment plan could be an option as well.

NEW BUSINESS:

Resolution #R51821-Resolution for Annexation of Certain Properties within Leland : Mr. Walker presented to the board a resolution for annexation of certain properties within the Town of Leland. Mr. Walker explained that these are satellite areas that the Town of Leland has already annexed into the town; he explained that we are allowed to annex these properties according to NC State Statute 130A-70.1. **Commissioner Beer made the motion to approve Resolution #R51821-Resolution for Annexation of Certain Properties with the Town of Leland as presented.** Commissioner Hosmer asked about the areas included and Mr. Walker explained that mostly the areas were along Old Town Creek Road. Mr. Walker said there was a new development going in out that way. There was a brief discussion on satellite annexation. **A vote was called and the motion carried unanimously.**

Assignment of Hwy 17 Sewer Expansion II Construction Contract with Civil Works Contracting: Mr. Walker explained that at the last meeting the board had approved to hire Withers Ravenel as the engineer for this project; he said this particular assignment contract is for the contractor who will actually be doing the construction. **Commissioner Beer made the motion to accept the assignment contract for the Hwy 17 Sewer Expansion with Civil Works as presented. A vote was called and the motion carried unanimously.**

Deed of Dedication: Vineyard Grove Lots 1-31: Mr. Walker presented to the board the Deed of Dedication for Vineyard Grove Lots 1-31; he said all has been approved by staff and Mr. Coble. **Commissioner McCoy made the motion to accept the deed of dedication for Vineyard Grove Lots 1-31 as presented. A vote was called and the motion carried unanimously.**

Deed of Dedication: Compass Pointe Phase 20 Section 3 Lots 185-220: Mr. Walker presented to the board the Deed of Dedication for Compass Pointe Phase 20 Section 3 Lots 185-220; he said all has been approved by staff and Mr. Coble. **Commissioner Hosmer made the motion to accept the deed of dedication for Compass Pointe Phase 20 Section 3 Lots 185-220 as presented. A vote was called and the motion carried unanimously.**

Deed of Dedication: The Forest at Mallory Creek Phase 3 Lots 19, 25, 41-59 & 141-146: Mr. Walker presented to the board the Deed of Dedication for The Forest at Mallory Creek Phase 3 Lots 19, 25, 41-59 & 141-146; he said all has been approved by staff and Mr. Coble. **Commissioner Laub made the motion to accept the deed of dedication for The Forest at Mallory Creek Phase 3 Lots 19, 25, 41-59, &141-146 as presented. A vote was called and the motion carried unanimously.**

Audit Presentation: Mr. Wade Greene from W. Greene PLLC gave the board a presentation of the FY2020 audit; which are hereby made a part of these minutes as Exhibit A. Mr. Wade said the total net position increased by \$62,398,648 which included the return of assets from Belville. Mr. Wade said the total debt increased by \$20,600,196 which included the debt borrowed for the RO Plant. Mr. Greene showed that at the end of 2020, H2GO ended with \$13,988,069 fund balance and \$16,079,827 cash in the bank, and \$26,449,832 in long term debt. Mr. Greene said overall H2GO was in good shape. Mr. Wade ended his presentation with assuring the board that he will have no issues in completing this year's audit on time.

LGC Unit Letter Response: Mr. Walker presented to the board a draft response to a letter received from the LGC regarding the FY2020 Audit being late. Mr. Walker explained that if the board approves, each member will need to sign the response letter.

Contribution to Town of Belville: Mr. Walker explained that a letter was received from the Town of Belville requesting contributions to help establish an inspection/building permit department. Mr. Walker explained that as part of the department created will include a code enforcement officer. Mr. Walker explained that the code enforcement officer's position will cost the Town of Belville around \$70,000 annually and they were asking if H2GO would be willing to contribute \$35,000 in order to help establish the position. Discussion ensues. **Commissioner Hosmer made the motion to approve a onetime contribution of \$35,000 to the Town of Belville for the purpose of helping them establish an inspection/building permit department. A vote was called and the motion carried unanimously.**

EXECUTIVE DIRECTOR'S REPORT:

RO WTP Update: Mr. Walker reported that most of the concentrate line was complete; he said the contractor who is installing lines from the wells to the plant and from the plant to the distribution system is just starting. Mr. Walker said those lines should be complete in about 6 months. Mr. Walker said as far as the plant itself, they were finishing up pouring the pipe gallery; he said then they can start on the building foundation. Mr. Walker said the slabs have been poured for the ground storage tank; he said they should have the tank in place in a few weeks. Discussion ensues. It was said the plant should be up and running by January or February.

ASSISTANT DIRECTOR'S REPORT:

Mr. Lane stated he had nothing to report.

FINANCE OFFICER'S REPORT:

Check Register, April 21, 2021 through May 6, 2021: No comments nor questions were made regarding the check register.

Resolution for setting public hearing: Mr. Hook presented to the board a resolution to set the public hearing for adopting the budget for FY2021-2022 on June 15, 2021 at 6 p.m. **Commissioner Hosmer made the motion to approve the resolution for setting the public hearing as presented. A vote was called and the motion carried unanimously.**

Establishing BB&T account: Mr. Hook explained that most of the money that the Town of Leland was transferring to us was sitting at BB&T; he said we bank with First Bank, however to keep things in a smooth transition he wanted to request that we set up an account with BB&T. Mr. Hook

explained that money would stay there for about 6 months or until the transition of everything was complete. **Commissioner McCoy made the motion to authorize Mr. Hook to set up a checking and saving account with BB&T. A vote was called and the motion carried unanimously.**

Budget Ordinance: Mr. Hook presented the budget ordinance for Fund 35; he said this is money to pay for the Highway 17 Sewer Expansion Phase II that was transferred from the Town of Leland. **Commissioner Beer made the motion to approve the Highway 17 Sewer Expansion Phase II (Fund 35) as presented. A vote was called and the motion carried unanimously.**

PUBLIC INFORMATION OFFICER'S REPORT:

Mr. Wittkofsky stated he had nothing to report. It was asked if the customer packet went out. Mr. Wittkofsky explained that there was a three page letter and petition that went out to all the Brunswick Forest/Mallory Creek residents; he said the letter covered everything customers need to know including how to sign up for bill pay, how to contact staff, and information on the RO Plant, Fire Hydrants, and Cooking Oil. Mr. Wittkofsky said the goal was to try to address all the commonly asked questions of new customers.

Commissioner Laub asked about sending out a newsletter that stated our progress on all issues; he said he had suggested this at the last meeting.

ATTORNEY'S REPORT:

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

INFORMAL DISCUSSION:

Commissioner Beer mentioned the monitoring systems of meters; he mentioned his neighbor had a leak and because we had what he had in place the leak was caught before it could do significant damage. Commissioner Beer said the customer was very thankful that we were able to catch that.

Commissioner Hosmer suggested that in future meetings when there is a presentation, such as power point slides, that the presentation be put on the screen for everyone to see.

Mr. Walker explained to the board that included in the letter that was sent to Brunswick Forest was an explanation that their first bill will be for two months. Mr. Walker explained that because staff had to manually enter each account into our billing system that they were unable to finish before the billing cycle so therefore those residents will not receive a bill this month.

Mr. Walker said the transition has been going well; our staff and Leland's staff have been in constant communication. Mr. Walker said the next step is to talk to the LGC; he explained that because of our bond order for the RO Plant that we have to contact them about any additions to our system. Mr. Walker explained that we are not taking on any debt with the transaction with Leland; he said Leland had a couple of installment loans but they are being paid off with cash on hand. Mr. Walker said the only thing we are taking on is Leland's portion of the sewer partnership; he said we get their allocation of sewer but we will also be responsible for their portion of the cost of expanding the wastewater treatment plant.

NextDoor was mentioned. Mr. Wittkofsky said H2GO had a NextDoor agency account; he said the agency accounts are different in that, we are unable to see who is making the comments.

Mr. Walker mentioned the backflow testing program; he said we were working on revamping this program to better serve our customers.

Mr. Lane mentioned water usage; he said the County was at a level of Water Wise. Mr. Lane stated that usage was already at what we would normally see in July and August. Mr. Lane said he would not be surprised if the County puts out a water conservation program this summer.

EXECUTIVE SESSION:

Commissioner Beer made the motion for the board to enter executive session at 6:27 pm to discuss Consultation with Legal Counsel, pursuant to NCGS 143-318.11(a)(3) and Contract Negotiations, pursuant to NCGS 143-318.11 (a)(5); a vote was called and the motion carried unanimously.

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

It was said there was nothing to report out of Executive Session.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Jenkins announced that the next Regular Meeting would be held on June 15, 2021 at 6:00pm.

ADJOURNMENT:

Commissioner Laub made the motion to adjourn the meeting at 8:20pm, the motion carried unanimously.

Ronnie Jenkins, Chairman

Rodney McCoy, Secretary

Deana Greiner, CMC
Deputy Clerk to the Board

Date of Approval

EXHIBIT A



Brunswick Regional
Water and Sewer

Audit Presentation

Fiscal year ending
June 30, 2020

Audit Report

- **Unmodified**

- The financial statements present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of the Brunswick Regional Water and Sewer H2GO as of June 30, 2020, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.
- This represents the *highest* level of assurance.

EXHIBIT A

Financial Highlights

- Assets and deferred outflows exceeded liabilities and deferred inflows by \$73,948,516
- Total Net Position increased by \$62,398,648
- Total debt increased by \$20,600,196

EXHIBIT A

Statement of Revenues, Expenses, and Changes in Fund Net Position (Accrual Basis)

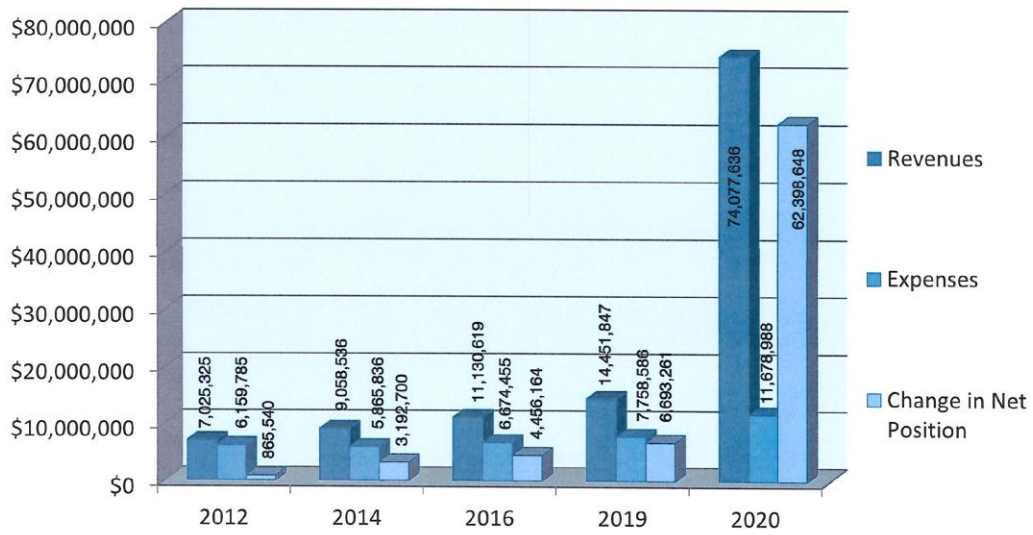


EXHIBIT A

**Water and Wastewater Fund
Revenues and Expenditures**

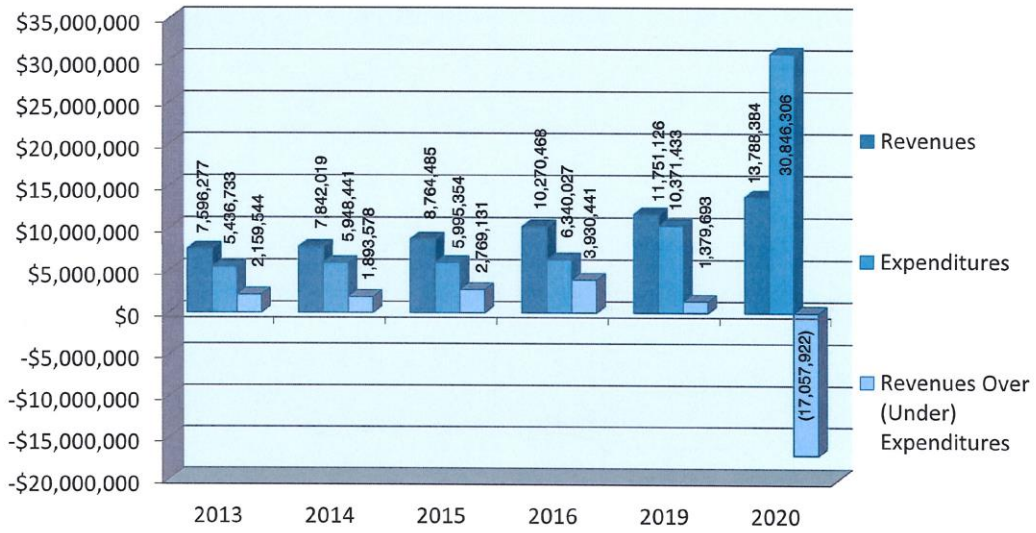


EXHIBIT A

**Water and Sewer Fund
Fund Balance Available**

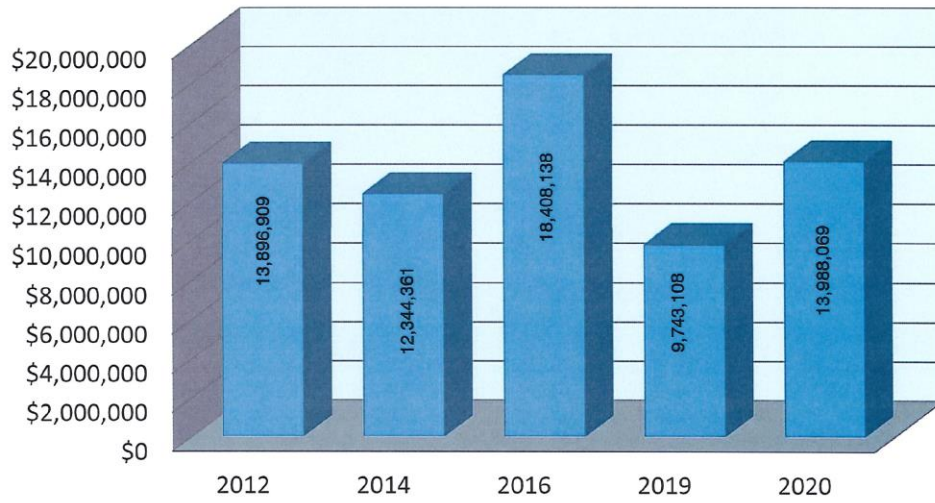
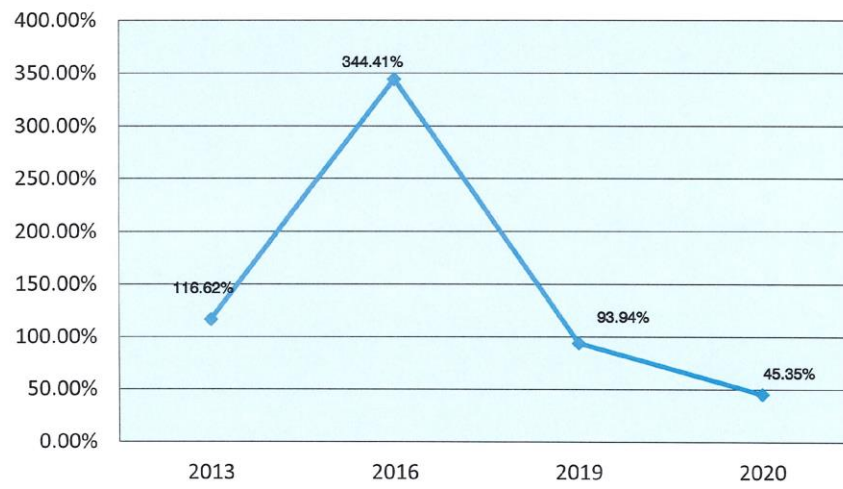


EXHIBIT A

Water and Sewer Fund

FUND BALANCE AVAILABLE AS A PERCENTAGE OF EXPENDITURES



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EXHIBIT A

Cash

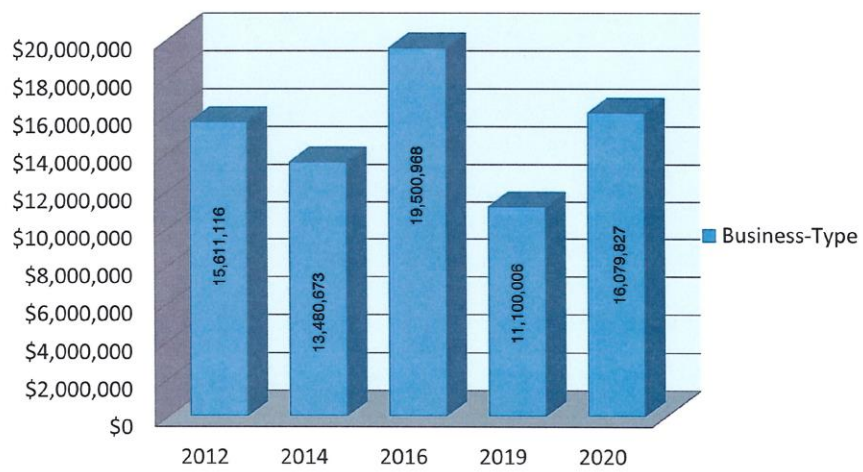


EXHIBIT A

Long-Term Debt

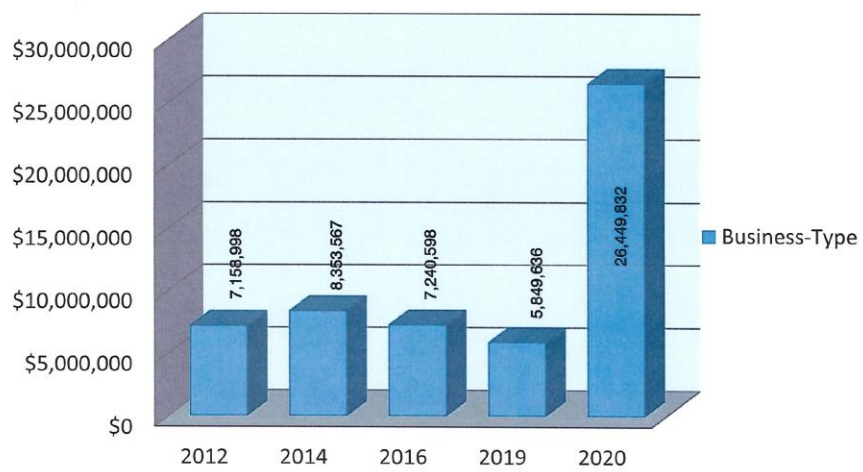


EXHIBIT A

Other Matters

- Appreciation of cooperation and assistance extended by Scott Hooke, Finance Officer, and other members of the Finance Department to us in successful completion of the audit.
- Any questions or comments, please contact:

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W GREENE
— PLLC —

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