

BRUNSWICK REGIONAL WATER & SEWER H2GO  
REGULAR BOARD MEETING  
WEDNESDAY MAY 17, 2023

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, 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, Ken Brown, Finance Officer, Dave Pinette, Human Resource 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 a Deed of Dedication for Westgate Townhomes, a Surety Bond for Brunswick Forest Phase 3 Sec 3C, and a Surety Bond for Brunswick Forest Phase 9 Sec 3A to New Business. Mr. Walker requested to add discussion on a H2GO Administration Offices Memorandum and a RFQ for Architectural/Engineering Services to his report. Commissioner Hosmer made the motion to approve the agenda as amendment; a vote was called, and the motion was carried unanimously.

PUBLIC HEARING: FY2023-2024 BUDGET

Commissioner McCoy made the motion to open the public hearing to hear comments regarding the proposed FY2023-2024 Budget; a vote was called, and the motion was carried unanimously.

No comments were made nor submitted.

Commissioner Beer made the motion to close the public hearing to hear comments regarding the proposed FY2023-2024 Budget; a vote was called, and the motion was carried unanimously.

## WADE GREENE FY2022 AUDIT PRESENTATION

Mr. Wade Greene presented to the board the FY2022 Budget Audit, which is hereby incorporated and made a part of these minutes as Exhibit A. Mr. Walker wanted to clarify one item; it was said that the audit shows a lot of cash on hand; he clarified that most of that cash is in capitol reserves and is already allocated for several capital improvement projects. There was a brief discussion on the audit being late. Mr. Greene explained there is a huge backlog across the State. Mr. Greene said that as of right now there is no penalty; he said however the State Auditor is trying to propose one.

## CONSENT AGENDA:

Commissioner Beer made the motion to approve the consent agenda which consisted of the April 19, 2023, Regular Board Meeting Minutes and May 1, 2023, Budget Workshop Minutes as presented. A vote was called, and the motion was carried unanimously.

## COMMISSIONERS REPORT:

Commissioner Hosmer mentioned an email he received from a customer needing help with their bill; he explained that Mrs. Blair had responded to them on a Saturday; leaving the customer happy and satisfied. Commissioner Hosmer gave Mrs. Blair kudos for going above and beyond by responding at a time she didn't have to. Commissioner Laub mentioned that with rising temperatures more customers were asking about the RO Plant; he cautioned everyone about responding too much. Commissioner Laub said that the more we respond the more we give room for debate and negativity. Commissioner McCoy asked about putting out an information piece on the well pumps; he suggested showing customers a comparison so they know the difference between what we were using versus what customers would use at their house.

## PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments. No patrons came forth.

## OLD BUSINESS:

*None discussed.*

## NEW BUSINESS:

*Deed of Dedication: Magnolia at Mallory Creek Phase 1*

*Deed of Dedication: Compass Pointe Phase 1 Sec 5B Lots 1-18*

*Deed of Dedication: Westgate Exchange*

*Deed of Dedication: Westgate Townhomes*

Mr. Walker presented several deeds of dedication to the board; he explained that all was found to be in order for each of these documents. Commissioner Hosmer made the motion to

approve the deed of dedication for Magnolia at Mallory Creek Phase1, Compass Pointe Phase 1 Sec 5B Lots 1-18, Westgate Exchange, and Westgate Townhomes as presented; a vote was called, and the motion was carried unanimously.

*Deed of Dedication: Lowes Home Improvement* Mr. Walker explained that the deed of dedication for Lowes Home Improvement was a little different in that the infrastructure was not in a public right of way. Mr. Walker said the only thing we were waiting for was for them to record their plat map. Commissioner Beer made the motion to approve the deed of dedication for Lowes Home Improvement contingent upon them getting their map recorded; a vote was called, and the motion was carried unanimously.

*Surety Bond: Brunswick Forest Phase 3 Sec 3C*  
*Surety Bond: Brunswick Forest Phase 9 Sec 3A*

Mr. Walker presented to the board a surety bond for Brunswick Forest Phase 3 Sec 3C; he said this was to replace a letter of credit we had already received. It was said the surety bond was more valuable in that it can be collected easier if the need arises. Mr. Walker also presented to the board a surety bond for Brunswick Forest Phase 9 Sec 3A. Commissioner McCoy made the motion to accept both surety bonds for Brunswick Forest Phase 3 Sec 3C and Brunswick Forest Phase 9 Sec 3A as presented; a vote was called, and the motion was carried unanimously.

#### EXECUTIVE DIRECTOR'S REPORT:

*RO Water Treatment Project Update:* Mr. Walker explained that we were still waiting on one pump. Mr. Walker said that with or without the pump the plant will be certified for operation next week. There was a brief discussion on a ribbon cutting ceremony; it was said that an official ribbon cutting ceremony will come later. It was said that once the plant became operational, we would flush for a week and then take samples. It was said that between flushing and the daily demand that it would take no time to turn over the water in the storage tanks. There was a brief discussion on the pressures in Compass Pointe; it was said that models show there should be 50 psi in Compass Pointe. It was also said that the pressure will be monitored and that we have chart recorders in place throughout Compass Pointe.

*H2GO Administration Offices Memorandum* Mr. Walker presented to the board a memorandum that outlined various options for office expansion. Mr. Walker said that given the cost estimates and the need vs growth over the next 10 years, it would be more cost effective to plan for a whole new campus. It was suggested that a new office building could be made multi story; with unfinished floors to allow for future growth; it was also suggested that the unused floors could be rented office space until it is needed. There was a brief discussion on if we went with building a new campus that we would sale the current office location.

Mr. Brown explained to the board that without expanding our office as originally planned, we will be saving \$1.3 million in next year's proposed budget. It was also explained that because we are in contract with the rented space in Waterford, we could go ahead and hire the positions we need. It was said that we are trying to plan ahead to keep our staff working effectively and efficiently as possible with all the growth in this area. Mr. Walker explained that currently we have close to 15,000 customers and with the incoming projects we could be looking at an additional 15,000 customers in the next few years.

*RFQ for Architectural/Engineering Services* Mr. Walker presented to the board an RFQ for Architectural/Engineering Services for a new H2GO campus. It was said the new campus would be on land already owned by H2GO on Poole Road across from the RO Plant. Commissioner Hosmer made the motion to approve sending out the RFQ for Architectural/Engineering Services as presented; discussion ensues. Commissioner Beer questioned if we should proceed with this; he pointed out that in the next five years we have several big-ticket items coming. It was said the wastewater treatment plant expansion would cost around \$125 million and a RO Plant Expansion will cost around \$5 to \$10 million. It was said that 75% of those costs is paid for by system development fees. Back to the motion, a vote was called, and the motion was carried unanimously.

#### ASSISTANT EXECUTIVE DIRECTOR'S REPORT-OPERATIONS:

Mr. Lane stated that he had nothing to report.

#### ASSISTANT EXECUTIVE DIRECTOR'S REPORT-ADMINISTRATION:

It was said that Mr. Hook was away at the Rural Water Conference in Winston Salem.

#### FINANCE OFFICER'S REPORT:

Mr. Brown explained that with plans to proceed in engineering/designing a new campus that he wanted to make sure the proposed budget reflected that. Mr. Brown presented the board with the updated draft budget and asked the board to approve it as a draft. Commissioner Hosmer made the motion to approve the proposed changes to the draft budget as presented; a vote was called, and the motion was carried unanimously.

*Check Register- April 1-30, 2023:* No comments made.

*April Financial Summary:* Commissioner McCoy made the motion to post the April Financial Summary to the website as presented; a vote was called, and the motion was carried unanimously.

*FY 2023 Budget Ordinance Amendment:* Mr. Brown presented to the board a budget ordinance amendment; he explained that money was being moved around to cover monies paid to Brunswick County for water usage; he also mentioned that we received \$2.1 million in system development fees. Commissioner Beer made the motion to approve the budget ordinance amendment as presented; a vote was called, and the motion was carried unanimously.

*Thompson Price Scott Adams & Co PA Contract:* Mr. Brown presented to the board a contract for auditing services for Thompson, Price, Scott, Adams, & Co; he said the cost will be \$17,500 per year for three years. It was said the cost would not go up year to year unless there was an unforeseen special circumstance. There was a brief discussion on whether the State would impose a fine for submitting the audit late and whose responsibility it should be to pay that fine. It was suggested that we check with Thompson Price Scott Adams & Co and negotiate this item with them before accepting the contract.

*AIA Grant Fund 11*  
*AIA Grand Fund 12*

Mr. Brown presented to the board Fund 11 and Fund 12 to set up budgeting accounts for the AIA Grant monies. Commissioner Hosmer made the motion to approve AIA Grant Fund 11 and AIA Grant Fund 12 as presented; a vote was called, and the motion was carried unanimously.

#### COMMUNICATIONS DIRECTOR'S REPORT:

It was said that Mrs. Blair was away at the Rural Water Conference in Winston Salem.

#### ATTORNEY'S REPORT:

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

#### INFORMAL DISCUSSION:

Mr. Walker mentioned that the representative from the Lower Cape Fear River Monitoring Program contacted him about holding their quarterly meeting at our RO Plant, which will be next Tuesday in our Training Room. Mr. Walker explained that this group is responsible for taking samples along the river from those who hold NPDES permits; he explained that they take samples from our discharge pipes to help us monitor our commix. Mr. Walker explained that we will provide them with a box luncheon and give them a tour of our RO Plant.

Mr. Walker mentioned a Teams call with John Nichols; he explained the conversation. Mr. Walker said he told Mr. Nichols that two years ago they had discussed service areas and tried to establish boundaries, so to speak between the county and H2GO. Mr. Walker stated that he asked Mr. Nichols to resume those discussions; he said Mr. Nichols told him that those conversations can only happen if H2GO's board wrote a letter to the Brunswick County Commissioners stating such. The board generally agreed for a letter to be drafted.

The County's Wastewater Treatment Plant expansion was mentioned; it was said that we are often invited to the table for input after the fact. There was concern expressed on how much of the needed expansion would be H2GO's responsibility. It was said that since we have found and fixed a lot of the I and I that we have not even started using our allocation amounts from the previous expansion.

#### EXECUTIVE SESSION:

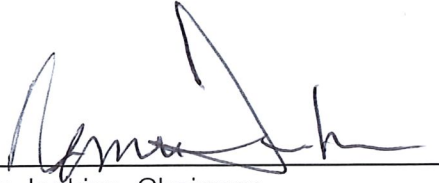
It was said there was no need for an executive session.

#### ANNOUNCEMENT OF NEXT MEETING:

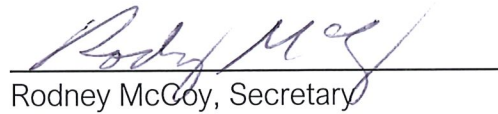
Chairman Jenkins announced the next Regular Board Meeting to be June 21, 2023, at 6 p.m.; he said the meeting will be located at Belville Town Hall. Commissioner Laub stated that he will not be in attendance for the June meeting. It was also said that Mr. Walker will not be present for the June meeting.

ADJOURNMENT:

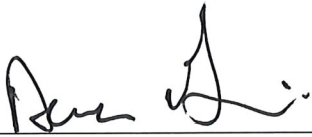
Commissioner Beer made the motion to adjourn the meeting at 7:46 p.m., a vote was called, and the motion was carried unanimously.



Ronnie Jenkins, Chairman



Rodney McCoy, Secretary



Deana Greiner, CMC Clerk to Board

6/21/23

Date of Approval



**Brunswick Regional  
Water and Sewer**

**Audit Presentation**

Fiscal year ending  
June 30, 2022

# 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, 2022, 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.

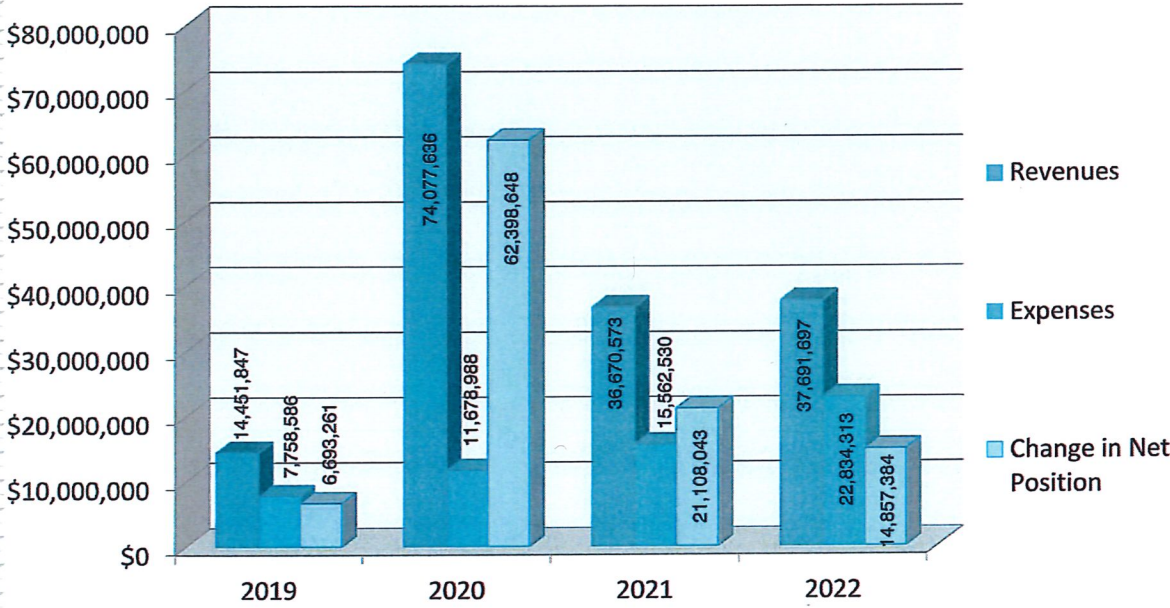


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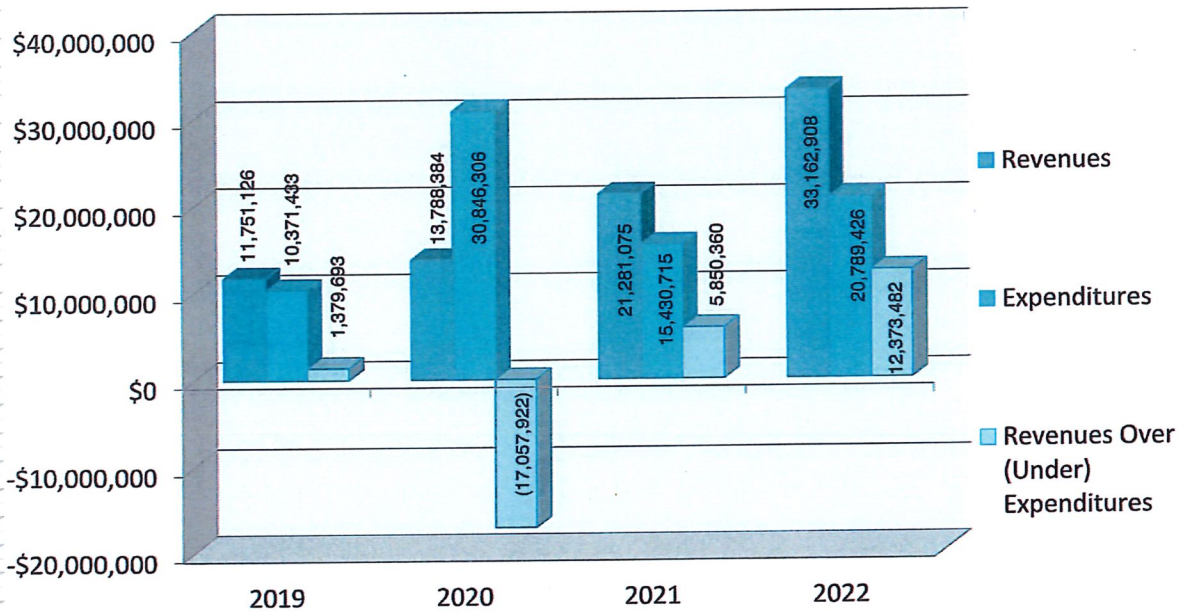
## Financial Highlights

- Assets and deferred outflows exceeded liabilities and deferred inflows by \$109,913,943
- Total Net Position increased by \$14,857,384
- Total debt decreased by \$3,195,005

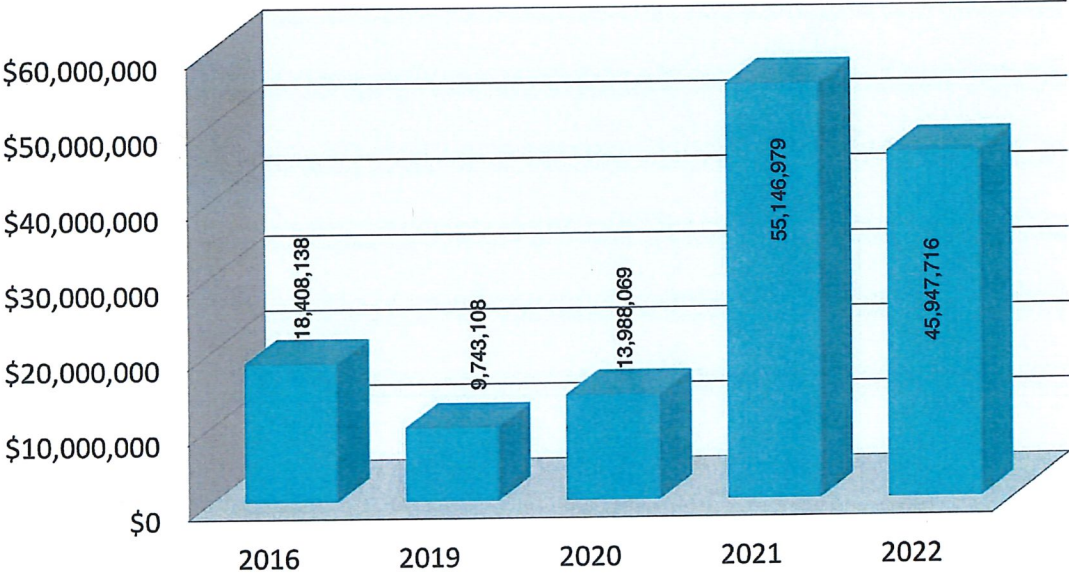
### Statement of Revenues, Expenses, and Changes in Fund Net Position (Accrual Basis)



## Water and Sewer Fund Revenues and Expenditures

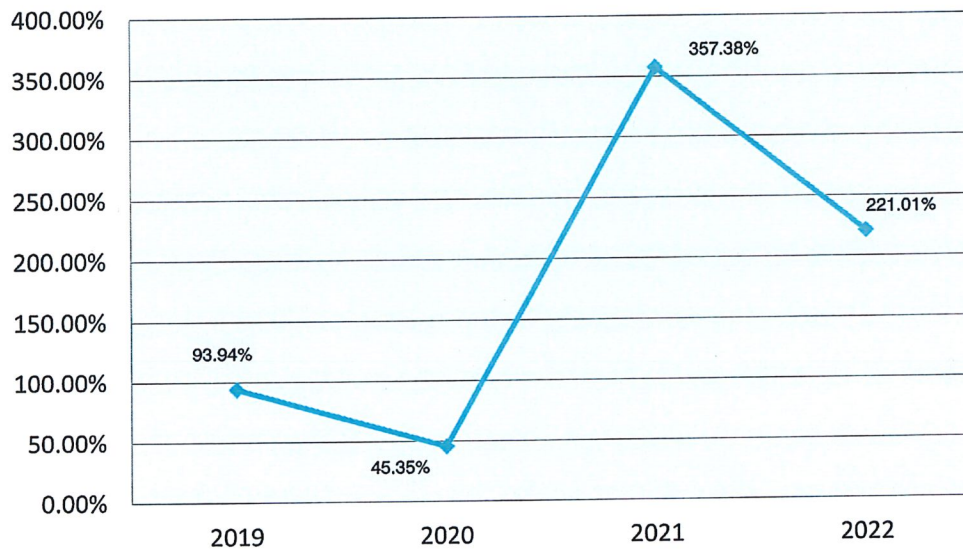


# Water and Sewer Fund Fund Balance Available

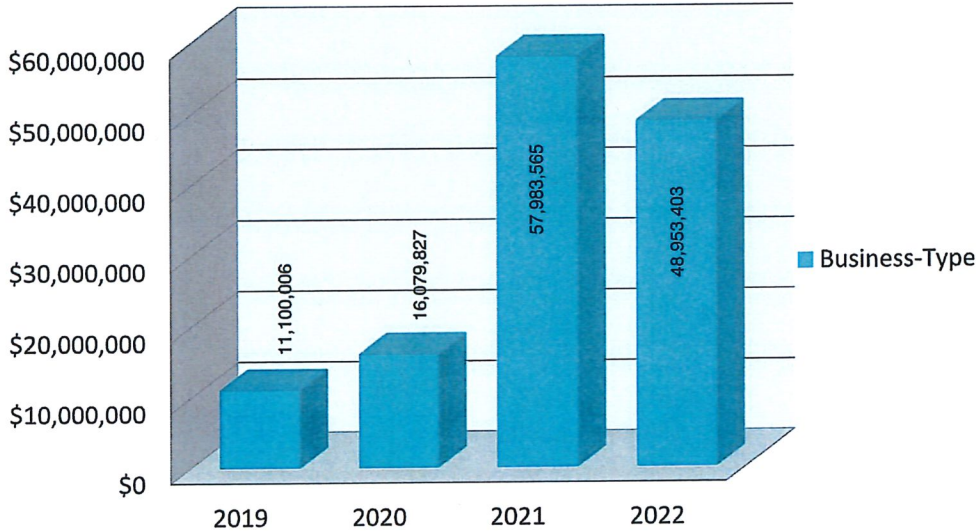


## Water and Sewer Fund

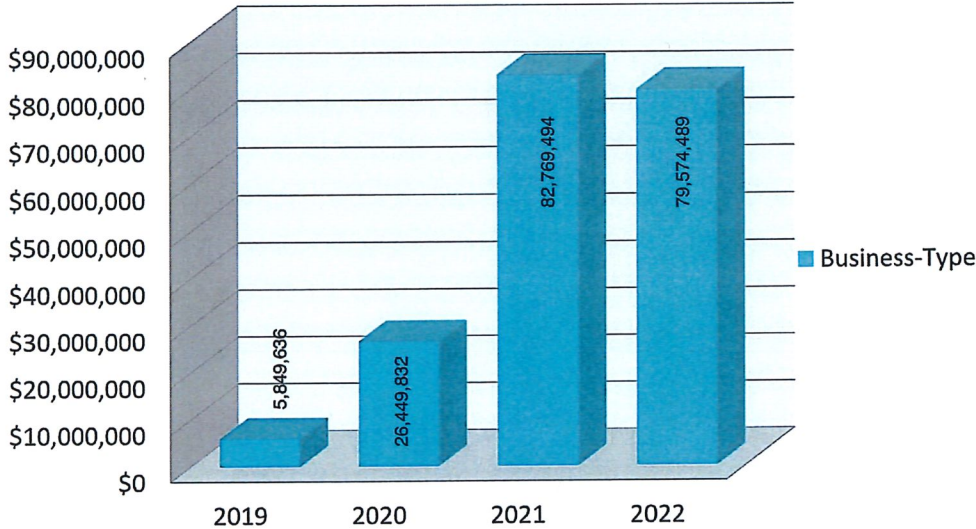
FUND BALANCE AVAILABLE AS A PERCENTAGE OF EXPENDITURES



# Cash



# Long-Term Debt



## Other Matters

- Appreciation of cooperation and assistance extended by Scott Hooks, 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 —

Wade Greene, CPA, CFE  
W Greene, PLLC  
251 Washington Street  
Post Office Box 160  
Whiteville, NC 28472  
Email: [wgreene@greenecocpa.com](mailto:wgreene@greenecocpa.com)  
Telephone: (910) 207-6564