

BRUNSWICK REGIONAL WATER & SEWER H2GO  
REGULAR BOARD MEETING  
WEDNESDAY NOVEMBER 13, 2024

OFFICIAL MINUTES

CALL TO ORDER:

Chairman Ronnie Jenkins called the meeting to order at 5:00 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 were Bob Walker, Executive Director, Russ Lane, Assistant Executive Director-Operations, Scott Hook, Assistant Executive Director-Administration, Ken Brown, Finance Director, Jennifer Philips, Deputy Finance Director, 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 Mr. Steve Coble with Coble Law Firm.

DISCUSSION/ADJUSTMENT OF AGENDA:

Chairman Jenkins asked if there were any adjustments to the agenda. Mr. Ken Brown requested to add Fund 23 Budget Ordinance to the Finance Report; Ms. Adrianna Webber requested to add 2025-10 Task Order- Weirs Lift Station to the Engineering Report. Commissioner Beer made the motion to approve the agenda as amended. A vote was called, and the motion was carried unanimously.

PRESENTATION OF THE FY2024 BUDGET AUDIT:

Mr. Alan Thompson with Thompson, Price, Scott, Adams and Co presented the board the FY2024 Budget Audit. Mr. Thompson stated that there were no findings and that H2GO was financially in excellent shape. A copy of the summarized audit report is hereby incorporated and a made a part of these minutes as Exhibit A.

CONSENT AGENDA:

Commissioner Hosmer made the motion to approve the consent agenda which consisted of October 16, 2024, Regular Board Meeting Minutes, November 4, 2024, Special Meeting Minutes, the October 1-31, 2024, Check Register, the Grayson Park Phase 3B Deed of Dedication, and the Pinewood Phase 1 Section 1B Deed of Dedication. A vote was called, and the motion was carried unanimously.

COMMISSIONERS REPORT:

The commissioners each stated they had nothing to report.

## PUBLIC COMMENTS:

Chairman Jenkins opened the floor for public comments.

David Chianese of 3037 Eno Lane: Mr. Chianese thanked the board for meeting with them; he stated that he had not heard back from anyone and was wondering if the board had any answers to their request. Mr. Chianese reminded the board that they had asked for a refund and a change in billing. Chairman Jenkins assured Mr. Chianese that he would receive a response by the end of the week.

## OLD BUSINESS:

No business discussed.

## NEW BUSINESS:

*Resolution 2024-11-1 To Establish Voting Districts:* Mr. Walker presented to the board a resolution for them to establish voting districts as laid out by the recently passed legislation. It was said that the districts would follow staggered start times to coincide with the staggered terms. After a brief discussion on the different maps, Commissioner Hosmer made the motion to accept Alternate 1 Map. A vote was called, and the motion was carried unanimously. Commissioner Beer made the motion to approve Resolution 2024-11-1 as written; a vote was called, and the motion was carried unanimously.

*Surplus Personal Property Policy:* It was explained that this policy was to set guidelines for the destruction and or sale of decommissioned property. Commissioner McCoy made the motion to approve the Surplus Personal Property Policy as written; a vote was called, and the motion was carried unanimously.

*Resolution 2024-11-2 Surplus Personal Property:* Mr. Hook presented to the board a resolution to surplus personal property, five trucks as per the Surplus Personal Property Policy. It was said that these vehicles would be auctioned off on GovBids.com. Commissioner Hosmer made the motion to approve Resolution 2024-11-2 Surplus Personal Property as written; a vote was called, and the motion was carried unanimously.

## EXECUTIVE DIRECTOR'S REPORT:

*Introduction: Leah Bradley with inSea Creations:* Mr. Walker introduced Leah Bradley with inSea Creations; he explained that she will be working with us for marketing and communications. It was said that she would be working on contract and not as an employee. The board asked that we add Communications Report back to the agenda.

*Update-2023 BRIC Grant-Navassa Road Lift Station Relocation:* Mr. Walker gave the board an update on the 2023 BRIC Grant for the Navassa Road Lift Station Relocation; he said we have not received an official award, but it was posted online that we should be awarded this grant.



## ASSISTANT EXECUTIVE DIRECTOR'S REPORT-ADMINISTRATION:

*Quote from Ferguson-MXUs* Mr. Hook presented the board with a quote from Ferguson to purchase MXUs. Commissioner Laub made the motion to accept the quote from Ferguson to purchase MXUs for \$515,069.61 as presented; a vote was called, and the motion was carried unanimously.

Mr. Hook took a moment to congratulate Ken and Jennifer Phillips for all their hard work in getting the audit done; he said this was the first year in a few years that we were able to meet the deadline.

## HUMAN RESOURCE DIRECTOR'S REPORT:

*Monthly Report:* Mrs. Meyer stated that her monthly report was included in the agenda packet; she pointed out that we had one new employee hired, Tammi Clarke as Billing Manager. Mrs. Meyer invited the board to the Christmas Luncheon on December 12, 2024, at 12 p.m. located at the maintenance shop on Village Road.

## FINANCE OFFICER'S REPORT:

*FY2025 Budget Ordinance to Close Various Funds* Mr. Brown presented the board with a budget ordinance to close various funds for projects completed. Commissioner Laub made a motion to approve the FY2025 Budget Ordinance to Close Various Funds as presented; a vote was called, and the motion was carried unanimously.

*FY2025 Fund 50 Budget Ordinance Amendment* Mr. Brown presented the board with a budget ordinance amendment for Fund 50. Commissioner McCoy made the motion to approve FY2025 Fund 50 Budget Ordinance Amendment as presented; a vote was called, and the motion was carried unanimously.

*FY2025 Fund 48 Budget Ordinance Amendment* Mr. Brown presented the board with a budget ordinance amendment for Fund 48. It was said that money was being moved out of contingency to cover some increases in the construction contract. Commissioner Beer made the motion to approve FY2025 Fund 48 Budget Ordinance Amendment as presented; a vote was called, and the motion was carried unanimously.

*FY2025 Fund 33 Budget Ordinance* Mr. Brown presented to the board a new budget ordinance creating Fund 33; he said these monies would come out of the System Development Fees. Commissioner Hosmer made the motion to approve the FY2025 Fund 33 Budget Ordinance as presented; a vote was called, and the motion was carried unanimously.

## ASSISTANT EXECUTIVE DIRECTOR'S REPORT-OPERATIONS:

Mr. Lane Reported that he had nothing to report.

## ENGINEERING DIRECTOR'S REPORT

*4<sup>th</sup> RO Train, Cartridge Filter, and Calcite Vessel Design Task Order—Wooten Company* Ms. Weber presented to the board a task order for the Wooten Company for the 4<sup>th</sup> RO Train. It was said this task order would cover permitting, design, and engineering for this project. There were questions on using the Wooten Company; it was said that the Wooten Company was the engineering group that did the RO Plant originally and it would be more cost efficient for them to continue with this upgrade. Commissioner McCoy made the motion to approve the Task Order to the Wooten Company as presented; a vote was called, and the motion was carried unanimously.

*Well Site Generators Purchase—Curtis Powers* Ms. Weber presented to the board a purchase order for the generators for Well Sites 6, 7, and 8; she explained that this would be sole source purchase. Commissioner Hosmer made the motion to approve the purchase order for the generators for Well Sites 6, 7, and 8 as presented; a vote was called, and the motion was carried unanimously.

*TA Loving Contract Change Order 2- PO 25-00625* Ms. Weber presented a change order for the TA Loving Contract; she explained that there were some modifications made to the fencing due to some design changes. Commissioner Beer made the motion to approve the TA Loving Contract Change Order as presented, a vote was called, and the motion was carried unanimously.

*Pinewood Cannon Phase 1B Performance Guarantee Release* Ms. Weber asked that the board approve the release of the performance guarantee for Pinewood Cannon Phase 1B. Commissioner McCoy made the motion to approve the release of the performance guarantee for Pinewood Cannon Phase 1B as presented; a vote was called, and the motion was carried unanimously.

*2025-10 Task Order: Wiers Lift Station* Ms. Weber presented to the board a task order for the Wiers Lift Station from Withers and Ravenel for the design and hydraulic model. Commissioner Hosmer made the motion to approve the task order for the Wiers Lift Station as presented; a vote was called, and the motion was carried unanimously.

## ATTORNEY'S REPORT:

Mr. Coble stated he had nothing to report.

## INFORMAL DISCUSSION:

No discussion occurred.

## EXECUTIVE SESSION:

Commissioner Beer 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); and to discuss



Personnel, pursuant to NCGS 143-318.11 (6), 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.

There was nothing to report out of the executive session.

There was brief discussion on giving a bonus to employees for Christmas. It was said that the amount was increased in recent years due to unforeseen hardships that went on during the past few years; it was said that employees should not expect this amount every year.

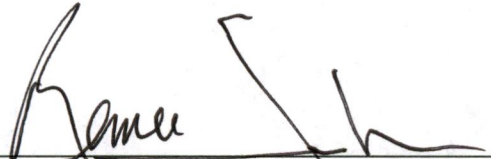
Commissioner Hosmer made the motion to approve giving the employees a \$500 Christmas Bonus; a vote was called, and the motion was carried unanimously.

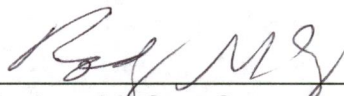
ANNOUNCEMENT OF NEXT MEETING:

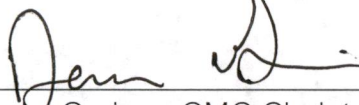
Chairman Jenkins announced the next Regular Board Meeting to be December 18, 2024, to be located at the Training Room of the Reverse Osmosis Water Treatment Plant, at 5 p.m.

ADJOURNMENT:

Commissioner Beer made the motion to adjourn the meeting at 6:29 p.m., a vote was called, and the motion was carried unanimously.

  
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Ronnie Jenkins, Chairman

  
\_\_\_\_\_  
Rodney McCoy, Secretary

  
\_\_\_\_\_  
Deana Greiner, CMC Clerk to Board

12-18-24  
\_\_\_\_\_  
Date of Approval

# **Brunswick Regional Water & Sewer H2GO**

# Brunswick Regional Water & Sewer H2GO

## Presentation of Audit Results

Fiscal Year Ended  
June 30, 2024

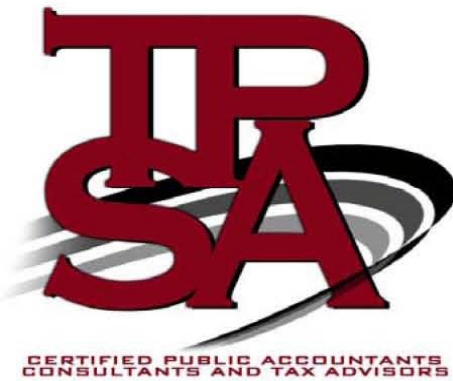


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**Brunswick Regional  
Water & Sewer H2GO  
Presentation Agenda**

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IV. QUESTIONS AND COMMENTS	
V. CLOSE	





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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

October 11, 2024

To the Board of Commissioners  
Brunswick Regional Water & Sewer H2GO  
Leland, North Carolina

We have audited the financial statements, the business-type activities of the Brunswick Regional Water & Sewer H2GO for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated April 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Brunswick Regional Water & Sewer H2GO are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimate(s) affecting the financial statements.

The financial statement disclosures are neutral, consistent and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 11, 2024.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Additional monitoring of the use of District assets and the use of vacation and sick leave should be considered by the governing board.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Please ensure that management and the Board are aware of the new GASB pronouncements for the upcoming fiscal year. Be especially mindful of GASB No. 101: *Compensated Absences*, as the implementation of this standard may take a significant amount of time and resources to gather the necessary information. If the proper resources are not allotted for the implementation of this standard, this could potentially cause a significant delay in the completion of the upcoming audit.

This information is intended solely for the information and use of the Members of the Board of Commissioners and management of the Brunswick Regional Water & Sewer H2GO, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Thompson, Price, Scott, Adams & Co., P.A.*

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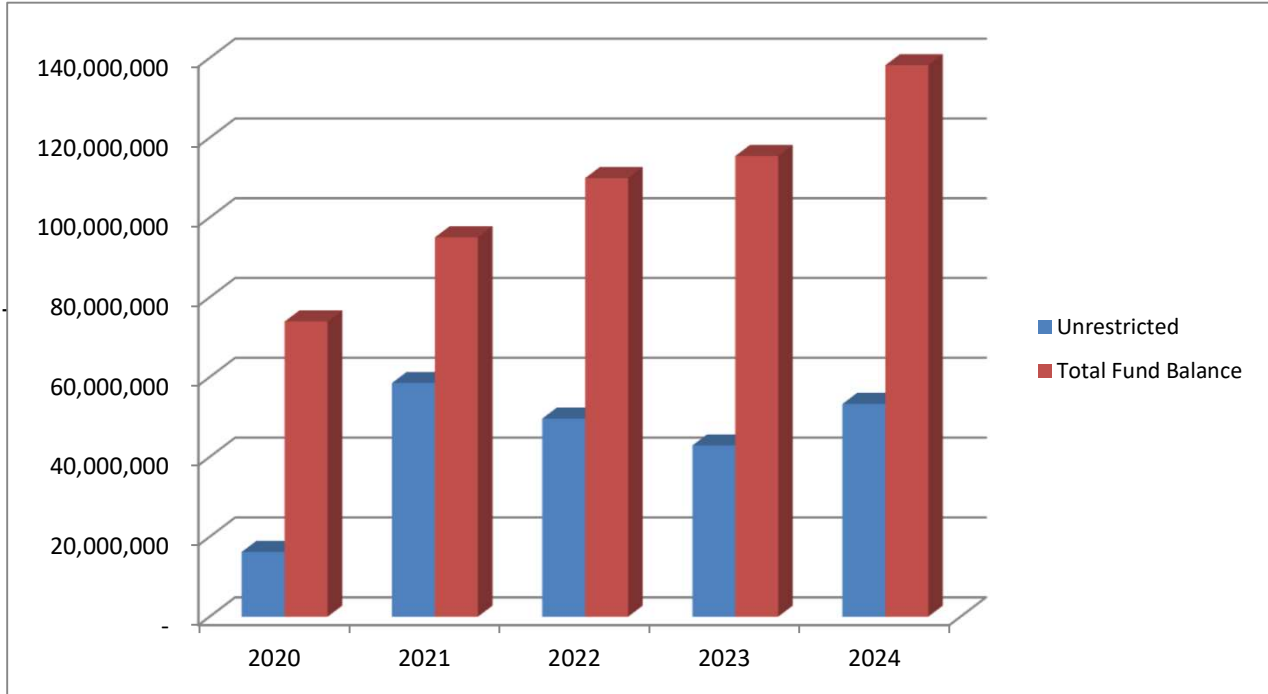
Thompson, Price, Scott, Adams & Co., P.A.



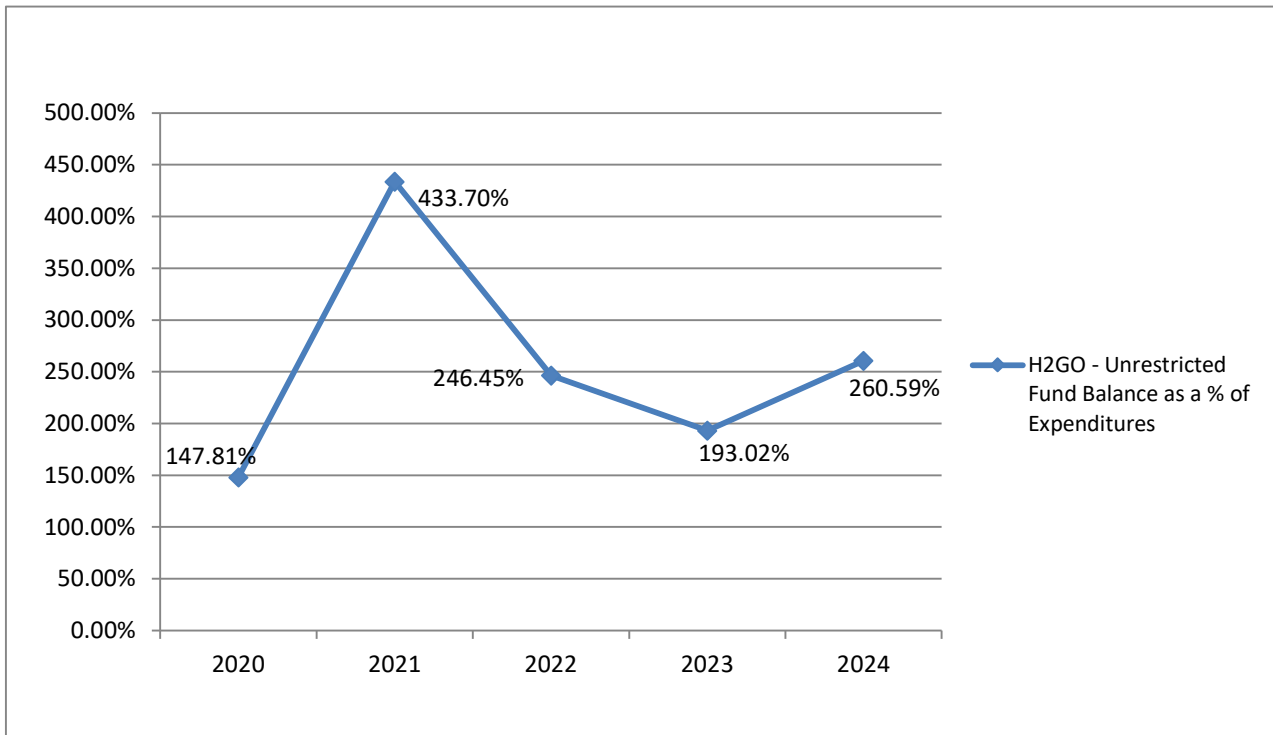
Exhibit A-Nov 13 2024 Minutes

<b>Brunswick Regional Water &amp; Sewer H2GO</b>					
FINANCIAL INFORMATION FOR 5 YEARS					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Invested in Capital Assets, Net of Related Debt	84,907,157	72,554,953	60,279,438	36,507,467	57,711,152
Restricted	-	-	-	-	-
Unrestricted	53,296,890	42,895,700	49,634,505	58,549,092	16,237,364
<b>Total Net Assets</b>	<b>138,204,047</b>	<b>115,450,653</b>	<b>109,913,943</b>	<b>95,056,559</b>	<b>73,948,516</b>
Expenditures (including principal payments on debt, depr. and capital outlay, excluding lawsuit)	20,452,264	22,223,745	20,139,948	13,499,757	10,985,056
Fund Balance Available as % of Fund Expenditures	260.59%	193.02%	246.45%	433.70%	147.81%
Revenues over (under) expenditures before transfers	10,764,080	5,536,710	14,857,384	21,108,043	62,398,648
Cash vs. Accumulated Depreciation					
Total Fixed Assets	124,125,051	111,732,851	100,797,266	77,278,431	62,857,260
Accumulated Depreciation	25,200,956	22,018,923	20,034,377	18,298,051	14,903,573
Cash	52,618,859	42,064,745	48,953,403	57,983,565	16,079,827
Cash vs. Fund Balance					
Cash	52,618,859	42,064,745	48,953,403	57,983,565	16,079,827
Net Assets - Water/Sewer Fund	138,204,047	115,450,653	109,913,943	95,056,559	73,948,516
Breakdown of Revenues					
Charges for Services	15,354,411	14,132,147	13,257,059	9,309,625	7,413,695
System Development Fees	-	-	-	-	1,192,160
Administrative Fees	58,240	52,867	62,585	51,460	38,420
Impact Fees	80,960	483,340	905,340	891,215	-
Irrigation Fees	2,371,079	2,251,832	2,265,541	1,668,470	1,310,232
Meter Purchase and Taps	762,615	461,715	709,406	363,677	245,944
Recovery Fees	11,200	61,600	122,980	107,700	150,600
Penalties and Late Fees	11,212	68,130	38,825	14,134	91,538
Other Operating Revenues	12,096,839	15,537,119	16,740,976	9,715,600	4,430,678
<b>Total</b>	<b>30,746,556</b>	<b>33,048,750</b>	<b>34,102,712</b>	<b>22,121,881</b>	<b>14,873,267</b>
Breakdown of Expenditures					
Administration Expenses	5,318,156	3,913,262	3,093,799	3,235,006	2,835,840
Water Distribution	4,037,511	8,885,115	8,956,388	3,400,478	3,269,225
Wastewater Collections	3,563,744	4,263,410	2,856,995	2,453,711	2,561,495
Wastewater Treatment	745,510	691,468	1,010,496	1,901,164	380,215
Instrumentation & Electrical	1,312,112	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Depreciation	3,182,033	1,984,546	1,736,326	1,391,231	1,233,448
Amortization	2,293,198	2,485,944	2,485,944	1,118,167	704,833
<b>Total</b>	<b>20,452,264</b>	<b>22,223,745</b>	<b>20,139,948</b>	<b>13,499,757</b>	<b>10,985,056</b>

### Brunswick Regional Water & Sewer H2GO Analysis of Fund Balance

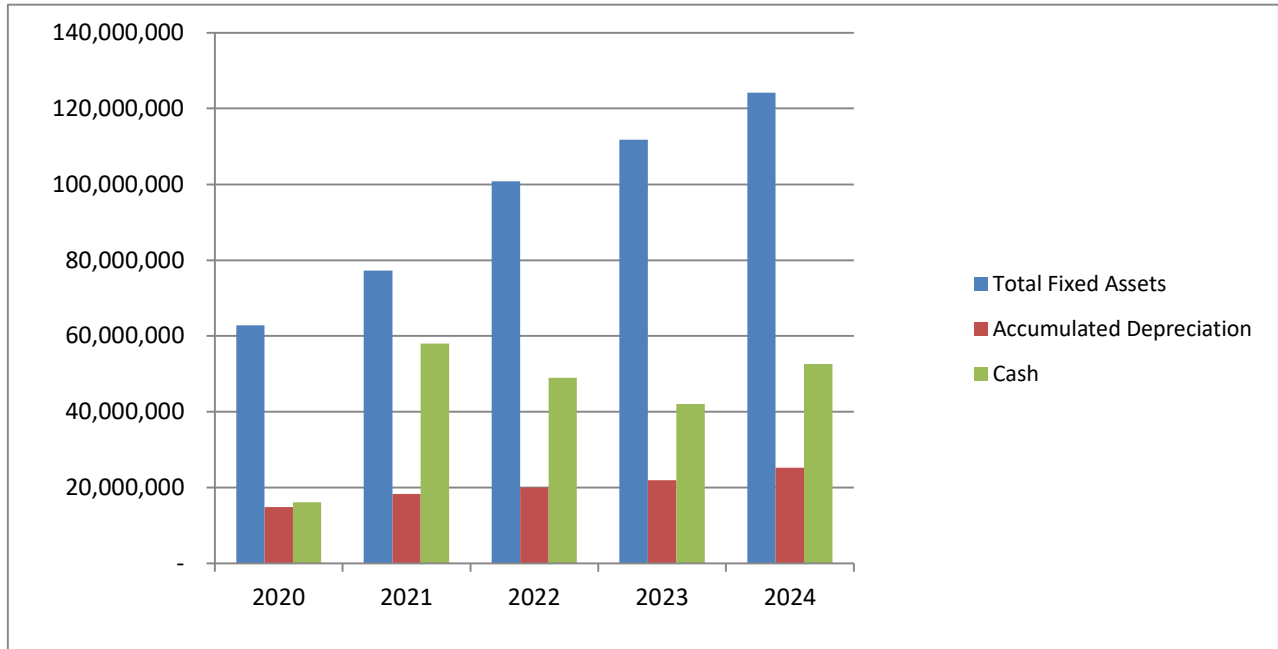


### Brunswick Regional Water & Sewer H2GO Analysis of Fund Balance Available



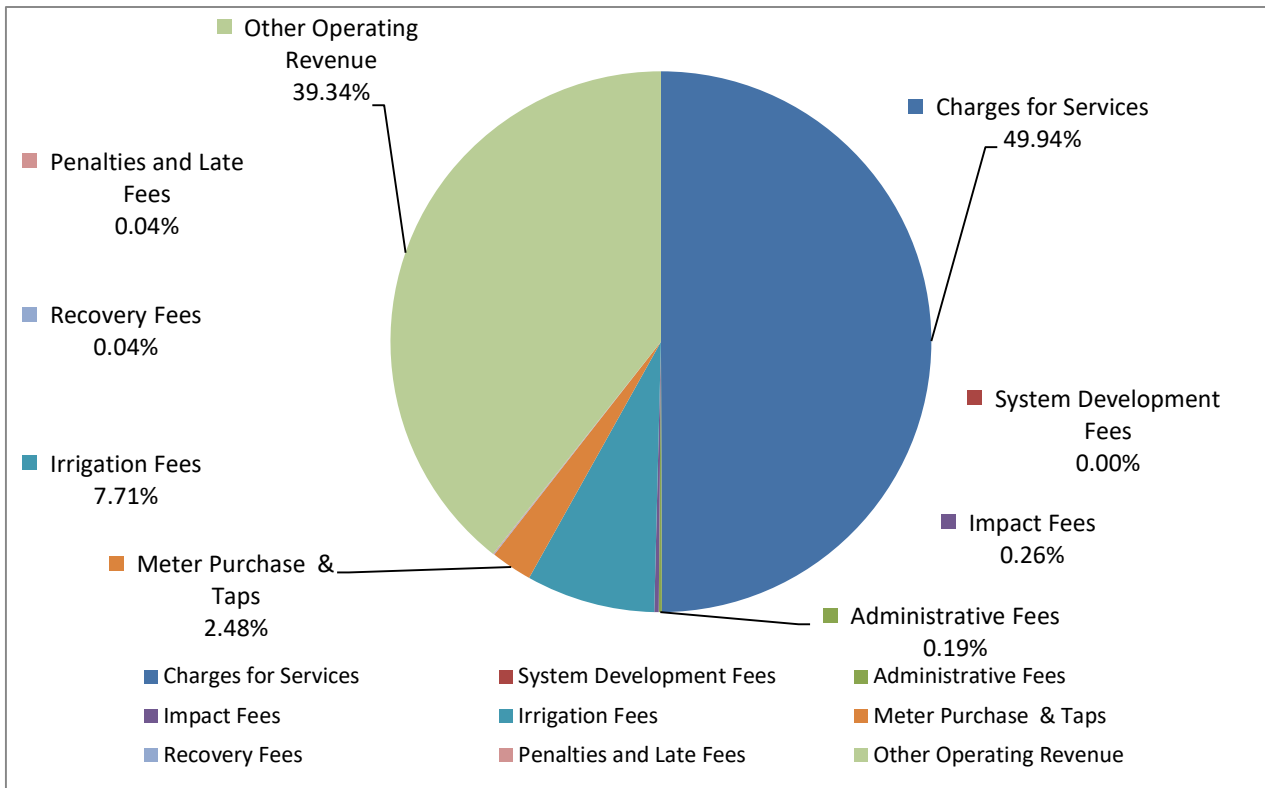
## Brunswick Regional Water & Sewer H2GO

### Cash vs. Accumulated Depreciation (Funded Depreciation)



## Brunswick Regional Water & Sewer H2GO

### Break Down of Revenues FYE June 30, 2024





## Brunswick Regional Water & Sewer H2GO Break Down of Expenditures FYE June 30, 2024

