

BRUNSWICK REGIONAL WATER & SEWER H2GO
REGULAR/WORKSHOP BOARD MEETING
WEDNESDAY, MARCH 20, 2024

OFFICIAL MINUTES

CALL TO ORDER:

Chairman Ronnie Jenkins called the meeting to order at 4:00 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, Barry Laub, Vice Chairman, Rodney McCoy, Secretary, Commissioners Steve Hosmer, and Bill Beer. Present from H2GO was Bob Walker, Executive Director, Russ Lane, Assistant Executive Director-Operations, Scott Hook, Assistant Executive Director-Administration, Stephanie Blair, Communications Director, Jennifer Philips, Lead Accountant, Sara Meyer, Human Resource Director, Brenda Thurman, Customer Service Manager, Adrianna Weber, Engineering Director, Lloyd Brown, IT Manager, and Deana Greiner, Clerk to the Board. Also, present was the attorney, Steve Coble.

DISCUSSION/ADJUSTMENT OF AGENDA:

Chairman Jenkins opened the floor for any adjustments to the agenda. Staff requested to add an AT&T Lease Agreement and discussion on Truck Purchases to Old Business; to add Cape Fear Council of Governments Proposal to New Business, and to add a FY2024 Fund 50 Budget Ordinance Amendment and a FY2024 Fund 23 Budget Ordinance Amendment to Mr. Hook's report. Commissioner Beer made the motion to approve the agenda as amended. A vote was called, and the motion was carried unanimously.

SPECIAL HEARING: BURNETTE ENTERPRISES-REQUEST TO WITHDRAW BID:

Mr. Walker explained that on March 5, 2024, bids were received for a 10-inch force-main going in from Malmo Loop to Compass Pointe; he said we received four bids, with the lowest apparent bidder being Burnette Enterprises. Mr. Walker explained that the bid was a little over one million dollars less than the next bidder. It was said that we received notice that Burnette Enterprises wanted to withdrawal their bid; it was said that according to State Statue we had to hold a special hearing to hear comments from the bidding company.

Mr. William Burnette was present; he addressed the board with the reasons why he wanted to withdrawal his bid. Mr. Burnette explained that there were several clerical errors and omissions found within the bid that added up to over \$430,000; he presented to the board documentation showing these mistakes.

The board informed Mr. Burnette that they would take his comments under advisement.

CAPITAL IMPROVEMENT PROJECT WORKSHOP:

Mr. Walker presented to the board the 10-Year Capital Improvement Project Model; he said everything on this list were SDF approved projects; meaning the cost will be covered by System Development Fees. It was said that with the growing number of projects that we have tasked the Wooten Company with doing another System Development Fee Analysis.

It was said that our projections were based on 1200 new water/sewer connections a year and 250 new irrigation connections a year. It was said that if we started seeing less then some projects would get pushed back further.

Several projects were pointed out. Mr. Walker explained that we were looking at 3 years to finish the ASR Well. Mr. Walker stated that there were several projects already started: the Malmo pump station, the Malmo force main, another skid at the RO Plant, and well sites 6, 7, & 8. It was said that upcoming projects included upgrades to the WWTP, reclaimed water distribution system, and some various water line extensions.

The question was asked about the new office campus; it was said that the campus project would not be covered by System Development Fees and that it will be discussed in the operational budget workshop. It was said that we were currently looking at 22 SDF Capital Improvement Projects. There was a brief discussion on the RO Plant. Mr. Walker explained that staff wanted to put in another skid to help with resiliency.

It was said that financially speaking our plan was solid; staff felt confident with the report. The board asked that staff look at our neighbors to see how the System Development Fees compared to ours.

There were questions about the wastewater treatment plant; it was said that we needed a cost analysis done comparing the cost of expansion with and without the ability to add purple pipe. It was said that there was a development with nearly 5000 units going in near Jackey's Creek who was interested in purple pipe.

RECESS:

Commissioner Hosmer made the motion for the board to take a short recess and reconvene at 5:40 pm. A vote was called, and the motion was carried unanimously.

CALL TO ORDER:

Commissioner Beer made the motion for the board to open the meeting back up; a vote was called, and the motion was carried unanimously.

CONSENT AGENDA:

Commissioner Beer made the motion to approve the consent agenda which consisted of the February 21, 2024, Regular Board Meeting Minutes, and the March 07, 2024, Special Meeting Minutes. A vote was called, and the motion was carried unanimously.

COMMISSIONERS REPORT:

Commissioner Beer mentioned some positive comments he received at the new bank in Leland. Commissioner Laub mentioned an event he attended. Commissioner Hosmer reported that he was able to give a presentation to the Newcomers' Club on H2GO and the RO Plant; he said it was well received and he was able to learn a lot about the questions customers often have. Commissioner Jenkins spoke on the growth of the area.

PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments.

No patrons were present; no comments were made.

OLD BUSINESS:

2024 Schedule of Regular Board Meetings Revised The board was presented with a revised schedule to move the regular board meeting location to the Training Room of the RO Plant. It was suggested that the April meeting time be changed to 4 pm; it was said there was a need to hold a budget workshop. The suggestion was made to change the regular meeting time from 6 pm to 5 pm. **Commissioner Hosmer made the motion to approve the 2024 Schedule of Regular Board Meetings as revised; a vote was called, and the motion was carried unanimously.**

2018 CIP Engineering Services Agreement-Amendment 1 Mr. Walker explained that within the scope of work in this agreement that The Wooten Company had designed to connect a line from Malmo to Grayson Park; he explained that since then that area has had some new developments come in and the plans needed to be adjusted accordingly. Mr. Walker presented the amendment for the design changes and added survey work; he said the design would cost \$114,625 and surveying would cost \$11,394 **Commissioner Hosmer made the motion to approve the 2018 CIP Engineering Services Agreement-Amendment 1 as presented; a vote was called, and the motion was carried unanimously.**

Wooten Task Order 31-Amendment 1 Mr. Walker presented to the board the Wooten Company's Task Order 31-Amendment 1; he said this amendment was needed to accommodate changes in development plans for the Malmo Loop area. Mr. Walker explained that it was found there would be additional costs associated with wetlands and a woodpecker survey. **Commissioner McCoy made the motion to approve the Wooten Task Order 31-Amendment 1 as presented; a vote was called, and the motion was carried unanimously.**

East Lake Developers Agreement Mr. Walker explained that this agreement was previously presented and approved at the last meeting; he explained that since then the developer came back with some additional changes. Mr. Walker explained that the changes had to do with the restrictive conveyance and did not affect H2GO. **Commissioner Beer made the motion to approve the East Lake Developers Agreement as presented; a vote was called, and the motion was carried unanimously.**

AT&T Lease Agreement: It was stated that this item would be best suited for the Executive Session since it had to do with contract negotiations.

Truck Purchases Mr. Hook explained that previously the board had approved of purchasing a truck; he explained that when staff went to pay and pick up the truck, they were informed the truck had some major recalls and could not be sold. Mr. Hook explained that the dealership had an alternative option within the same price range; he explained that for transparency he wanted to inform the board of this change.

NEW BUSINESS:

Malmo Loop Regional Force Main and Water Line Ext Contract Award It was said that since this item was related to the Burnette Enterprise Bid that it would be better suited for the Executive Session under contract negotiations and possible litigation.

Purchase Order: Dumpster Screens A purchase order was presented to the board to upgrade the dewatering cans at the wastewater treatment plant. It was said the lowest quote was received from Gurkin Construction for \$49, 934.38. **Commissioner McCoy made the motion to approve the dumpster screens as presented; a vote was called, and the motion was carried unanimously.**

Cape Fear Council of Governments Proposal for District Voting Mr. Walker presented to the board a proposal from the Cape Fear Council of Governments to assist us in setting up district voting wards; it was said the proposal was broken up in three task orders and the total cost could be between \$5000 to \$10,000. It was said this would require an information campaign for our customers so that they will be well informed ahead of the next election. **Commissioner McCoy made the motion to accept the Cape Fear Council of Governments' Proposal with the understanding it would not exceed \$10,000; a vote was called, and the motion was carried unanimously.**

EXECUTIVE DIRECTOR'S REPORT:

RO Plant Update: Mr. Walker presented to the board the monthly usage report from the RO Plant. No additional comments were made.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT-OPERATIONS:

Mr. Lane reported that he had nothing to report.

ENGINEERING DIRECTOR'S REPORT

Magnolia at Mallory Creek Phase 3 Performance Guarantee Ms. Weber presented to the board a performance guarantee for Magnolia at Mallory Creek Phase 3. Commissioner Hosmer made the motion accept the performance guarantee as presented; a vote was called, and the motion was carried unanimously.

Compass Point Phase 22 Sec 1 Deed of Dedication
Evolve at Waterford Phase 1 Deed of Dedication
Westport Lofts Deed of Dedication
Liberty Cottages at Brunswick Forest Deed of Dedication

Ms. Weber presented to the board several Deeds of Dedications. Mr. Coble stated that they were all found to be in order; he suggested making the description for Evolve more descriptive in that it only reference a map rather than stating what it was deeding and dedicating. It was said this one was slightly different in that it had common areas rather than just lots and roads. Mr. Coble suggested changing the template to accommodate common area scenarios.

Commissioner Hosmer made the motion to accept each deed of dedication as presented, apart from Evolve at Waterford Phase 3; Evolve will be accepted contingent upon the suggested changes made according to legal council's direction; a vote was called, and the motion was carried unanimously.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT-ADMINISTRATION:

FY2024 Fund 50 Budget Ordinance Amendment: Mr. Hook explained that they had to move some money around to help cover the increase in the electricity bill. Commissioner Beer made the motion to approve the FY2024 Fund 50 Budget Ordinance Amendment as presented; a vote was called, and the motion was carried unanimously.

FY2024 Fund 23 Budget Ordinance Amendment: Commissioner Hosmer made the motion to approve the FY2024 Fund 23 Budget Ordinance Amendment as presented; a vote was called, and the motion was carried unanimously.

HUMAN RESOURCE DIRECTOR'S REPORT:

Monthly Report: Mrs. Meyer directed the board to her report; she explained that there was an employee appreciation dinner scheduled for Thursday, March 28, 2024, at 12 pm.

FINANCE OFFICER'S REPORT:

Check Register- February 1-29, 2024: The check register was presented; there was a brief discussion regarding the Core and Main check.

February Financial Report: Commissioner McCoy made the motion to approve the publication of the February Financial Report as presented; a vote was called, and the motion was carried unanimously. Commissioner Hosmer asked if staff could include an additional column on their copy to show the "YTD Budget."

COMMUNICATIONS DIRECTOR'S REPORT:

Monthly Report: Mrs. Blair directed the board to her monthly report; she explained that she included a summary of the social media posts and the Google overview. Mrs. Blair informed the board that she had a page in the upcoming Leland Magazine on Irrigation.

Members of the board expressed they liked the staff recognition post on social media.

ATTORNEY'S REPORT:

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

INFORMAL DISCUSSION:

No additional comments were made.

EXECUTIVE SESSION:

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

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

It was stated that there was nothing to report out of the executive session.

Commissioner Hosmer made the motion to approve the AT&T Lease Agreement as presented; a vote was called, and the motion was carried unanimously.

Commissioner Beer made the motion to award the contract to TA Loving for the Malmo force main project in the amount of \$2,805,000 as presented; a vote was called, and the motion was carried unanimously.

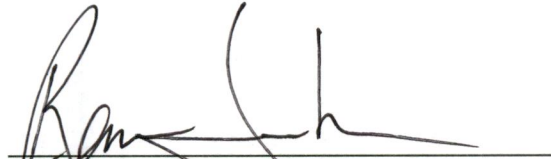
Commissioner Hosmer made the motion for the board to accept Mr. Burnette's explanation to withdraw his bid. Discussion ensued. Members of the board expressed their concerns. A vote was called, and the motion was carried unanimously.

ANNOUNCEMENT OF NEXT MEETING:

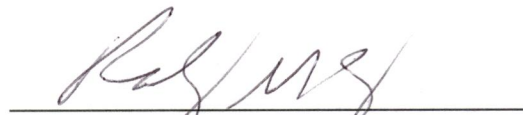
Chairman Jenkins announced the next Regular Board Meeting to be April 17, 2024, to be located at the Training Room of the Reverse Osmosis Water Treatment Plant, at 4 p.m.

ADJOURNMENT:


Commissioner Laub made the motion to adjourn the meeting at 7:19 p.m., a vote was called, and the motion was carried unanimously.



Ronnie Jenkins, Chairman



Rodney McCoy, Secretary



Deana Greiner, CMC Clerk to Board



Date of Approval