

**BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR BOARD MEETING
TUESDAY, JUNE 15, 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, 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. Walker requested to add “assignment of assumption of liabilities and assignment of certain assets and ownership agreement” under New Business after the “Swearing of New Clerk.” Mr. Walker requested to add a “resolution authorizing either the chairman and/or the executive director to certify the Town of Leland’s satisfaction of conditions of closings and receipt of the Town of Leland’s closing deliveries” under New Business after the “2021 ILA.” Mr. Walker requested to add “Bellamy Place cash bond” under his report. **Commissioner Beer made the motion to approve the agenda as amended; a vote was called and the motion carried unanimously.**

PUBLIC HEARING: 2021/2022 FY BUDGET & RATE AND FEE SCHEDULE:

Commissioner Hosmer made the motion to open the 2021/2022 FY Budget & Rate and Fee Schedule Public Hearing; a vote was called and the motion carried unanimously. No comments were made nor brought forth regarding the public hearing.

Commissioner McCoy made the motion to close the 2021/2022 FY Budget & Rate and Fee Schedule Public Hearing; a vote was called and the motion carried unanimously.

APPROVAL OF ORDINANCE APPROPRIATING FUNDS FOR THE FISCAL YEAR 2021/2022:

Mr. Hook explained that this ordinance was for the operational budget for FY2022; he said the operating revenue was set at \$18.8 million and \$8.8 million in cash reserves. Mr. Hook explained that under the expenditures three new departments were created, “Work Order” “Line Locators” and “Water Treatment;” he said the total expenditures were set at around \$23.3 million. **Commissioner Hosmer made the motion to approve the FY 2022 Budget as presented; a vote was called and the motion carried unanimously.**

APPROVAL OF RATE AND FEE SCHEDULE:

Mr. Hook explained that there are no new changes that hasn't been previously approved; he explained that previously the board had approved an increase in the system development fees for water and sewer that will take effect July 1, 2021. **Commissioner Beer made the motion to approve the Rate and Fee Schedule as presented; a vote was called and the motion carried unanimously.**

CONSENT AGENDA:

Approval of May 18, 2021 Regular Meeting Minutes: **Commissioner Laub made the motion to approve the consent agenda as presented; a vote was called and the motion carried unanimously.**

COMMISSIONERS REPORT:

Commissioner McCoy made mention that he was asked about whether or not the RO Plant would be noisy; he wanted to let staff know that old rumors were still going around.

Commissioner Beer mentioned that he attended a meeting with the Chairman, Mayor Bozeman, and a developer from Brunswick Forrest. Chairman Jenkins stated that Mr. Walker was also present for the meeting and gave the floor to him to give a brief summary. Mr. Walker explained that there were several meters that had not been installed with the proper brass fittings; he explained how H2GO was retrofitting the current installations and how they were working with the developer moving forward.

Commissioner Laub mentioned that he attended a meeting with the Chairman and the Town of Belville; it was said that a possible ILA was discussed. It was said much of what was discussed was best suited for Executive Session at this time.

PUBLIC COMMENTS:

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

OLD BUSINESS:

Emergency Pay FFCRA: Mr. Walker explained that the board had previously extended the emergency pay that would pay employee for hours they were out due to COVID; he said this extension expires at the end of the month. Mr. Walker said it was staff recommendation to let it expire; he said most of the staff has either had COVID and or been vaccinated for COVID.

Temporary Amendment to the Disconnect Policy: Mr. Hook presented to the board a temporary amendment to the disconnect policy; he explained that under this policy anyone who was delinquent would be required to pay their current bill, their past due bill, and 25% of any previous delinquent bills. It was said that we had roughly 50 customers who hasn't paid their bill since the start of COVID. Mr. Hook said we were doing everything we could to work with customers to get them paying their bills again including offering payment plans. **Commissioner McCoy made the motion to approve the Temporary Amendment to the Disconnect Policy as presented; a vote was called and the motion carried unanimously.**

NEW BUSINESS:

Swearing in Deana Greiner as Clerk to Board : Mr. Walker explained that with the reorganization of staff and the growing demands of different tasks that it has become harder for staff members to wear as many hats as they used to; he explained that Mrs. Teresa Long has been moved to human resources and Mrs. Deana Greiner will take over the clerk duties. **Commissioner Beer made the motion to approve Mrs. Deana Greiner as the new clerk to the board of commissioners of Brunswick Regional Water & Sewer H2GO; a vote was called and the motion carried unanimously.** Mr. Wittkofsky, as a public notary, administered the oath of office for clerk to the board of commissioners of Brunswick Regional Water & Sewer H2GO to Mrs. Greiner.

Assignment of Assumption of Liabilities and Assignment of Certain Assets and Ownership Agreement: Mr. Coble explained that this was part of wrapping the closing of the ILA with the Town of Leland; he explained that approving this will formalize the rights of liabilities and ownership of assets. Mr. Coble said this same exact agreement will be approved at the Town's Council Meeting on Thursday. **Commissioner Laub made the motion to approve the assignment of assumption of liabilities and assignment of certain assets and ownership agreement as presented; a vote was called and the motion carried unanimously.**

2021 ILA-H2GO Payment of Leland Sewer Service Obligations with Brunswick County: Mr. Walker explained that this agreement basically says that H2GO will be responsible for making the debt service payments to the County for Leland's share of the NEWWTP expansion. Discussion ensues. It was said that this agreement will give the County assurance that these payments will be made given the fact that Leland no longer has the funds to pay. **Commissioner Hosmer made the motion to approve the 2021 ILA-H2GO Payment of Leland Sewer Service Obligations with Brunswick County as presented; a vote was called and the motion carried unanimously.**

Resolution Authorizing the Chairman or Executive Director to certify the Town of Leland's Satisfaction of Conditions of Closing and receipt of the Town of Leland's Closing Deliveries: Mr. Coble explained that in wrapping up closing the ILA that we must certify that the Town gave us everything they were supposed to give us and we have to certify that the Town actually delivered those things. Mr. Coble said the only thing that we were waiting on were the deeds; he explained this resolution gives authority to the Chairman and Executive Director to certify these things once done without having to call another special meeting. Mr. Coble wanted to authorized both in case for some reason the chairman was out of town or was unavailable. **Commissioner Hosmer made the motion to approve the resolution authorizing the Chairman or Executive Director to certify the Town of Leland's Satisfaction of Conditions of Closing and receipt of the Town of Leland's Closing Deliveries as presented; a vote was called and the motion carried unanimously.**

Brunswick Forest Tower Lease Agreement: Mr. Walker explained that the town has various communication needs in which they will need an antenna and backup generator; he explained this agreement will allow them to install an antenna and it will be good for 40 years for zero dollars. It was said that the antenna for the town is specific to their emergency services; it was said there are no other antennas as of yet. **Commissioner Beer made the motion to approve the Brunswick Forest Tower Lease Agreement as presented; a vote was called and the motion carried unanimously.**

Belville Youth Fishing Day Donation Request: Mr. Walker explained that he had received a request from the Town of Belville for a donation for the Town of Belville's first annual youth fishing day. Mr. Walker said he found out today that they were actually looking for a donation of water rather than

a monetary donation. The board generally agreed that it was ok for Mr. Walker to provide a couple of cases of water.

EXECUTIVE DIRECTOR'S REPORT:

Brunswick Forest/Mallory Creek customer transition to H2GO: Mr. Walker explained that we now have all the accounts set up in our billing system; he said staff is now working on getting meter reads. Mr. Walker explained that the first bill received will include usage from April and May.

Mr. Walker mentioned that other issues was in regards to the meter infrastructure; he explained that for the most part the developer seemed satisfied with the solution they have agreed upon. Mr. Walker said there is a little push back from some of the builders; he said with us having to install brass fittings we are charging them a \$100 additional fee. Mr. Walker explained the importance of these brass fittings and double check valves.

Mr. Walker explained the issue of annexation; he said if we get 15% of the resident free holders, then we can go to the public health commission for a public hearing, then if the public health commission approves we can hold an election. Mr. Walker said that in order to get annexation on the ballot for November this needs to be done by September. Mr. Walker explained who was eligible for signing the petition; he said he estimated 15% to be around 400 signatures. Discussion ensues on the annexation of Brunswick Forest. It was said annexation only gave a resident rights to vote in our election.

Commissioner Beer mentioned the developer of Brunswick Forest and asked about allowing a letter of credit. Mr. Walker explained that we don't have any policies on letters of credit; he explained that we currently allow cash bonds. Mr. Walker explained that cash bonds give us a check that we can cash in order to finish infrastructure needed in case for some reason the developer went belly up. It was said that we could look into some sort of policy if needed.

Mr. Walker explained that last issue that has come up was with customers complaining about irrigation base rates. Mr. Walker explained that the Town of Leland did not charge a base fee if the customer did not use any water; he said once a gallon of water was used they were charged \$19. Mr. Walker explained that 10 accounts were randomly picked out of Brunswick Forest; he applied our rates to their usage for one year and compared it to what they were charged by the Town's rate; he said most of the time it was a wash. Mr. Walker said if someone irrigates 7 months out of the year they have a better deal with our rates.

Commissioner Hosmer suggested that we should look at doing an outreach of some sort; he suggested that we set a time for staff or someone to be present in their clubhouse or somewhere public to answer all the various questions a resident there may have.

Bellamy Place Cash Bond: Mr. Walker said he received a request from D R Horton to set a cash bond of \$578,713.00 that includes a 25% contingency. **Commissioner McCoy made the motion to accept the cash bond for Bellamy Place as presented; a vote was called and the motion carried unanimously.**

ASSISTANT DIRECTOR'S REPORT:

May monthly water usage Update: Mr. Lane reported to the board that last month the County had went into a Stage 1 Water Conservation; he said because we still buy our water from them that we

followed suite. Mr. Lane said the rain has been helping relieve these restrictions; and usage has fallen some. Mr. Lane explained that with each stage of Water Conservation more restrictions are imposed; he said if we ever see stage three that there will be no irrigating allowed.

Smoke Testing Program Update: Mr. Lane explained that Brunswick Forest was about half way completed; he said so far maintenance crews have found at least 49 broken cleanouts. Mr. Lane said that staff was fixing things as they found them. It was said that the next area for smoke testing will be in Magnolia Greens and Waterford.

Pump and Haul was mentioned. Mr. Walker said he has submitted a renewal for the pump and haul permit; he said he was including notes on all the findings from the smoke testing into his submittals to the County and the State. It was said that finding these issues and fixing them are beneficial in that every gallon of rain water we can prevent from going into the plant is a gallon we don't have to treat and or pump and haul.

FINANCE OFFICER'S REPORT:

Check Register, May 13, 2021 through June 9, 2021: No comments nor questions were made regarding the check register.

FY2021 Round Up Donation: Mr. Hook explained that we were still collecting money for the Operation Round Up program; he said the auditor has suggested that we create a budget to better show the money coming in and going out. Mr. Hook presented to the board a budget ordinance for the Operation Round Up program. **Commissioner Beer made the motion to approve the budget ordinance as presented; a vote was called and the motion carried unanimously.**

FY2020/2021 Budget Ordinance Amendment (Fund 50) Mr. Hook explained the changes dealt with adding money for the water expense to the County; he said people are using more water so our cost is naturally higher. Mr. Hook also said the revenue side has increased; he said we have added close to 1000 new connections this year. Mr. Hook said those revenues will be transferred to the Capital Reserves. **Commissioner McCoy made the motion to approve the FY2020/2021 Budget Ordinance Amendment as presented; a vote was called and the motion carried unanimously.**

PUBLIC INFORMATION OFFICER'S REPORT:

RO Communication Plan: Mr. Wittkofsky presented to the board his proposed communication plan for how we could promote the RO Plant to the public; he said the key messages would be "clean, contaminant free water, at no rate increases, for our community." Mr. Wittkofsky explained that this plan and messaging only applied to the RO Plant; he explained that he wanted to use "Community" rather and customers to make it more personal. Mr. Wittkofsky said some of it was more wordy but he wanted to be sure the message was very clear. Mr. Wittkofsky explained the different venues that would be used in getting messages out and how those messages would be used and sent. There was a brief discussion on news outlets. The board wanted him to look at WWAY along with WECT. There was concern with past articles from WECT regarding H2GO. Discussion of messaging content ensued. Interviews and media tours were discussed. Mr. Wittkofsky said he would like to set up tours for the media and anyone who wanted to see the plant. It was said that each board member should be allowed to take turns interviewing with the media as long as everyone stayed on track with promoting the key central message. It was said that this would show one unified board.

Commissioner Hosmer suggested that we look into carrying this plan a step further by looking for ways to promoting ourselves at a State level.

ATTORNEY’S REPORT:

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

INFORMAL DISCUSSION:

Voting on motions was mentioned. It was said that because the meetings were now public, the board could vote all at once rather than individually.

EXECUTIVE SESSION:

Commissioner Hosmer 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 Laub 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.

Commissioner Hosmer made the motion to approve the Attorney Client Privilege and Confidentiality Agreement with Parker Poe Adams and Bernstein LLP and Hartzok Law Group LLP and the engagement agreement with Parker Poe Adams and Bernstein LLP; a vote was called and the motion carried unanimously.

ANNOUNCEMENT OF NEXT MEETING:

Chairman Jenkins announced that the next Regular Meeting would be held on July 20, 2021 at 6:00pm.

ADJOURNMENT:

Commissioner Beer made the motion to adjourn the meeting at 8:53 pm, the motion carried unanimously.

Ronnie Jenkins, Chairman

Rodney McCoy, Secretary

Deana Greiner, CMC Clerk to the Board

Date of Approval