

AGENDA
Lower Cape Fear Water & Sewer Authority
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina
8:00 a.m. – Finance Committee Meeting
February 12, 2024

MEETING CALL TO ORDER: Chairman Knight

PRESENTATION: Review/Interview with First Tryon for the LCFWASA Financial Advisor

DISCUSSION: Directors' Comments and Questions

ACTION/DIRECTION: Recommendation for approval of Financial Advisor

ADJOURNMENT



December 29, 2023



Request for Qualifications Submittal

First Tryon Advisors

SIMPLIFYING PUBLIC FINANCE

NORTH CAROLINA 704.926.2457 | 6101 Carnegie Blvd., Suite 210 | Charlotte, NC 28209

MARYLAND 410.267.8811 | 122 Severn Avenue | Annapolis, MD 21403

Lower Cape Fear Water and Sewer Authority



Office Location (Corporate Headquarters)
 6101 Carnegie Blvd, Suite 210
 Charlotte, NC 28209
 (704) 926-2457
<https://www.firsttryon.com/>

1. Letter of Transmittal

December 29, 2023

Mr. Tim H. Holloman, Executive Director
 Lower Cape Fear Water and Sewer Authority
 1107 New Pointe Blvd, Suite 17
 Leland, NC 28451

Dear Mr. Holloman,

On behalf of First Tryon Advisors, LLC (“First Tryon”), we are pleased to present our credentials to serve as Financial Advisor to Lower Cape Fear Water and Sewer Authority (“LCFWASA”). We have outlined several areas below and throughout our proposal that uniquely qualify First Tryon Advisors to meet the needs of LCFWASA. Additionally, as a Respondent to this RFQ, we acknowledge the following:

- The Respondent and Respondent’s key professionals do not have and do not anticipate a potential conflict of interest with LCFWASA.
- The Respondent acknowledges that all costs incurred by the Respondent in connection with responding to this RFQ shall be borne solely by the Respondent.

Throughout this document, there are references noted by “*” which means that we are referring to experience, transactions, etc. completed by First Tryon and First Tryon Securities, LLC (“First Tryon Securities”), a separate entity under common ownership with First Tryon.

First Tryon: First Tryon is a full-service financial advisory practice serving the needs of utility systems, state and local governments, school districts, independent K-12 schools, colleges & universities, special purpose districts, not-for-profit associations/foundations, charter schools, healthcare organizations, senior living communities, economic development agencies and transportation clients since 2014*.

Deep Bench of Professionals with Relevant Experience: First Tryon offers LCFWASA a client-first advisory platform led by a team of 13 professionals located within North Carolina. The team to be assigned to LCFWASA has extensive advisory experience working with utility systems within North Carolina and throughout the region. First Tryon currently provides advisory services to more than 125 clients throughout North Carolina and has developed positive relationships with other public finance professionals, lending partners, and credit rating analysts that cover North Carolina, including frequent contact with the Local Government Commission. These relationships give us key insights to personalities, preferences, or restrictions that help us better prepare clients for conversations and meetings.

Capital Planning: In addition to traditional bond-related advisory services, First Tryon has made key investments in product development to better serve our clients. For instance, we have invested significant time and resources in the development of our comprehensive capital planning model. To date, we have developed over 75 unique capital planning models for over 65 issuers in the Southeast* that allow our clients to determine financial and credit impacts of capital funding scenarios more easily.

Accessibility: Headquartered in Charlotte, North Carolina, we focus much of our practice on serving the needs of clients in the Carolinas. Our close proximity to LCFWASA, a deep bench of thirteen dedicated professionals in our

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Charlotte office, and an existing schedule that already includes frequent travel to the area, will allow First Tryon to serve LCFWASA efficiently and cost effectively. First Tryon routinely attends Board or staff meetings and has found that in person meetings are an important way for us to get to know our clients, understand goals and objectives and provide the highest level of service and value.

Thank you for considering our proposal to provide financial advisory services to LCFWASA. As summarized above and detailed further herein, First Tryon's client-focused approach combined with our team of highly knowledgeable advisors offer LCFWASA what we believe is a powerful financial advisory platform. We look forward to the opportunity to discuss our qualifications further.

Sincerely,



J. Walter Goldsmith

President & COO



Amy Vitner

Managing Director

Lower Cape Fear Water and Sewer Authority

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3. Executive Summary

In two pages or less, provide a brief statement explaining why LCFWASA should consider your firm for Financial Advisor Services. The Respondent must have significant experience and capacity to provide services related to public/governmental finance to LCFWASA pursuant to North Carolina State law.

First Tryon offers LCFWASA a deep bench of highly experienced financial advisors with a long history of serving local governments and utilities in North Carolina. We highlight below First Tryon's significant experience and capacity to provide municipal advisory services to LCFWASA.

RELEVANT EXPERIENCE

- LCFWASA will have direct access to two senior professionals (Ms. Vitner and Mr. Goldsmith) who have dedicated their careers to serving tax-exempt issuers in the Carolinas, with additional senior personnel available to provide services as needed.
- First Tryon serves as financial advisor for over 125 clients in North Carolina.
- First Tryon serves as financial advisor for over 50 utility clients, including over 20 issuers in North Carolina.
 - Includes advanced utility rate modeling for the City of Charlotte and credit rating model (Moody's, S&P, and Fitch) for Fayetteville PWC.
- Since 2021, First Tryon has served as financial advisor on over 130 transactions in North Carolina totaling over \$6.0 billion in par amount*.
 - Includes 14 utility transactions totaling over \$715 million in par amount*.
- Since 2021, First Tryon has prepared clients for and participated in over 200 credit rating presentations*.
- Advisory experience with wholesale utility providers including:
 - Piedmont Triad Regional Water Authority – Wholesale water provider to six member agencies (Greensboro, High Point, Randolph Co, Archdale, Jamestown and Randleman)
 - Anderson Regional Joint Water System – Wholesale water provider to 14 members/customers including Clemson University
- Experience with utility projects involving multiple governmental units
 - City of Sanford, NC – Serving as financial advisor on a \$308 million water filtration facility expansion that will be owned and operated by the City, but will provide capacity to Fuquay-Varina and Holly Springs. Fuquay-Varina and Holly Springs will fund their respective portions of the debt and pay the City ongoing operational costs.
 - Town of Pendleton, SC – Serving as financial advisor on a \$50 million sewer treatment plant expansion that will be owned and operated by the Town of Pendleton, and provide capacity to Anderson County (SC) and City of Clemson (SC). Similar to Sanford, Anderson County and Clemson will fund their respective portions of the debt and pay the Town ongoing operational costs.

ACCESSIBILITY AND CLIENT SERVICE DRIVEN

- Deep bench of 13 senior advisors and support staff located in North Carolina to ensure the highest level of customer service and timely execution of deliverables.
- Frequently in the area with other clients such as New Hanover County, Town of Leland, and Columbus County, allowing our team regular in-person contact and local expertise.
- Client satisfaction evidenced by a growing client list (currently over 400 clients), the maintenance of long-term relationships such as Fayetteville PWC and Charleston County (both over 15 years*), and client testimonials that follow.
- Primary focus on the Carolinas allows us insight into credit characteristics, familiarity with financing professionals that serve the area, and understanding of the Local Government Commission.

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FIRM EXPERTISE AND RESOURCES

- In-house proprietary pricing model that allows our advisors to advocate and negotiate with underwriters from a position of strength.
- Advanced quantitative modeling expertise, in-house capital planning, debt affordability and capacity modeling – over 75 unique capital planning models built to date* (see Section 9).
- Subscriptions to rating agency databases, Bloomberg, and other third-party resource data feeds.
- Ancillary services such as operational consulting, investment cashflow modeling, escrow bidding, among other services.

CLIENT TESTIMONIALS

First Tryon provides the following feedback it has received from clients as material indicative of our financial advisory capabilities.

- *“First Tryon has provided a high level of work to the City since becoming the debt modeling/capital plan development for the City's Water & Sewer and Storm Water utilities. First Tryon was able to develop a high quality model in a short time-frame as both enterprises needed models ready for bond sales that were occurring a little over two months after they were brought on board.” Matt Hastedt, Debt Manager at the City of Charlotte, North Carolina*
- *“First Tryon has provided excellent financial advice for us on many levels. They are always intricately involved in any debt offerings of the County. In recent years they have produced a Capital Planning Model. They keep it updated and are available to make presentations to our board as needed. This was used heavily in determining the amount of tax increase for our latest GO bond issue. First Tryon is always at the table for ratings calls. They provide essential information and support for myself and management on these calls. I highly recommend using First Tryon and would be happy to answer any further questions.” Debra L. Cheek, Finance Director at Iredell County, North Carolina*
- *“We have worked with First Tryon for a number of years. We have worked with Walter Goldsmith even longer. First Tryon is with us every step of the way when we are issuing bonds. They help us determine what we can afford to bond, work with us on cash flows, provide issuance calendars and manage the scheduling of all meeting necessary. They provide information needed for the POS and are part of that review process. They prepare the presentation for the rating agencies, schedule and participate in the presentations to these agencies. They are there when we need them, have always provided prompt service (such as running numbers for us), and provide sound advice. They are a fantastic team to work with and I highly recommend them to any entity looking for an FA.” Corine Altenhein, CFO at Charleston County, South Carolina*

Please note that the above testimonials were given by current municipal advisory clients and may not be representative of the experience of other clients, nor are they a guarantee of future performance or success.

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4. Background and Qualifications

Indicate your firm's closest physical office location to the Town of Leland, NC.

FIRST TRYON BACKGROUND

First Tryon Securities, LLC, an independent and privately-owned financial services firm headquartered in Charlotte, North Carolina, was founded over 25 years ago in 1996. In November 2021, the legal entity, First Tryon Advisors, LLC, was formed upon closing of the acquisition of Wye River Capital (headquartered in Annapolis, MD). In January 2023, the Charlotte advisory practice was separated from the First Tryon Securities, LLC broker-dealer and the combined Charlotte and Annapolis practices began to operate combined under the legal entity, First Tryon Advisors, LLC.

OFFICE LOCATIONS

LCFWASA would be served primarily out of First Tryon's headquarters in Charlotte, NC, where 8 of our 22 advisors are located. **This office is our firm's closest physical office to the Town of Leland, NC.** However, we have several additional offices throughout the region in the following locations:

- Annapolis, MD (seven professional level advisors)
- Boone, NC (one professional level advisor)
- Columbia, SC (one professional level advisor)
- Greensboro, NC (one professional level advisor)
- Hertford, NC (one professional level advisor)
- Orlando, FL (one professional level advisor)
- Winston-Salem, NC (two professional level advisors)



ACCESSIBILITY

First Tryon places a high value on in-person meetings and believes that in-person interaction allows us a better understanding of our clients leading to better quality service. With this goal in mind, First Tryon is regularly in the area and confident in our ability to ensure a high level of customer service and high accessibility. The following provides a list of the clients we service in the area:

- Bald Head Island, Village of
- Carolina Beach, City of
- Chadbourn, Town of
- Columbus County
- Jacksonville, City of
- Leland, Town of
- New Hanover County
- Southport, City of
- Topsail Beach, Town of
- University of North Carolina at Wilmington
- YMCA of Southeastern North Carolina

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Provide documentation showing compliance with the municipal advisor registration requirements of the MSRB and SEC.

Please see **Appendix A** for documentation showing compliance with the municipal advisor registration requirements of the MSRB and SEC.

Provide a summary of the backgrounds and qualifications of the specific individuals at your firm who would be assigned to work with LCFWASA. Specify the person who will serve as the primary day-to-day contact person and discuss the primary roles of the other members of your professional team.

Since 2014, First Tryon has grown rapidly from three advisors to a team of 22, including 9 individuals that joined our group through our merger with Wye River in November 2021. Our growth is a testament to the success of our advisory practice and allows us to provide a high level of customer service, efficient turn-around on projects, and proactive management and monitoring of client debt portfolios. Further, our success has enabled us to attract some of the top talent in the public finance industry to our firm.

The financial advisory team for LCFWASA would be led by **Ms. Amy Vitner** and **Mr. Walter Goldsmith**, with Ms. Vitner serving as the primary day-to-day contact person. Additionally, **Mr. David Cheatwood** will serve as secondary senior support to LCFWASA. These individuals have dedicated their careers to serving the needs of governmental issuers and utilities in the Carolinas. First Tryon’s familiarity with North Carolina finance will allow for a seamless transition of advisory services.

In addition to First Tryon’s senior advisors, secondary transactional support and financial modeling expertise would be provided by **Mr. Brandon DeCoste**, **Mr. Chazzo Habliston**, and **Mr. Jordan Keysor**. We believe our team approach will ensure that LCFWASA will always have access to an advisor familiar with LCFWASA’s capital funding needs and that projects and deliverables will always be completed in a timely manner.

All members of our primary banking team are registered as municipal advisors.

Walter Goldsmith
President & COO
Charlotte, NC

Amy Vitner
Managing Director
Charlotte, NC

David Cheatwood
Managing Director
Charlotte, NC

Brandon DeCoste
Vice President
Charlotte, NC

Chazzo Habliston
Vice President
Charlotte, NC

Jordan Keysor
Vice President
Charlotte, NC

Resumes and bios of LCFWASA’s proposed key personnel are provided on the following pages.

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Amy Vitner
 Managing Director
 Main Point of Contact
 ☎ 704.926.2457
 ✉ avitner@firsttryon.com

Amy Vitner
 Managing Director

- Ms. Vitner has over **25 years of public finance experience** directly serving clients in the Southeast. In her role as a public finance advisor, she assists clients in determining their available debt capacity, obtaining credit ratings for their bonds, structuring bond issues, and coordinating the issuance of the bonds.
- Ms. Vitner’s utility experience consists of the following: Greenville Utilities Commission, Piedmont Triad Regional Water Authority, City of Concord, among others.
- Prior to joining First Tryon, Ms. Vitner worked at First Southwest Company (Hilltop) from 2019-2014, Banc of America Securities, First Union, and A.H. Williams from 1995-2008.
- Ms. Vitner is a graduate of Philadelphia University and is a Registered Representative of the Financial Industry Regulatory Authority and maintains the following licenses: Municipal Advisor Representative (Series 50), and Municipal Advisor Principal (Series 54).



Walter Goldsmith
 President & COO
 ☎ 704.926.2453
 ✉ wgoldsmith@firsttryon.com

Walter Goldsmith
 President and COO

- Mr. Goldsmith has over **23 years of public finance experience** directly serving clients in the Southeast. In his role as a public finance advisor, he assists clients in determining their available debt capacity, obtaining credit ratings for their bonds, structuring bond issues, and coordinating the issuance of the bonds.
- Mr. Goldsmith’s utility experience consists of the following: Fayetteville PWC, Greenville Water, Anderson Regional Joint Water System, among others.
- Prior to joining First Tryon, Mr. Goldsmith worked at Davenport and Company LLC from 2010-2014 and First Southwest Company from 2002-2010.
- Mr. Goldsmith is a graduate of Clemson University and maintains his Municipal Advisor Representative License (Series 50) and Municipal Advisor Principal License (Series 54).

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David Cheatwood
Managing Director

704.926.2447

dcheatwood@firsttryon.com

David Cheatwood

Managing Director

- Mr. Cheatwood has over **16 years public finance experience** directly serving issuers in the Southeast. In his role as a public finance advisor, he provides clients with a wide range of services including evaluating debt capacity, structuring bond issues, monitoring refunding/restructuring opportunities, obtaining credit ratings, and coordinating the bond issuance process.
- Mr. Cheatwood's utility experience consists of the following: Fayetteville PWC, Orange Water & Sewer Authority, City of Charlotte, among others.
- Prior to joining First Tryon, Mr. Cheatwood worked in the public finance investment banking group at Wells Fargo Securities from 2009-2015 and at Bank of America Merrill Lynch from 2006-2009.
- Mr. Cheatwood holds an undergraduate and law degree from The University of North Carolina at Chapel Hill. He holds his Municipal Advisor Representative license (Series 50).



Brandon DeCoste
Vice President

704.926.2981

bdecoste@firsttryon.com

Brandon DeCoste

Vice President

- Mr. DeCoste has over 5 years of public finance experience directly serving clients in the Southeast. He provides qualitative and quantitative support to First Tryon's issuer clients, including complex Excel modeling, DBC analysis, capital planning, and financing execution work.
- Mr. DeCoste's utility experience consists of the following: Greenville Utilities Commission, Piedmont Triad Regional Water Authority, City of Concord, among others.
- Prior to joining First Tryon, Mr. DeCoste worked at Davenport and Company LLC from 2018-2021 serving governmental clients across North Carolina.
- Mr. DeCoste is a graduate of Wake Forest University earning a Bachelor of Science in finance. He is also a Registered Representative of the Financial Industry Regulatory Authority and maintains his Municipal Advisor Representative License (Series 50).

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Chazzo Habliston
Vice President

704.926.2456
chabliston@firsttryon.com

Chazzo Habliston
Vice President

- Mr. Habliston has approximately 10 years public finance experience directly serving issuers in the Southeast. In his role, Mr. Habliston assists cities, counties, and utility systems with a wide range of debt related activities including bond structuring, debt capacity analysis, multi-variable capital planning models, transaction coordination and implementation, credit/rating strategy and development of debt policies.
- Mr. Habliston’s utility experience consists of the following: Fayetteville PWC, Orange Water & Sewer Authority, City of Charlotte, among others.
- Prior to joining First Tryon, Mr. Habliston worked at Davenport and Company LLC from 2013-2019.
- Mr. Habliston is a graduate of Davidson College and holds his Municipal Advisor Representative license (Series 50).



Jordan Keysor
Vice President

704.926.2459
jkeysor@firsttryon.com

Jordan Keysor
Vice President

- Mr. Keysor has over 5 years of public finance experience directly serving clients in the Southeast. He provides qualitative and quantitative support to First Tryon’s issuer clients, including complex Excel modeling, financial analysis, capital planning, and financing execution work.
- Prior to joining First Tryon, Mr. Keysor worked in wealth management with Merrill Lynch from 2013 to 2017 and SCS Financial from 2017 to 2018.
- Mr. Keysor is a graduate of Skidmore College and holds his Municipal Advisor Representative license (Series 50).

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5. Experience

List in tabular format relevant experience with bond financings over the last three years, including date of sale, issuer, program type, rating, sale type, and final maturity. (This information may be included as an appendix and is not applicable to the 30-page limit.)

First Tryon has extensive experience with a wide range of bond offerings, structures and sale types. In fact, since 2021, First Tryon has served as financial advisor on 390 transactions totaling over \$13.4 billion par amount. Of these, over 130 transactions totaling over \$6.0 billion have been for North Carolina issuers and over 50 transactions totaling over \$1.6 billion have been for utilities. In **Appendix B**, we have provided a listing of our revenue bond transactions which would be most applicable to LCFWASA. We are happy to provide our longer list of financing experience upon request.

Describe two current financial advisor assignments involving your firm that are most relevant to debt issuance by large issuers in North Carolina. Please indicate the name of the issuer, a description(s) of the transactions(s), the individual(s) from your firm involved and the value added by your firm.



Greenville Utilities Commission
 Jeff McCauley, Chief Financial Officer
 (252) 551-1532
mccauljw@guc.com

Client since 2022

Issuances Since 2022

- \$23,670,000 Combined Enterprise System Revenue Bonds, Series 2022

COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2022

First Tryon was hired as Financial Advisor to the Greenville Utilities Commission (“GUC”) in 2022. In 2022, First Tryon worked with GUC on the issuance of its Combined Enterprise System Revenue Bonds, Series 2022 (the “Bonds”) to fund various projects including a new transmission line, peak shaving generator replacements, lagoon improvements, substation improvements, and improvements to the wastewater treatment plant. As is our standard approach, First Tryon worked closely with GUC from the kickoff of the financing through closing, including developing the financing calendar, preparing GUC for discussions with the Local Government Commission and rating agencies, reviewing documents, and taking in active role leading up to and on the day of pricing to ensure GUC was receiving a favorable result from the underwriting team. Additionally, a key part of our role was to plan not only for the current issuance but evaluate its impacts on future debt capacity. To that end, we built an Excel-based model for GUC that shows existing debt along with a dashboard to build in future planned debt issuances, which has the functionality to tweak assumption such as financing amount, term, interest rate, and fund. Our work with GUC encapsulates our typical, wholistic approach to financial advisory services which consists of three prongs: (1) pre-planning and preparation for future debt issuances, (2) transaction implementation, and (3) ongoing advisory service beyond closing.

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Piedmont Triad Regional Water Authority
 Joy L. Sparks, Finance Officer
 (336) 498.5510
jsparks@ptrwa.org

Client since 2021

Issuances Since 2021

- ~\$176,000,000 Revenue Bonds, Series 2024 (in progress)
- \$10,129,565 Interest Rate Modification (2021)

PLANNING WORK FOR WATER TREATMENT PLANT EXPANSION PROJECT

First Tryon was hired as Financial Advisor to the Piedmont Triad Regional Water Authority (“PTRWA”) in 2021. In 2022, we begun planning work with PTRWA related to their upcoming Water Treatment Plant expansion project, which will also include projects related to emerging contaminants. As with LCFWASA, PTRWA has a number of member units, each of whom receive certain allocations of water and are then responsible for varying levels of debt service payments due to PTRWA.

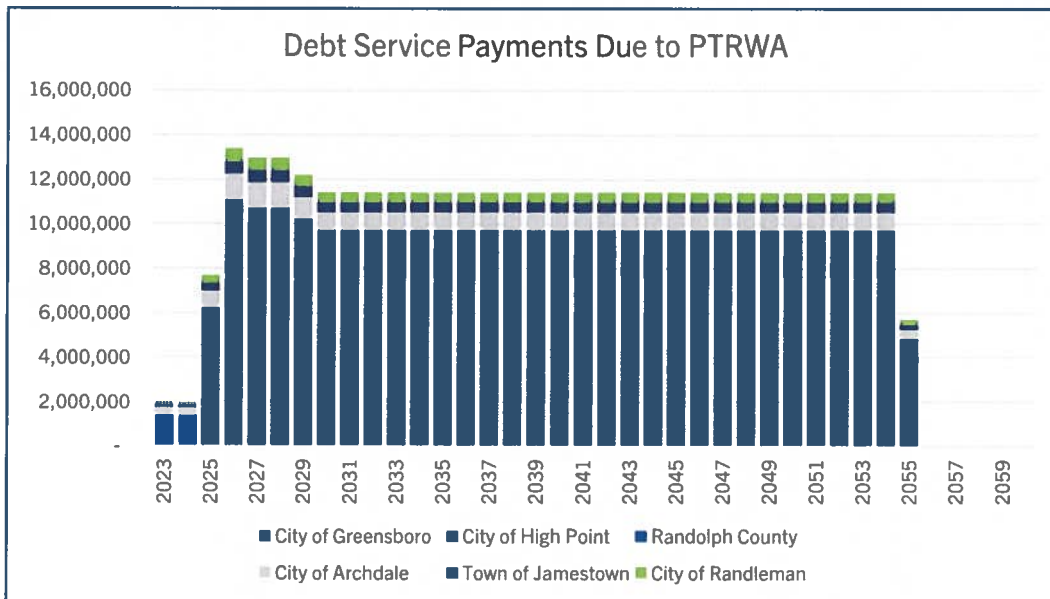
The upcoming projects require extensive planning as there are multiple components (plant expansion, emerging contaminants for current plant capacity, and emerging contaminants for additional plant capacity) for which each member unit will have varying levels of participation. To organize and think through the financing approach, First Tryon developed an Excel model (see screenshots below) in which PTRWA can see the existing debt service payments due from each member with proposed debt service related to these new projects layered in. Various input cells in the model allow First Tryon and/or PTRWA to toggle between different project assumptions (amounts, timing), ownership levels for each member, and potential cash contributions to see the debt service impacts in real time. As the project plans develop, this tool will be invaluable to evaluate the impacts of various funding scenarios and aid in structuring debt service as needed to meet any constraints.

Sample Screenshots of Model

Water Treatment Plant Project					
Project Cost		56,210,000			
Construction Start		7/1/2024			
Member Allocations					
	% Ownership	Total Share	Cash Contribution	Debt Required	% Debt
City of Greensboro	80.7%	45,361,470	-	45,361,470	80.7%
City of High Point	0.0%	-	-	-	0.0%
Randolph County	8.3%	4,684,167	-	4,684,167	8.3%
City of Archdale	7.4%	4,173,593	-	4,173,593	7.4%
Town of Jamestown	3.5%	1,990,771	-	1,990,771	3.5%
City of Randleman	0.0%	-	-	-	0.0%
Total	100.0%	56,210,000	-	56,210,000	
Debt Assumptions					
Par Amount		56,210,000			
Term		30 Years			
Interest Rate		5.00%			


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Debt Service Payments Due to PTRWA							
FY	Series 2024 Bond						Total
	City of Greensboro	City of High Point	Randolph County	City of Archdale	Town of Jamestown	City of Randleman	
Total	227,117,575	31,350,441	33,546,754	24,201,016	12,452,658	13,750,193	342,418,636
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	3,785,293	522,507	559,113	403,350	207,544	229,170	5,706,977
2026	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2027	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2028	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2029	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2030	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2031	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2032	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2033	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2034	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955
2035	7,570,586	1,045,015	1,118,225	806,701	415,089	458,340	11,413,955



Provide five (5) client references. Include the name of the client, contact person, e-mail address, and phone number.

Client references and referrals are strong indicators of client satisfaction and customer service. As such, First Tryon has provided five references below and we strongly encourage LCFWASA to contact each of them and inquire about both their transaction related and capital planning model experience with our team. These references represent a cross-section of utility issuers throughout the Carolinas. First Tryon takes great pride in how our clients reflect upon our engagements. It speaks to the level of service and care we as a firm provide each and every day.



Greenville Utilities Commission
 Jeff McCauley, Chief Financial Officer
 (252) 551-1532
mccaulejw@guc.com

Client since 2022

Issuances Since 2022

- \$23,670,000 Combined Enterprise System Revenue Bonds, Series 2022

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Piedmont Triad Regional Water Authority
 Joy L. Sparks, Finance Officer
 (336) 498.5510
jsparks@ptrwa.org

Client since 2021

Issuances Since 2021

- ~\$176,000,000 Revenue Bonds, Series 2024 (in progress)
- \$10,129,565 2021 Interest Rate Modification



Anderson Regional Joint Water System
 Scott Willett, Executive Director
 (864) 231-5987
swillett@arjwater.com

Client since 2016

Issuances Since 2016

- \$9,270,000 Waterworks System Refunding Revenue Bonds, Series 2020A
- \$12,515,000 Waterworks System Advance Refunding Revenue Bonds, Taxable Series 2020B
- \$22,262,000 Waterworks System Improvement and Refunding Revenue Bonds, Series 2017A&B
- \$3,700,000 Waterworks System Improvement and Refunding Revenue Bond, Series 2016



Concord, North Carolina
 Jessica Jones, Interim Finance Director
 (704) 920-5222
jonesj@concordnc.gov

Client since 2015

Issuances Since 2015

- ~\$25,000,000 Utilities Systems Revenue Bonds, Series 2024 (in progress)
- \$42,000,000 General Obligation Parks and Recreation Bonds, Series 2023
- \$6,200,000 2021 Installment Financing Contract
- \$910,000 Taxable Installment Financing, Series 2019
- \$6,572,000 Utilities Systems Revenue Refunding Bond, Series 2019
- \$6,553,517 Installment Financing Contract, Series 2017
- \$19,085,000 Utilities Systema Revenue Refunding Bonds, Series 2016
- \$5,759,000 Installment Financing Contract, Series 2015
- \$29,340,00 Limited Obligation Bonds, Series 2014A
- \$5,280,000 Taxable Limited Obligation Bonds, Series 2014B

In addition to debt issues, First Tryon has developed capital planning models for both the City's General Fund and Utility Enterprise Fund.

Lower Cape Fear Water and Sewer Authority



Mount Pleasant Waterworks, South Carolina
 Mark Coffin, Chief Financial Officer
 (843) 971-7529
 mcoffin@mpwonline.com

Client since 2014

Issuances Since 2014

- \$111,000,000 Waterworks and Sewer System Revenue Bonds, Series 2017A
- \$7,000,000 Waterworks and Sewer System Revenue Bond, Series 2014A
- \$20,000,000 Waterworks and Sewer System Revenue Refunding Bond, Series 2014B

6. Rating Agency and Investor Marketing Approach

Please discuss any issues, benefits, or challenges associated with pricing and marketing bonds in the current market given the current rating levels and financial issues confronting LCFWASA.

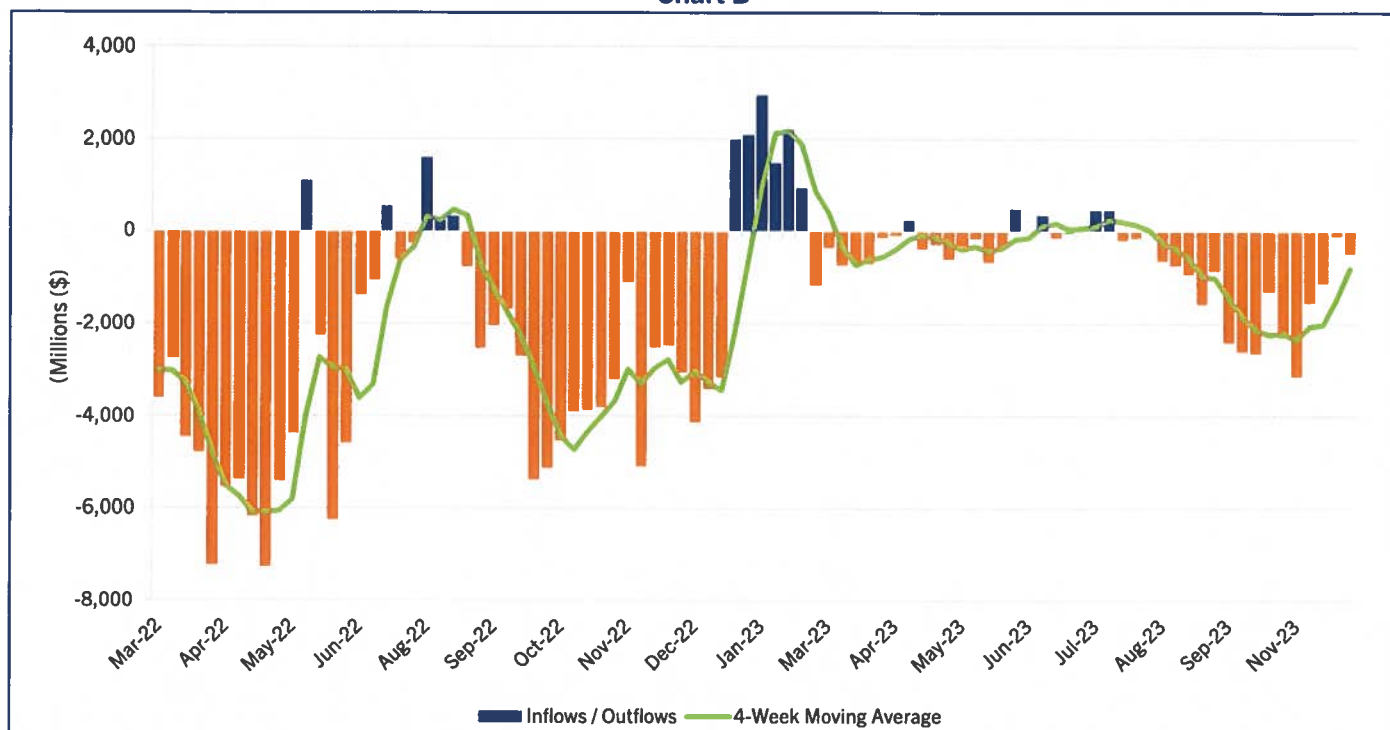
In terms of broad and general market conditions, we have recently seen interest rates begin to decline following a period of steady increases throughout most of 2023. As demonstrated in Chart A below, 10-year interest rates, while remaining elevated in comparison to recent years, are beginning to return to a level that is more in line with historical trends. As inflationary pressure begins to lessen and the Federal Reserve contemplates cutting its target interest rate, we will carefully monitor if bond rates follow suit and continue in a downward trajectory. A downward trajectory of interest rates may also lead to more demand for municipal bonds, which has been lower this year due to fears of a rising rate environment, as demonstrated by Chart B below, which demonstrates net weekly cash flows for municipal bond flows (outflows, which indicate low demand, are shown in orange).

Chart A



Lower Cape Fear Water and Sewer Authority

Chart B



With respect to the pricing and marketing of LCFWASA’s bonds, there are a number of positive attributes that, in our view, offset the challenges impacting in the general market:

- Strong Credit Profile:** While LCFWASA does not currently maintain a long-term debt rating from Moody’s, S&P Global, or Fitch, we estimate that the Authority is in a good position going into a future rating review. As demonstrated below, we estimate that LCFWASA would score out at the Aa3 level on the Moody’s rating scorecard, based on FY 2022 results. Additionally, the member units of LCFWASA maintain strong credit rating profiles (lowest Moody’s rating among the group is Aa3), which will also help to enhance LCFWASA’s rating outcome. In volatile markets, investors will place a greater value on the creditworthiness of an issuer. Credit rating strategy is an important service provided by First Tryon to help LCFWASA maximize its credit profile.

Broad Rating Factors	Rating Subfactors	Subfactor Weighting	2022		Weighted Scale	Implied Rating
			Issuer Value	Score		
System Characteristics	Asset Condition (Remaining Useful Life)	10%	23.24	2.64	0.26	A1
	Service Area Wealth (Median Family Income)	12.5%	92%	2.46	0.31	Aa3
	System Size (O&M)	7.5%	4,483,011	4.29	0.32	Baa3
Financial Strength	Annual Debt Service Coverage	15%	2.00	1.50	0.23	Aa1
	Days Cash on Hand	15%	276.60	0.50	0.08	Aaa
	Debt to Operating Revenues	10%	2.41	1.71	0.17	Aa1
Management	Rate Management ⁽¹⁾	10%	See Note 1	2.00	0.20	Aa2
	Regulatory Compliance & Capital Planning ⁽²⁾	10%	See Note 2	3.00	0.30	A2
Legal Provisions	Rate Covenant	5%	1.00	2.50	0.13	A1
	Debt Service Reserve Requirement ⁽³⁾	5%	See Note 3	4.00	0.20	Baa2
Average Score				2.19		2.19
Implied Rating						Aa3

(1) Strong rate-setting record; little political, practical, or regulatory limits on rate increases

(2) Moderate violations with adopted plan to address issues; Maintains manageable 5-year Capital Improvement Plan

(3) NO explicit DSRF; OR funded with speculative grade surety

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Among LCFWASA's credit strengths are service area and financial performance, with strong debt service coverage and strong days cash on hand. As LCFWASA considers additional debt, First Tryon would work closely with its rate consultant to ensure these metrics remain strong. This will also be a good time to review or establish fiscal policies. The rating agencies ideally like to see formal policies in place as this often contributes to higher management scores on the rating scorecard. Fiscal policies also provide good guidance for financial decisions.

- **Infrequent Issuer:** LCFWASA only has one series of publicly sold debt outstanding, which are the Special Facility Revenue Bonds, Series 2010 (debt service paid by the Smithfield Farmland Corporation). As an infrequent issuer, the LCFWASA name will attract investors looking for a new name to diversify an investment portfolio.
- **Bank Market vs. Public Market:** Depending on the ultimate size of the borrowing, First Tryon would evaluate a bank market financing versus a public market financing. Historically, transactions under \$10 million and a 15-year or shorter amortization term have been good candidates for bank placed financing. This would allow LCFWASA to avoid the credit rating process, ongoing disclosure obligations and the need to draft an offering document for investors. Bank financing will incur lower upfront costs and less staff time than a publicly sold transaction. First Tryon will run a cost/benefit analysis early on in the financing process to ensure the plan of finance makes sense for the size of the borrowing and current market conditions. If a bank sale is deemed to be more cost effective, First Tryon would run a competitive process, distributing a bank RFP to our list of more than 30 local and regional banking institutions.

First Tryon has successfully advised clients in all kinds of interest rate environments – the good, the bad and the ugly. We don't always get the perfect market, but we can ensure that LCFWASA's bond issues are well-positioned for a successful sale. Factors that contribute to a successful sale include understanding the market environment, clearly communicating expectations with underwriters on a negotiated sale, ensuring adequate time for pre-marketing such as building in a little extra time between mailing of the POS and pricing date. First Tryon also uses in-house analytical tools such as our Pricing Model (described more fully in Section 9) to empower our advisors to negotiate with underwriters from a position of strength. On competitive sales, First Tryon reaches out to prospective underwriters to ensure they are looking at the transaction and to see if they have any questions ahead of the sale. We would also make sure that rating reports are released and available to investors at the time the POS is printed. With these additional planning steps, we do not anticipate LCFWASA having any difficulty pricing or marketing its bonds.

Please describe how your firm would assist LCFWASA in developing rating agency information as a part of an issuance.

Since 2021, First Tryon has prepared clients for and participated in over 200 credit rating presentations. As such, we have extensive knowledge and insight into key credit considerations and the analyst preferences that allow for a smooth and successful rating process.

First Tryon would take the following approach in developing rating agency strategy:

- Step 1:** Conduct a thorough review of LCFWASA and its member credit profiles using Moody's medians and peer comparisons.
- Step 2:** Note strengths and weaknesses, identify any areas for improvement, develop a regular communications strategy with the rating analysts, and keep LCFWASA informed of new "hot button" issues of the rating agencies or any updated credit methodologies.

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- Step 3:** First Tryon provides logistical support, scheduling of calls and meetings. For any New York travel, First Tryon will assist in coordination of air travel, hotel, ground transportation and meals.
- Step 4:** Prior to any calls or meetings, develop a detailed credit rating presentation book that highlights each of the focus areas of the rating agencies (local demographics/economic development, fiscal management, financial performance and debt and liabilities).
- Step 5:** Schedule time to thoroughly review information with LCFWASA to ensure that LCFWASA is comfortable with information for presenting directly to the rating analysts.
- Step 6:** Coordinate any follow up information and assist in review and delivery of final credit rating reports. Take note of any feedback (positive or negative) and incorporate back into step 1.

First Tryon and the individual advisors that would work with LCFWASA have a great deal of experience working with a wide variety of entities and different types of financings. With this experience comes regular exposure to the rating agencies and the specific analysts covering issuers in the Southeast region. We meet frequently with these analysts over the phone or in person (onsite at the issuer's location or in New York at the rating agencies' offices) to obtain ratings for specific financings coming to market as well as periodic surveillance rating reviews.

Regular interaction with the rating agencies has provided First Tryon with a high level of understanding of the particular credit aspects unique to the Southeast region and the issues that are most frequently raised by the analysts. We take great pride in being able to anticipate these questions/issues and prepare our issuer clients accordingly. We work with our clients to craft their own unique credit stories so that they will be viewed in the best possible light and put in the strongest position to achieve a favorable result. An important element of our approach is not only highlighting credit strengths, but also addressing credit challenges head-on so that the rating analysts involved understand how management is mitigating particular concerns or compensating in other credit areas, particularly for credit characteristics that are difficult to change.

Following the steps above, First Tryon is able to create a feedback loop that will ensure LCFWASA is prepared and knows exactly where it stands. Creating and maintaining a strong credit profile is critically important to keeping LCFWASA's interest rates as low as possible. Additionally, the attributes that go hand-in-hand with a high credit rating (healthy days cash on hand, financial flexibility, strong management), afford LCFWASA flexibility to take advantage of opportunities or deal with an unexpected challenge. Credit rating monitoring is also a critical part of our interactive debt models.

Please describe how your firm would assist LCFWASA in marketing bonds to both current and new investors.

There are two approaches that are typically utilized when marketing LCFWASA's bonds to both current and new investors. First Tryon's traditional and enhanced approaches are outlined in the chart below and summarized in the paragraphs that follow.

Lower Cape Fear Water and Sewer Authority

Traditional Approach	Enhanced Investor Communication Strategy
EMMA Postings	EMMA Postings
Official Statements	Official Statements
Rating Agency Reports	Rating Agency Reports
	In Person Meetings with Investors
	Technology Platforms
	- BondLink
	- Ipreo (electronic investor roadshow)
	Enhanced issuer webpage
	Investor Conferences
	Presentations at Industry Conferences

Traditional Approach: On all transactions, First Tryon will, at a minimum, assist LCFWASA in developing the official statement in a manner that presents the best picture of LCFWASA and provides potential investors with the necessary information on the bonds, LCFWASA's finances, and LCFWASA's economy / demographics. First Tryon then ensures that the official statement, along with LCFWASA's ratings, are properly posted to the various repositories where underwriters and investors will go for information on the issuance. These repositories include EMMA, Ipreo, and Bloomberg, among others. First Tryon will also field and answer any questions received on the bonds to ensure that all interested parties are provided with sufficient and comprehensive information on the transaction.

Enhanced Investor Communication Strategy: If desired, First Tryon is also available to coordinate a more concerted effort to provide additional communication to potential investors. A number of approaches are available to LCFWASA under this strategy. If LCFWASA wanted to target a specific group of investors, individual meetings can be set up with these investors to provide details on the bonds and tell the story/vision behind the projects being financed with the particular issuance. There are also certain technology platforms that can be utilized such as BondLink, Ipreo's investor roadshow, or simply a dedicated page on LCFWASA's website to ensure that the LCFWASA bonds reach a wider investor audience. Additional avenues for enhanced marketing include presenting at investor and/or industry conferences to alert investors of an upcoming issuance. Depending on LCFWASA's desired investor outreach, First Tryon will help LCFWASA strategically utilize one or more of these approaches.

7. Pricing Approach and Strategy

Please describe how you would advise LCFWASA in determining the best strategy about pursuing a competitive or negotiated deal.

Every transaction is unique. Going into each new transaction, you can only be certain that (i) market conditions will not be identical, (ii) the regulatory and political environment will have evolved and (iii) that LCFWASA's financing team should draft a plan of finance tailored to each individual transaction. As such, First Tryon is committed to evaluating every transaction on a case-by-case basis, especially when considering the method of sale, a driver of the entire financing process.

In North Carolina historically, competitive sales have been reserved almost exclusively for general obligation credits while Limited Obligation Bonds or Revenue Bonds have been sold on a negotiated basis, even for highly rated issuers. The conventional wisdom has been that revenue bonds and appropriation-backed credits require more pre-marketing and the involvement of an underwriter on the front end to tell the issuer's story to investors. However, in other states, issuers have been selling revenue bonds competitively for years and with much success.

Lower Cape Fear Water and Sewer Authority

The advisors at First Tryon have been pioneers in rethinking this historical approach in North Carolina and have served as financial advisor on many non-GO competitive sales, including 13 since 2019*. Each of these issuances has received strong support from the competitive markets, receiving anywhere from 3 to 14 bids, and have priced favorably to comparable transactions that were sold on a negotiated basis during the same timeframe.

Competitive Revenue Bond Issuances Since 2019

Issuer	Sale Date	Par Amount	Term	Ratings (Moody's/S&P/Fitch)	Number of Bids	TIC	UW Discount (Per Bond)	% Impact to TIC
Fayetteville Public Works Commission	10/24/2023	\$169,420,000	30 Years	Aa2/AA/AA	9	4.677%	\$1.95	0.02%
City of Florence (SC)	9/7/2023	\$32,100,000	30 Years	Aa2/AA-/NR	11	4.138%	\$2.62	0.02%
Fayetteville Public Works Commission	10/19/2021	\$94,790,000	30 Years	Aa2/AA/AA	11	2.279%	\$3.47	0.03%
Orange Water and Sewer Authority	3/23/2021	\$18,840,000	25 Years	Aa1/AAA/AA+	9	1.900%	\$6.14	0.05%
North Charleston Sewer District	1/14/2021	\$8,320,000	10 Years	NR/AA+/NR	12	0.604%	\$2.46	0.04%
Isle of Palms Water and Sewer Commission	10/15/2020	\$14,770,000	19 Years	Aa2/NR/NR	5	1.727%	\$5.00	0.05%
Renewable Water Resources	9/17/2020	\$22,445,000	10 Years	Aa1/AAA/NR	12	0.496%	\$2.55	0.05%
Renewable Water Resources	9/17/2020	\$23,730,000	4 Years	Aa1/AAA/NR	9	0.389%	\$1.25	0.05%
Spartanburg Sanitary Sewer District	10/7/2019	\$7,635,000	8 Years	Aa3/AA/NR	3	1.587%	\$5.76	0.08%
Town of Mooresville (NC)	10/1/2019	\$14,075,000	17 Years	Aa2/AA+/NR	14	1.971%	\$7.31	0.09%
Berkeley County (SC)	9/24/2019	\$24,535,000	9 Years	Aa3/AA+/NR	13	1.450%	\$3.17	0.06%
City of Florence (SC)	9/19/2019	\$68,590,000	20 Years	Aa2/AA-/NR	9	2.464%	\$4.98	0.06%
Town of Fort Mill (SC)	3/28/2019	\$16,095,000	16 Years	NR/AA/NR	12	2.720%	\$8.50	0.08%

OUR APPROACH

In our experience, we have seen competitive sales do as well as negotiated sales in the marketplace and many times price better. Our approach for evaluating the appropriate method of sale involves the analysis and review of the following characteristics:

- **Issuer credit rating:** In our view, an issuer with a credit rating in the “AA” category or higher may be a good candidate for the competitive market
- **Market stability:** Competitive sales work best in a stable market environment with moderate to low levels of new issuance in the marketplace and a relatively stable bond market.
- **Issue size:** As a general rule of thumb, larger transactions with larger block sizes (i.e. maturities over \$1 million) generally garner more interest from competitive underwriters. Transactions with the majority of maturities above the \$1 million threshold make for ideal structures to be brought competitively.
- **Unique security structure:** If the security structure for the bonds is particularly complex, a transaction may lend itself to a negotiated sale.
- **Unique structuring requirements:** If an issuer desires specific or unique couponing or unusual redemption provisions, the transaction may be a better candidate for negotiated sale.

Given that LCFWASA would be a new credit to the market and has a unique credit structure, versus a more traditional utility revenue bond, First Tryon would likely recommend a negotiated sale for LCFWASA’s inaugural public market transaction. A negotiated underwriter will be able to provide additional insight from an investor perspective as certain legal covenant preferences and structuring decisions such as optional redemption provisions or funding a reserve fund are made. LCFWASA’s bonds may also benefit from more robust pre-marketing as its credit is introduced to the marketplace.

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Please describe how you would review and advise LCFWASA on proposed takedowns to confirm they are competitive with other issuers.

If LCFWASA decided to sell its bonds on a negotiated basis, First Tryon would assist as needed in the underwriter selection process and corresponding fee discussions. As one of the primary municipal advisors in the region, First Tryon has frequent conversations with issuers and underwriters regarding underwriter discounts and takedowns. First Tryon has confidence in its ability to negotiate directly with a given underwriter or conduct an RFP process to solicit pricing information from underwriters.

While takedowns are an important part of the cost structure to LCFWASA, the more significant component will be the coupons and yields ultimately assigned to the bonds. Ensuring on-market takedowns that properly compensate the underwriter's sales force to aggressively market LCFWASA's bonds will most likely lead to the best overall result.

8. Charges and Fees

Explain your method of determining fees, including charges for travel and out-of-pocket expenses. Also explain your approach to billing miscellaneous calls from LCFWASA for which you would spend minimal time.

Please provide an hourly rate by participant level for work that is performed outside of bond issue.

In establishing fees, First Tryon takes into account multiple factors. While time commitment is one consideration, we also consider the efficiency with which the work was done, complexity of the project, value added, any special experience or expertise applied, and the liability undertaken by our firm, among other factors.

Our core beliefs on client fees are as follows:

- Every assignment and situation is different.
- Clients should only be charged for the services they need and benefit from.
- We strive to keep fees as low as possible while being fairly compensated for the services provided.
- There should never be surprises or hidden fees.
- The client always has the right to adjust the fee to any amount it deems appropriate.

For all of the reasons above, our approach is to review each assignment with the client at the beginning of the process before establishing a fixed fee. Once we have a better understanding of the wider plan of finance, tasks involved and LCFWASA's expectations, we can then propose a fee that is fair both to LCFWASA and our firm.

In addition, First Tryon's engagement letters are unique compared to other municipal advisory firms. We allow our clients to unilaterally adjust our fees as desired after completion of the assignment. The following provision exists in our contracts:

"If at any time the Client believes that the services provided are not consistent with the fees First Tryon has charged, the Client may adjust the fee for such services to any amount the Client deems appropriate."

Generally, First Tryon does not charge for miscellaneous calls, routine questions or minor tasks. We consider these types of requests to be a part of our ongoing relationship and want to encourage LCFWASA to pick up the phone and call anytime without the "meter ticking". However, with respect to larger scale assignments such as rating surveillance calls, capital planning models, extensive analysis, special projects, etc. First Tryon will work with LCFWASA to establish a fee (either fixed or hourly) that is fair to both parties. If it is determined that an assignment is suited for hourly billing, First Tryon offers our current hourly rates by professional:

Lower Cape Fear Water and Sewer Authority

Professional	Hourly Rate
Managing Director	\$425 / Hour
Director	\$375 / Hour
Vice President	\$325 / Hour
Associate/Analyst	\$250 / Hour

In addition to the fee, First Tryon also typically charges for out-of-pocket expenses incurred in connection with the services provided. Customary out-of-pocket expenses include, without limitation, costs of travel, meals, lodging, printing/copying, etc. First Tryon bills direct expenses at cost, with no mark-up. First Tryon will not bill for indirect costs such as telephone, subscriptions and conference call services; instead, First Tryon charges an administrative expense fee equal to 4% of any invoiced fee for services as reimbursement for costs not reasonably allocable on a client-by-client basis.

We appreciate the opportunity to have an open dialogue with LCFWASA about potential assignments and provide a fee proposal customized to LCFWASA's exact needs.

9. Additional Services

Describe other services provided by your firm and efficiencies or cost savings that may be gained by LCFWASA engaging your firm for these ancillary services.

To better and more thoroughly serve our advisory clients, First Tryon has made key investments in technology, personnel, and resources to add value beyond traditional advisory services on debt offerings. Additional services offered by our firm include operational consultant services, procurement services such as bidding of banking services, bidding of escrows or construction funds, and development of advanced modelling tools like our pricing model and capital planning models. The following provides some additional information about our modeling tools that we believe would be relevant to LCFWASA.

PRICING MODEL

Unique to First Tryon Advisors is our proprietary pricing model that was developed in-house and helps us evaluate and compare pricing on a public market bond sale. The model uses an algorithm to determine the best comparative financings for an issuer's proposed bond sale by comparing over 13 variables, including: state, security, tax status, rating, sale date, coupon, call provision and market sector of over 3,000 issuances. To the extent necessary, First Tryon also utilizes the sales and trading desk of First Tryon Securities, LLC for additional pricing guidance / oversight and to pull pricing data from specific primary or secondary trades.

First Tryon actively uses this model leading up to and on the date of a bond sale to 1) confirm that the underwriter's proposed pricing is at an acceptable level and 2) to highlight certain maturities where pricing could improve and work with the underwriter to get to that level. It helps us provide recommendations to our clients as to the key decisions points of a bond issuance, including sizing, maturity schedules, and call provisions. This innovative model has had direct impacts on issuer's pricings and resulted in debt service savings. A snapshot of the model is provided on the following page.

Lower Cape Fear Water and Sewer Authority



Lower Cape Fear Water and Sewer Authority						Version 6															
State	NC	Include All	Not before	10/1/23		Moody's	Aa2	Tax Status	TE												
S&P	AA		Payment dates	Apr		Fitch	AA	Market	Current												
			# of Comps to include	10				Sale Type	All												
Industries to Include						Security Types to Include															
Healthcare	No		General Obligation	No				Revenue Bonds	Yes												
Higher Education	No		Unified Obligation	No				Special Tax	No												
Insurance	No																				
Municipal Government	No																				
NPIC/Sole Fltn	No																				
School District	No																				
Transportation	No																				
Utility System	Yes																				

Comps Ranked 1-55		BRUNSWICK CNTY NC ENTERPRISE SYS		ONSLow NC WTR & SWR AUTH COMB		FAYETTEVILLE NC PUBLIC WKS		NORFOLK VA WTR REVENUE		MYRTLE BEACH SC LTD OBLG	
Sale Date	10/12/23	Sale Date	10/26/23	Sale Date	10/24/23	Sale Date	10/24/23	Sale Date	10/31/23	Sale Date	10/31/23
Sale Type	NEG.	Sale Type	NEG.	Sale Type	COMP.	Sale Type	COMP.	Sale Type	NEG.	Sale Type	NEG.
Moody's	Aa2	Moody's	Aa3	Moody's	Aa2	Moody's	Aa2	Moody's	-	Moody's	-
S&P	AA	S&P	AA-	S&P	AA	S&P	AA	S&P	AA+	S&P	AA-
Fitch	-	Fitch	-	Fitch	AA	Fitch	AA+	Fitch	-	Fitch	-

Processed Pricing							Spreads of Comps			Coupon				Spread			
Tenor	Maturity	Par Amount (000's)	Coupon	Spread (bps)	MMD	Yield	Low	Median	High	Coupon	Spread	Coupon	Spread	Coupon	Spread	Coupon	Spread
1	2025		5.000%	0	2.80%	2.90%	-9	8	34	5.000%	12	5.000%	8	5.000%	8	5.000%	25
2	2026		5.000%	-4	2.73%	2.69%	-9	8	34	5.000%	18	5.000%	4	5.000%	6	5.000%	28
3	2027		5.000%	14	2.59%	2.73%	-9	8	35	5.000%	14	5.000%	9	5.000%	4	5.000%	34
4	2028		5.000%	15	2.50%	2.65%	-9	9	39	5.000%	10	5.000%	13	5.000%	4	5.000%	34
5	2029		5.000%	18	2.46%	2.64%	-5	10	43	5.000%	16	5.000%	16	5.000%	6	5.000%	35
6	2030		5.000%	19	2.47%	2.66%	-3	14	45	5.000%	19	5.000%	19	5.000%	9	5.000%	39
7	2031		5.000%	21	2.45%	2.66%	-3	15	47	5.000%	22	5.000%	25	5.000%	15	5.000%	43
8	2032		5.000%	24	2.48%	2.72%	-1	15	47	5.000%	23	5.000%	27	5.000%	13	5.000%	45
9	2033		5.000%	20	2.50%	2.70%	1	14	47	5.000%	19	4.000%	29	5.000%	8	5.000%	47
10	2034		5.000%	25	2.55%	2.80%	0	12	47	5.000%	18	5.000%	24	5.000%	5	5.000%	43
11	2035		5.000%	18	2.63%	2.81%	-2	10	47	5.000%	15	5.000%	28	5.000%	3	5.000%	42
12	2036		5.000%	20	2.76%	2.96%	-2	11	46	5.000%	16	5.000%	26	5.000%	15	5.000%	42
13	2037		5.000%	21	2.91%	3.12%	-2	15	49	5.000%	16	5.000%	22	5.000%	14	5.000%	44
14	2038		5.000%	13	3.03%	3.16%	-2	16	52	5.000%	-	5.000%	17	5.000%	18	5.000%	46
15	2039		5.000%	13	3.11%	3.24%	-2	17	52	5.000%	22	5.000%	20	5.000%	19	5.000%	49
16	2040		5.000%	15	3.16%	3.31%	-1	19	52	5.000%	-	5.000%	27	5.000%	19	5.000%	52
17	2041		5.000%	16	3.21%	3.37%	4	20	56	5.000%	27	5.000%	29	5.000%	21	5.000%	60
18	2042		5.000%	30	3.27%	3.57%	4	21	58	5.000%	32	5.000%	32	5.000%	21	5.000%	61
19	2043		5.000%	35	3.33%	3.68%	5	21	58	4.375%	55	5.000%	33	5.000%	23	5.000%	56
20	2044		5.000%	45	3.36%	3.81%	7	21	58	4.375%	53	5.000%	34	5.000%	22	5.000%	58
21	2045				3.40%	-								5.000%	22	5.000%	11
22	2046				3.45%	-								5.000%	22	5.000%	11
23	2047				3.49%	-											
24	2048				3.51%	-											
25	2049				3.54%	-											
26	2050				3.57%	-				4.500%	49	5.000%	46	4.500%	32		
27	2051				3.59%	-								4.000%	29		
28	2052				3.60%	-								5.000%	23		
29	2053				3.61%	-											
30	2054				3.62%	-											

Par (000's)	-	Par (000's)	21,835	Par (000's)	48,415	Par (000's)	169,420	Par (000's)	51,515	Par (000's)	14,485
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CAPITAL PLANNING MODEL

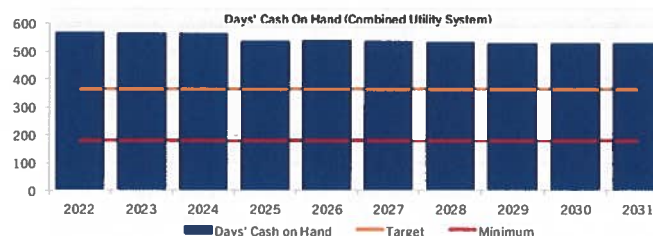
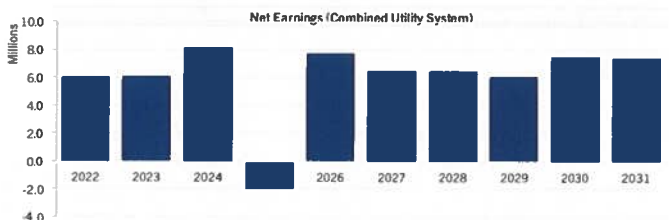
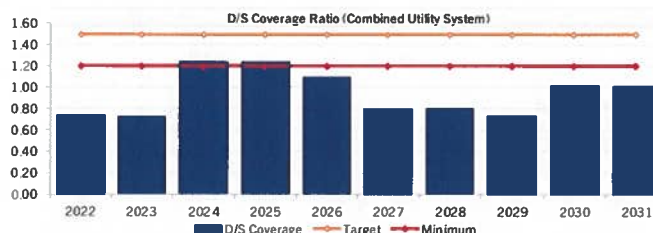
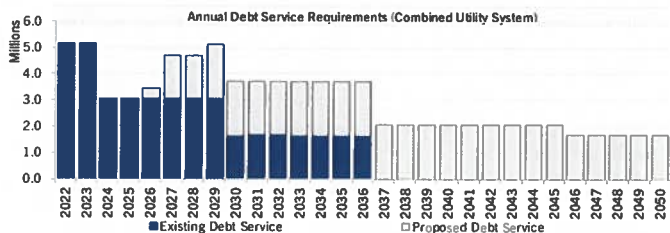
First Tryon's Capital Planning Model is a tool we developed that gives entities the ability to forecast the financial impact of capital projects over both a near-term and a long-term horizon, on a project-by-project basis. This interactive, dynamic tool allows an entity to quickly and easily run multiple scenarios with different assumptions, including project cost, timing, funding source, financing type, financing term and debt service structure, among others. We have found this model to be incredibly useful to our clients, many of which work with the model live in Board workshops/meetings.

Project Dashboard and Funding Assumptions: The primary functionality of the model comes from the analysis of various financing options: which projects are financed over what term and when. For illustrative purposes, we have provided a sample inputs table. First Tryon and/or LCFWASA can also input the entire capital improvement. For each project, we can specify their respective details, including (where relevant): cost, timing, debt service structure, term and interest rate. LCFWASA can also specify both the funding source (Enterprise Operating Fund or another fund, as applicable) as well as the funding type (general obligation bond, revenue bond, revolving loan, pay-go, etc.) on a project-by-project basis.

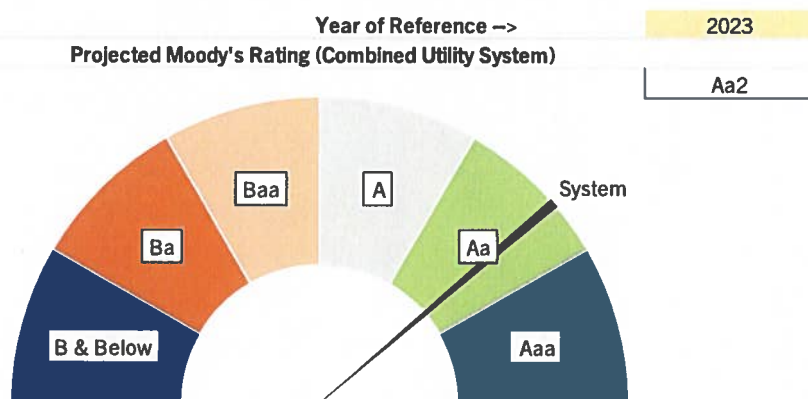
Lower Cape Fear Water and Sewer Authority

Turn Projects On/Off	Specify project description, amount, and timing	Select fund and funding type	Customize repayment structure						
Projects Under Consideration									
1	2	3	4	5	6	7	8	9	10
On/Off	Description	Amount	Timing (FY)	Fund / Revenue Source	Funding Type	Structure	Term	Principal Deferral	Rate
On	Sample Project #1	25,000,000	2026	Enterprise Operating Fund	Revenue Bond	Level D/S	30	2	5.00%
On	Sample Project #2	5,000,000	2025	Enterprise Operating Fund	SRF	Level D/S	20	0	4.50%
On	Sample Project #3	10,000,000	2025	Other Fund	Cash				
Off									
Off									

Outputs – Key Financial Metrics / Policies / Targets: The Capital Planning Model allows issuers to track the impact a plan of finance will have on their key financial ratios to ensure that they remain in compliance with any financial policies or internal targets. While all models include certain standard metrics, LCFWASA’s Capital Planning Model can be customized to include any additional metrics monitored by LCFWASA, such as Total Coverage Ratio, Days Cash on Hand, Cash Balance, and Debt to Operating Revenues.

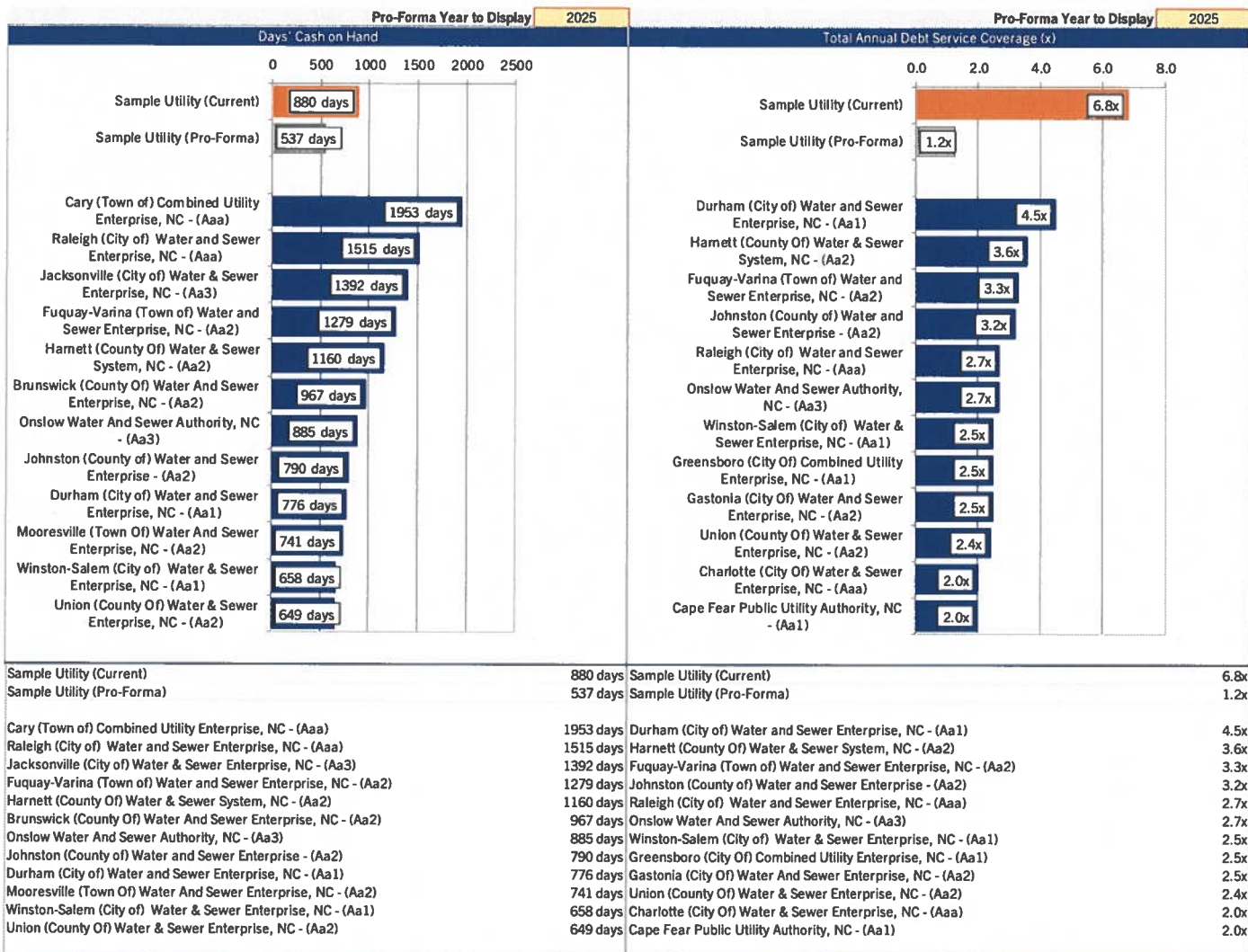


Outputs – Moody’s Scorecard: Rating agency scorecard analysis can also be incorporated within the model. In addition to analyzing an issuer’s current financial picture, the model can also run the analysis for future years to show how the long-term plan of finance affects the issuer’s overall financial health.



Lower Cape Fear Water and Sewer Authority

Outputs – Peer Comparisons: Not only will financial metrics be measured against LCFWASA’s policies / internal targets, but each metric will be compared to LCFWASA’s peers. The Capital Planning Model utilizes Moody’s MRFA.



Lower Cape Fear Water and Sewer Authority

10. Legal and Firm Issues

Please indicate if the Firm is any of the following:

MBE _____ WBE _____ SBE _____ None of the above

If the Firm has been certified with the designations above, indicate which agency, and the effective and expiration dates of that certification below:

Agency Certifying: Not Applicable

Effective Date: Not Applicable

Expiration Date: Not Applicable

Please disclose and explain any significant negative events in your firm's recent history including criminal charges, civil litigation, or administrative actions involving allegations of securities law violations by your firm or its employees during the past five (5) years. Please comment on the resolution and/or status of the actions.

First Tryon as a firm nor has First Tryon employees have been engaged in any criminal charges, civil litigation, or administrative actions involving allegations of securities law violations in the past five years.

Are there any other lines of business conducted by your firm that could complement or conflict with your role on LCFWASA transactions? Please disclose any arrangements that might present an actual or apparent conflict of interest with this role.

First Tryon is not aware of any arrangements that might present an actual or apparent conflict of interest with this role.

Separate from First Tryon Advisors, First Tryon Securities, LLC maintains a fixed income sales and trading desk which will provide value for LCFWASA by offering a source of live, real-time market information. The desk operates only in the secondary market and does not participate in the underwriting of bonds, thereby avoiding any or actual perceived conflict of interest.

Disclose any existing or contemplated relationship with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response. If a conflict does or might exist, please describe how your firm would resolve the conflict.

First Tryon is not aware of any existing or contemplated relationships with any other person or entity, including relationships with LCFWASA staff, which would constitute an actual or potential conflict of interest in connection with the rendering of services detailed in this response.

Lower Cape Fear Water and Sewer Authority

11. Respondent's Certification

The Respondent's Certification set forth below shall be completed and signed by the person submitting the response to the RFQ on behalf of your firm.

RESPONDENT'S CERTIFICATION

I have carefully examined the submittal to the Request for Qualifications, and any other documents accompanying or made a part of this submittal.

The firm identified below hereby proposes to furnish the services specified in the Request for Qualifications. I agree that the submittal will remain firm for a period of up to 150 days in order to allow LCFWASA adequate time to evaluate the responses submitted.

I verify that all information contained in this submittal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this response to the Request for Qualifications on behalf of the firm as its act and deed and that the firm is ready, willing, and able to perform if selected.

I further certify that this submittal to the Request for Qualifications is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a Request for Qualifications for the same product or service; no officer, employee or agent of LCFWASA; and that I, the undersigned, executed this certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

First Tryon Advisors
NAME OF BUSINESS

Amy Vitner
SIGNATURE

Amy Vitner Managing Director
NAME & TITLE, TYPED OR PRINTED

6101 Carnegie Blvd, Suite 210
MAILING ADDRESS

Charlotte NC 28209
CITY, STATE, ZIP CODE

704-458-4759
TELEPHONE NUMBER

Appendix A – Municipal Advisor Registration



Certificate of Current MSRB Registration

The Municipal Securities Rulemaking Board (MSRB) certifies that the organization listed below is registered with the MSRB as of December 18, 2023 04:15:31 PM ET.

Registrant's Name:	First Tryon Advisors, LLC	Type of Registration Maintained with the MSRB:	Municipal Advisor
MSRB ID:	K1304	Date Registered with the MSRB:	October 29, 2021

This certificate may be confirmed by contacting the MSRB at 202-838-1330 or by email to MSRBsupport@msrb.org
 Stephanie Braddell, Product Operations Manager

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1300 I Street NW, Suite 1000 | Washington, DC 20005 | 202-838-1500 | MSRB.org | EMMA.MSRB.org



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First Tyron Advisors, LLC CIK#: **0001881014** (see all company filings)

State location: MD | State of Inc.: NC | Fiscal Year End: 1231

Business Address
122 SEVERN AVENUE
ANNAPOLIS MD 21403
7019282445

Mailing Address
6101 CARNEGIE BLVD.
SUITE 210
CHARLOTTE NC 28209

Lower Cape Fear Water and Sewer Authority

Appendix B – Revenue Bond Deal List Since 2021

FTA Revenue Bond Transactions since 2021

Date of Sale	Par Amount	Engagement Name	Issuer	Security Type	Rating	Public Offering/Private Offering	Sale Type	Final Maturity
10/24/23	\$169,420,000	Fayetteville PWC 2023 REV	Fayetteville Public Works Commission (NC)	Revenue	Aa2/AA/AA	Public Offering	Competitive	3/1/2053
10/16/23	\$1,600,000	Liberty-Chesnee-Fingerville 2023 REV	Liberty Chesnee Fingerville Water District (SC)	Revenue	NR	Private Offering	Competitive	11/1/2038
09/12/23	\$3,000,000	Georgetown 2023 CUS REV	Georgetown, City of (SC)	Revenue	NR	Private Offering	Competitive	6/1/2043
09/07/23	\$32,100,000	Florence, SC 2023 WS Rev	Florence, City of (SC)	Revenue	Aa2/AA-/NR	Public Offering	Competitive	9/1/2053
08/15/23	\$38,435,000	Myrtle Beach 2023 W&S REVs	Myrtle Beach, City of (SC)	Revenue	Aa3/AA-/NR	Public Offering	Negotiated	3/1/2048
07/19/23	\$37,055,000	Gastonia, NC 2023 Utility Rev	Gastonia, City of (NC)	Revenue	Aa2/NR/AA+	Public Offering	Negotiated	5/1/2043
05/24/23	\$28,220,000	Dorchester County 2023 W&S REV	Dorchester County (SC)	Revenue	NR/AA/NR	Public Offering	Negotiated	10/1/2048
04/24/23	\$96,525,000	Cherokee Co. W&S 2023 REV	Cherokee County Water and Sewerage Authority (GA)	Revenue	Aa1/AA/NR	Public Offering	Negotiated	8/1/2053
04/03/23	\$8,480,000	Hendersonville 2023 REV	Hendersonville, City of (NC)	Revenue	NR/NR/NR	Private Offering	Competitive	6/1/2043
02/22/23	\$2,067,000	Abbeville Co 2023 Solid Waste Revenue Bond	Abbeville County (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	4/1/2038
01/18/23	\$4,090,000	LCNGA 2023 REV	Lancaster County Natural Gas Authority (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	6/1/2033
12/01/22	\$23,670,000	GUC 2022 Rev Bond	Greenville Utilities Commission (NC)	Revenue	Aa1/NR/AA-	Public Offering	Negotiated	12/1/2046
10/11/22	\$8,000,000	YCONGA 2022 REV	York County Natural Gas Authority (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	4/1/2033
10/06/22	\$71,505,000	South Island PSD 2022 Revenue bond	South Island Public Service District (SC)	Revenue	A1/AA+/NR	Public Offering	Negotiated	4/1/2052
09/28/22	\$4,150,000	Dorchester County 2022 Stormwater REV	Dorchester County (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	4/1/2032
09/08/22	\$60,000,000	Horry Co 2022 Hospitality Fee Revenue Bond	Horry County (SC)	Revenue	NR/AA/AA	Public Offering	Negotiated	9/1/2052
08/08/22	\$22,154,000	Rock Hill 2022CD CUS REVs	Rock Hill, City of (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	1/1/2042
07/27/22	\$120,000,000	ReWa 2022 REV (Interim)	Renewable Water Resources (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	9/1/2026
07/11/22	\$1,500,000	Inman 2022 Hospitality REV	Inman, City of (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	3/1/2037
05/05/22	\$18,558,000	Rock Hill 2022A CUS REVs	Rock Hill, City of (SC)	Revenue	NR/NR/NR	Private Offering	Competitive	1/1/2030
05/03/22	\$38,000,000	MetroConnects 2022 Revenue Bond	MetroConnects (Metropolitan Sewer Subdistrict of	Revenue	NR/NR/NR	Private Offering	Competitive	6/1/2042
04/21/22	\$33,670,000	Charleston 2022 Hospitality Revenue Bonds	Charleston, City of (SC)	Revenue	NR/AA/NR	Public Offering	Negotiated	9/1/2036
02/16/22	\$7,695,000	Greenville, SC 2022 Sewer Rev Bond	Greenville, City of (SC)	Revenue	NR	Private Offering	Competitive	4/1/2037
01/12/22	\$64,555,000	Winston-Salem, NC 2022 WS Rev Bonds	Winston Salem, City of (NC)	Revenue	Aa1/AA+/NR	Public Offering	Negotiated	6/1/2052
01/06/22	\$4,731,000	Thomasville 2022 Revenue Refunding Bond	Thomasville, City of (NC)	Revenue	NR	Private Offering	Competitive	5/1/2028
01/05/22	\$6,915,000	Hendersonville 2022 W&S Revenue Bond	Hendersonville, City of (NC)	Revenue	NR	Private Offering	Competitive	6/1/2041
11/30/21	\$55,000,000	Fulton Co 2021 Urban Redevel Bonds	Fulton County (GA)	Revenue	NR	Private Offering	Competitive	8/1/2036
11/04/21	\$73,545,000	Charleston Co 2021 SSRB Refunding	Charleston County (SC)	Revenue	NR/AA+/AA+	Public Offering	Negotiated	12/1/2038
10/27/21	\$25,340,000	Cassatt Water 2021 Revenue Bonds	Cassatt Water Company (SC)	Revenue	A3/A+/NR	Public Offering	Negotiated	6/1/2051
10/26/21	\$10,129,565	Piedmont Triad Regional Water Authority - 2021 Modification	Piedmont Triad Regional Water Authority	Revenue	NR	Private Offering	Negotiated	9/1/2028
10/20/21	\$16,165,000	Richland County 2021 Assessment Revenue Refunding	Richland County (SC)	Revenue	NR	Public Offering	Negotiated	11/1/2036
10/19/21	\$94,790,000	Fayetteville PWC 2021 Revenue Bonds	Fayetteville Public Works Commission (NC)	Revenue	Aa2/AA/AA	Public Offering	Competitive	3/1/2051
10/13/21	\$20,425,000	Anderson 2022 W&S REV Refunding	Anderson, City of (SC)	Revenue	Aa3/A+/NR	Public Offering	Negotiated	7/1/2032
10/13/21	\$23,255,000	Anderson 2021 W&S REV Refunding	Anderson, City of (SC)	Revenue	Aa3/A+/NR	Public Offering	Negotiated	07/1/2039
09/23/21	\$10,747,000	City of Shelby - 2021 Revenue Bond Refunding	Shelby, City of (NC)	Revenue	NR	Private Offering	Competitive	11/1/2030
08/03/21	\$61,520,000	PEG 2021 Revenue Bonds	Patriots Energy Group (SC)	Revenue	A2/NR/NR	Public Offering	Negotiated	6/1/2051
07/29/21	\$241,795,000	Durham 2021 W&S Revs	Durham, City of (NC)	Revenue	Aa1/AAA/AA+	Public Offering	Negotiated	8/1/2051
06/29/21	\$7,000,000	Florence, City of 2021 Stormwater Rev	Florence, City of (SC)	Revenue	NR	Private Offering	Competitive	6/1/2036
06/28/21	\$7,000,000	Anderson 2021 Hospitality Fee Revenue Bond	Anderson, City of (SC)	Revenue	NR	Private Offering	Competitive	2/1/2037

Lower Cape Fear Water and Sewer Authority

FTA Revenue Bond Transactions since 2021 (continued)

Date of Sale	Par Amount	Engagement Name	Issuer	Security Type	Rating	Public Offering/Private Offering	Sale Type	Final Maturity
05/05/21	\$10,264,000	MetroConnects 2021 Sewer Bond	MetroConnects (Metropolitan Sewer Subdistrict of Greenville County)	Revenue	NR	Private Offering	Competitive	6/1/2023
04/12/21	\$19,510,000	Spartanburg Sewer 2021 Taxable Refunding Bonds	Spartanburg Sanitary Sewer District (SC)	Revenue	Aa3/AA/NR	Public Offering	Negotiated	3/1/2040
03/23/21	\$18,840,000	OWASA 2021 Revenue Bonds	Orange Water and Sewer Authority (NC)	Revenue	Aa1/AAA/AA+	Public Offering	Competitive	6/1/2046
03/15/21	\$17,689,000	North Augusta 2021 W&S Refunding Bond	North Augusta, City of (SC)	Revenue	NR	Private Offering	Competitive	5/1/2036
03/15/21	\$23,053,000	Mooreville 2021 REV Refunding	Mooreville, Town of (NC)	Revenue	NR	Private Offering	Competitive	5/1/2029
02/24/21	\$2,500,000	Liberty-Fingerville Water District 2021 Revenue Bond	Liberty Chesnee Fingerville Water District (SC)	Revenue	NR	Private Offering	Competitive	3/11/2036
02/17/21	\$3,227,000	Greenville, SC 2021 Hosp Tax Ref Bond	Greenville, City of (SC)	Revenue	NR	Private Offering	Competitive	4/1/2031
01/14/21	\$8,320,000	North Charleston Sewer Dist 2021 GO Ref	North Charleston Sewer District (SC)	Revenue	NR/AA-/NR	Public Offering	Competitive	1/1/2031
Total	\$1,656,209,565	47 Transactions						



DISCLAIMER

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First Tryon Advisors is registered as a municipal advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). Neither the SEC, MSRB, nor any other regulatory organization endorses, indemnifies, or guarantees First Tryon Advisors’ business practices or selling methods.

AGENDA
Lower Cape Fear Water & Sewer Authority
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina
8:45 a.m. – Personnel Committee Meeting
February 12, 2024

MEETING CALL TO ORDER: Chairman Knight

DISCUSSION:

1. FY 2024-25 Proposed Salary increases in Budget Process
2. Bereavement Leave

ACTION/DIRECTION: Discussion

ADJOURNMENT



AGENDA
Lower Cape Fear Water & Sewer Authority
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina
9:00 a.m. – Regular Monthly Board Meeting
February 12, 2024

MEETING CALL TO ORDER: Chairman Knight

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVAL OF CONSENT AGENDA

- C1** - Minutes of January 8, 2024, Regular Board Meeting
- C2** - Minutes of January 8, 2024, Finance Committee Meeting
- C3** - Kings Bluff Monthly Operations and Maintenance Report
- C4** - Bladen Bluffs Monthly Operations and Maintenance Reports
- C5** – Line-Item Adjustment for December 31, 2023

NEW BUSINESS

- NB1** - Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2024, to Thompson, Price, Scott, Adams & Co. P.A. in the Amount of \$8,500.00
- NB2** – Resolution of the Lower Cape Fear Water and Sewer Authority Board of Directors regarding accounting responsibilities for the Kings Bluff Raw Water Pump Station

ENGINEER’S COMMENTS

ATTORNEY COMMENTS

EXECUTIVE DIRECTOR REPORT

- EDR1** - Comments on Customers’ Water Usage and Raw Water Revenue for Fiscal Year to Date Ending January 31, 2023
- EDR2** - Operating Budget Status, Ending December 31, 2023.
- EDR3** - Summary of Activities

DIRECTOR’S COMMENTS AND/OR FUTURE AGENDA ITEMS

PUBLIC COMMENT

CLOSED SESSION

- CS1** - Closed session pursuant to N.C.G.S. § 143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege.

ADJOURNMENT

The next board meeting of the Lower Cape Fear Water & Sewer Authority is scheduled for Monday, March 11th at 9:00 a.m. in the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.

AGENDA ITEM

To: CHAIRMAN KNIGHT AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 12, 2024

Re: Consent Agenda

Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

Please find enclosed the items of a routine nature for consideration and approval by the Board of Directors with one motion. However, that does not preclude a board member from selecting an item to be voted on individually, if so desired.

- C1-** Minutes of January 8, 2024, Regular Board Meeting
- C2-** Minutes of January 8, 2024, Finance Committee Meeting
- C3-** Kings Bluff Monthly Operations and Maintenance Report
- C4-** Bladen Bluffs Monthly Operations and Maintenance Report
- C5-** Line-Item Adjustment for December 31, 2023

Action Requested: Motion to approve/disapprove Consent Agenda.

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes
January 8, 2024

Chairman Knight called to order the Authority meeting scheduled on January 8th, 2024, at 9:00 a.m. and welcomed everyone present. The meeting was held at the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina. Director DeVane gave the invocation.

Roll Call by Chairman Knight:

Present: Norwood Blanchard, Patrick DeVane, Wayne Edge, Harry Knight, Scott Phillips, Bill Sue, Phil Tripp, Frank Williams, and Rob Zapple

Present by Virtual Attendance: Al Leonard, Jackie Newton, Charlie Rivenbark, Bill Saffo, and Chris Smith

Absent: None

Staff: Tim H. Holloman, Executive Director; Matthew Nichols, General Counsel; Tony Boahn P.E., McKim & Creed; Sam Boswell, COG; Jess Powell P.E., McKim & Creed; and Danielle Hertzog, Financial Administration Assistant

Guests Present: Glenn Walker, Brunswick County Water Resources Manager; Jorgen Holmberg, Computer Warriors; Anthony Colon, Pender County Utilities Director of Utilities; and Austin Eubanks, Thompson, Price, Scott, Adams & Co., P.A.

Guests Virtual Attendance: Tom Hendrick, Pender County Utilities Water Treatment Plant Superintendent; Craig Wilson, Cape Fear Public Utility Authority Engineering Manager; and Benjamin Kearns, Cape Fear Public Utility Authority Water Resources Manager Water Treatment

PLEDGE OF ALLEGIANCE: Chairman Blanchard led the Pledge of Allegiance.

APPROVAL OF CONSENT AGENDA

C1 – Minutes of December 11, 2023, Regular Board Meeting

C2 – Minutes of December 11, 2023, Personnel Committee Meeting

C3 – Kings Bluff Monthly Operations and Maintenance Report

C4 – Bladen Bluffs Monthly Operations and Maintenance Reports

Director Zapple wanted the minutes to note he was asked to step out of the closed session meeting per Matthew Nichols's and the board's request due to a conflict. Director Phillips requested NB1 to remove Phil Norris and add Scott Phillips as the Secretary.

Motion: Director Zapple **MOVED**; seconded by Director Williams approval of the Consent Agenda Items C1-C4 with corrections to NB1 and Closed Session. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

PRESENTATION TO: Norwood Blanchard, Pender County Representative, by Chairman Knight

Chairman Knight presented Director Blanchard with a certificate and gift card in recognition and appreciation for his distinguished service to the Authority for serving as Chairman in 2023.

OLD BUSINESS

Resolution to Proceed with Phase 2 of 10-Mile Parallel Raw Water Line Project with Design-Build Team of Garney Companies, Inc. and McKim & Creed, Inc.

Motion: Director DeVane **MOVED**; seconded by Director Zapple, approval of the Resolution to Proceed with Phase 2 of the 10-Mile Parallel Raw Water Line Project with Design-Build Team of Garney Companies, Inc. and McKim & Creed, Inc. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NEW BUSINESS

NB1- Presentation of Annual Audit Report for Fiscal Year Ending June 30, 2023

Mr. Austin Eubanks reviewed a PowerPoint summarization of the audit report, a copy of which is hereby incorporated as part of these minutes. He explained the primary task of the audit firm is to reach an opinion on the

financial statements as a whole. The audit findings resulted in an unmodified opinion of a clean report with no material misstatements and a net position of increase in assets by over one million dollars. He reported the records were in good order, and all required audit procedures were performed with complete access to management and information without any limitations. There were no instances of material errors, misrepresentation, or non-compliance. He reviewed a summary of essential audit items, including cash/cash equivalents, total revenue, and total expenses. Mr. Eubanks wanted to note LCFWASA is missing out on the sales tax refund from Kings Bluff. He advised we are shortchanging ourselves about \$27,000/30,000 a year since we do not handle the accounting for the Kings Bluff Plant. Mr. Eubanks said he thinks the staff could handle the accounting, and we would be able to regain the sales tax revenue. Director Zapple wanted to comment on Executive Director Holloman's great job with the increased net position by \$3.1 million and the debt decrease of \$1.1 million. Director Blanchard wanted to know if the board needs to request anything for the Financial administrative assistant to handle the accounting for Kings Bluff. Executive Director Holloman advised we could start the transition in July. Director DeVane requested a resolution to move accounting for Kings Bluff from Brunswick County back to LCFWASA be on the agenda for February 2024.

Executive Director Holloman wanted it noted as a hard copy or PDF file of the *Annual Financial Report for the Year Ended June 30, 2023*, available upon request.

Motion: Director Zapple **MOVED**; seconded by Director Blanchard, approval of the Annual Financial Report for the Year Ended June 30, 2023. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB2- Appointment of Calendar Year 2024 Finance Committee by Chairman Knight

Chairman Knight noted the members he appointed to the Finance Committee for the calendar year 2024, including:

- Harry Knight, Chairman
- Charlie Rivenbark
- Patrick DeVane
- Chris Smith
- Phil Tripp
- Al Leonard
- Norwood Blanchard

Motion: Director Phillips **MOVED**; seconded by Director Williams, approval to Appointment of Calendar Year 2024 Finance Committee by Chairman Knight. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB3 – Appointment of Calendar Year 2024 Personnel Committee by Chairman Knight

Chairman Knight noted the members he appointed to the Personnel Committee for the calendar year 2024, including:

- Harry Knight, Chairman
- Charlie Rivenbark
- Al Leonard
- Wayne Edge
- Scott Phillips
- Jackie Newton
- William Sue
- Mayor Bill Saffo
- Norwood Blanchard
- Matt Nichols

Motion: Director Williams **MOVED**; seconded by Director DeVane, motion to approve Appointment of Calendar Year 2024 Personnel Committee by Chairman Knight. Upon voting, the **MOTION CARRIED**.

NB4 – Appointment of Calendar Year 2024 Long Range Planning Committee by Chairman Knight

Chairman Blanchard noted the members he appointed to the Long-Range Planning Committee for the calendar year 2023, including:

- Harry Knight, Chairman
- Charlie Rivenbark
- Al Leonard
- Frank Williams

Rob Zapple
Patrick DeVane
Norwood Blanchard
John Nichols
Glenn Walker - alternate for John Nichols if he is unable to attend.
Ken Waldroup
Anthony Colon

Motion: Director Williams **MOVED**; seconded by Director Phillips, approval to Appointment of Calendar Year 2024 Long Range Planning Committee by Chairman Knight with adding Glenn Walker. Upon voting, the **MOTION CARRIED**.

ENGINEER’S COMMENTS

Jess Powell advised McKim & Creed advertised the roof replacement at Kings Bluff in December. Unfortunately, no bids were received. Mr. Powell thinks the lack of bids was due to the timeline. The bid will be reposted in January.

ATTORNEY COMMENTS

No comments

EXECUTIVE DIRECTOR REPORT

EDR1 – Comments on Customers’ Water Usage and Raw Water Revenue for Fiscal Year to Date Ending December 31, 2023

Executive Director Holloman reported that during December 2023, Brunswick County and Pender County were above projections.

DIRECTOR’S COMMENTS AND/OR FUTURE AGENDA ITEMS

Director Phillips wanted to know what will happen to the house located across from the barn at Kings Bluff. Executive Director Holloman advised he could look into having the Fire Department come out and complete a practice burn.

PUBLIC COMMENT

No comments

ADJOURNMENT

There being no further business, Chairman Knight adjourned the meeting at 9:34 a.m.

Respectfully Submitted:

Scott Phillips, Secretary

Lower Cape Fear Water & Sewer Authority

Finance Committee Meeting Minutes

January 8, 2024

Chairman Knight called to order the Finance Committee Meeting on January 8, 2024, at 8:35 a.m. The meeting was held at the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.

Present: Norwood Blanchard, Patrick DeVane, and Harry Knight

Absent: None

Present by Virtual Attendance: Al Leonard, Charlie Rivenbark, Chris Smith, and Phil Tripp

Staff: Tim H. Holloman, Executive Director; Matthew Nichols, General Counsel; Sam Shore, COG; Danielle Hertzog, Financial Administration Assistant Jordan Clark, Computer Warriors

Guests Present: Director Wayne Edge; Director Bill Sue; Director Frank Williams; Jorgen Holmberg, Computer Warriors; Glenn Walker, Brunswick County Water Resources Manager

Guests Virtual Attendance: None

Review for the RFQ submittals for Financial Advisor

This is an information meeting, with action yet to be taken due to no quorum. The submittals will be attached to the minutes. Executive Director Holloman advised four submittals were received; however, one was received after the deadline. Executive Director Holloman will have a follow-up Finance Committee Meeting in February 2024 for a recommendation to take to the full board. Executive Director Holloman advised that the three brought to the Finance Committee are complete and compliant with the Securities Commission and the municipal securities rulemaking board. Executive Director Holloman's first recommendation is First Tryon Advisors, and the second recommendation is Bakertilly Municipal Advisors. Director Blanchard questioned if we let Truist know about the RFQ for the Financial Advisor. Mr. Holloman advised he sent the RFQ to Truist. However, they still need to submit it. Executive Director Holloman advised that he could set up an informal interview for one or all three advisors if the board requested. The board members in the meeting agreed they would like the First Tryon Advisor to give a presentation to the Finance Committee.

ADJOURNMENT

There being no further business, Chairman Knight adjourned the meeting at 8:48 a.m.

Respectfully Submitted,

Tim Holloman, Executive Director

The next Finance Committee Meeting of the Lower Cape Fear Water & Sewer Authority is scheduled for Monday, February 12, 2024, at 8:00 a.m. in the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.

COUNTY OF BRUNSWICK
PUBLIC UTILITIES DEPARTMENT
Kings Bluff Pump Station



246 Private Road
Riegelwood, NC 28456
(910) 655-4799 Office
(910) 655-4798 FAX

TO: Tim Holloman

FROM: Greg Lazorchak

DATE: 2/1/2024

SUBJECT: Monthly maintenance report for January 2024

Mr. Holloman,

The Maintenance and Operations of the king's bluff facility for the month of January were performed as prescribed in the station SOP'S and other items are as follows.

The diesel drive booster pumps along with the standby SCADA generator located at the raw tank and the SCADA generator located at INVISTA / CFPUA vaults off HWY 421 were run and tested weekly and verified standby ready.

KB personnel completed all locates issued by the Boss 811 system.

KB personnel cont. pumping out wet well #1.

KB personnel changed oil for compressor #1 & #2.

KB personnel successfully tested generator #1 & #2.

KB personnel escorted Steven LaRosa from Weston and Sampson to inspect pigs along R.O.W.

KB personnel power washed pump rooms 1,3,& 4.

KB personnel Inspected Right of way.

KB personnel accompanied lawyers for Chemours around plant.

KB personnel hung new warning sign at the river.

Contractors:

SR&R onsite to quote cleaning of wet well #1

Pursuit Cleaning came to Kings Bluff office for weekly cleaning.

LJ's Landscaping continued cutting R.O.W.

Weston and Sampson for swabbing and pigging.

Newcomb HVAC performed quarterly maintenance on units.

R.D. White filled propane for generator at Raw Tank.

Thank you,
Gregory Lazorchak

Smithfield®

To: Tim Holloman - LCFWASA

From: James Kern – Bladen Bluffs SWTP ORC

Date: 2/5/24

Subject: January 2024 Operations

During the month of January, Bladen Bluffs SWTP operated a total of 21 days, treating 59.31 million gallons of water.

We used:

54,889 lbs. of aluminum sulfate (Alum)

13,980 lbs. of sodium hydroxide (Caustic)

1,072 lbs. of sodium hypochlorite (2,153 gallons of 6% Chlorine Bleach)

James Kern
Water Treatment Plant
Supervisor

(910) 862-3114

(910) 862-3146

(910) 733-0016 mobile

jkern@smithfield.com

Smithfield.
Good food. Responsibly.®

Bladen Bluffs Surface Water Treatment
Plant

17014 Highway 87 West

Tar Heel, NC 28392

www.smithfieldfoods.com

Bladen Bluffs SWTP Maintenance Report

Date: 2/5/2024

ISSUE:

PLAN OF ACTION:

All PLC need updated	Getting quotes
Vault intrusion electrical needs sealed	Quote approved
Main and raw generator has radiator leak	IN PROGRESS
Caustic Pump #2 clogged	Troubleshooting
Need to do full chemical pump PM	Getting Parts - Tencarva
Streaming current monitor N/A	COMPLETE
Issue with Polymer pump #2	New Pump Ordered – 12 week lead
Few lights in parking lot out	Ordered new bulbs
Settle basin need cleaning	Scheduled this month
Heat in control room NA	Part ordered

Monthly Operating Reports (MORs) Summary

(No user data entry – all values are auto-populated.)

Year: <u>2024</u>	PWS Name: <u>Bladen Bluffs Water System</u>	PWSID#: <u>NC5009012</u>
Month: <u>January</u>	Facility Name: <u>Bladen Bluff</u>	

Combined Filter Effluent (CFE) Turbidity

Samples exceeding 1 NTU (count): <u>0</u>	Number of samples required: <u>111</u>
Samples exceeding .3 NTU (count): <u>0</u>	Number of samples taken: <u>111</u>
Samples exceeding .3 NTU (pct): <u>0.0%</u>	Highest single turbidity reading NTU: <u>0.132</u>
	Monthly average turbidity NTU: <u>0.080</u>

Individual Filter Effluent (IFE) Turbidity

1) Was each filter <u>continuously</u> monitored for turbidity?	Yes	<u>X</u>	No	
2) Was each filter's monitoring results <u>recorded every 15 minutes</u> ?	Yes	<u>X</u>	No	
3) Was there a failure of the continuous turbidity monitoring equipment?	Yes		No	<u>X</u>
4) Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements ?	Yes		No	<u>X</u>
5) Was any individual filter turbidity level > 0.5 NTU in two consecutive measurements at the end of 4 hours of operation after the filter has been backwashed or otherwise taken offline ?	Yes		No	<u>X</u>
6) Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements in each 3 consecutive months ?	Yes		No	<u>X</u>
7) Was any individual filter turbidity level > 2.0 NTU in two consecutive measurements in 2 consecutive months ?	Yes		No	<u>X</u>

Entry Point Residual Disinfectant Concentration (EPRD)

Disinfectant Used <u>Chlorine</u>	Number of samples required <u>111</u>
Minimum EPRD concentration <u>0.7300</u>	Number of samples taken <u>111</u>

Distribution Residual Disinfectant Concentration

Number of samples under 0.010 mg/L (without any detectable) excluding where HPC is ≤ 500/mL	<u>0</u>
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Contact Time (CT) Ratio

Lowest CT ratio reading <u>10.80</u>	Number of CT ratios required <u>21</u>
Number of CT ratios below 1.0 <u>0</u>	Number of CT ratios calculated <u>21</u>

Remarks From General Info Worksheet

By checking this box, the ORC certifies that the requirements of 15A NCAC 18C .1301 "General Requirements", .1302 "Tests, Forms, and Reporting", and .1303 "Facility Oversight" have been met for the month of January, 2024 and that records documenting compliance with this rule are maintained on the premises and available for inspection upon request.

NCDENR/DEH PWSS Version: V02.10-00	COMPLETED BY: James Kern	CERTIFICATE GRADE: A - Surface
	CERTIFICATE NUMBER: 120147	

CONSENT AGENDA (C5)

Lower Cape Fear Water & Sewer Authority

CONSENT ITEM- Background: Line-Item adjustments are made to align revenues and expenditures more closely to actuals without exceeding or decreasing the approved or amended budget.

LINE-ITEM ADJUSTMENTS FOR 12/31/2023

Operating Fund:	Line-Item Budget Amount prior to Adjustment	Decrease	Increase	Budget Amount as of 12/31/2023
REVENUE				
3001-01 Brunswick County	\$1,755,135		\$150,000	\$1,905,135
3004-01 Hwy 421 – Invista	\$200,000	\$107,000		\$93,000
3005-01 Praxair, Inc	\$90,784	\$ 50,000		\$40,784
EXPENSES				
4059-01 Office Expense	\$14,000		\$2,000	\$16,000
4062-01 Office Equipment	\$20,000		\$5,000	\$25,000
Total	\$ 2,079,919	\$(157,000)	\$157,000	\$ 2,079,919

AGENDA ITEM

To: CHAIRMAN KNIGHT AND BOARD MEMBERS

From: TIM H HOLLOMAN EXECUTIVE DIRECTOR

Date: February 12, 2024

Re: Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2024 to Thompson, Price, Scott, Adams & Co. P.A. in the Amount of 8,500.00

Please find enclosed the annual audit contract for the preparation of the Authority's audit and financial statements for the fiscal year ending June 30, 2024.

Action Requested: Motion to approve/disapprove:

Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2024, to Thompson, Price, Scott, Adams & Co. P.A. in the Amount of \$8,500.

Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2024, to Thompson, Price, Scott, Adams & Co. P.A. In the Not to Exceed Amount of \$8,500.00

Whereas, each unit of local government shall have its accounts audited as soon as possible after the close of each fiscal year by a Certified Public Accountant;

Now Therefore Be It Resolved, that the Board of Directors for the Lower Cape Fear Water & Sewer Authority awards the annual auditing contract to the firm Thompson, Price, Scott, Adams & Co. P.A. in the amount of \$8,500.00 to audit the accounts of the Authority and to prepare the financial statements for the fiscal year ending June 30, 2024.

Furthermore, the Board designates that the Chairman and the Executive Director for the Authority are duly authorized to execute the contract on behalf of the Authority.

Adopted this 12th day of February 2024

Harry Knight, Chairman

ATTEST:

Scott Phillips, Secretary

The	Governing Board
of	Primary Government Unit Lower Cape Fear Water & Sewer Authority
and	Discretely Presented Component Unit (DPCU) (if applicable) NA

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Thompson, Price, Scott, Adams & Co., P.A
	Auditor Address 4024 Oleander Dr., Suite 103, Wilmington, NC 28403

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Tim Holloman	Executive Director/LCFW&S	director@lcfwasa.gov

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	Lower Cape Fear Water & Sewer Authority
Audit Fee (financial and compliance if applicable)	\$ 8500.00
Fee per Major Program (if not included above)	\$ 3000.00 if applicable
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 8,500

Discretely Presented Component Unit	NA
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Thompson, Price, Scott, Adams & Co., P.A	
Authorized Firm Representative (typed or printed)* Gregory S Adams, CPA	Signature*
Date*	Email Address* gadams@tpsacpas.com

GOVERNMENTAL UNIT

Governmental Unit* Lower Cape Fear Water & Sewer Authority	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* Harry Knight, Chairperson	Signature*
Date	Email Address* hknight846@aol.com

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 8,500
Primary Governmental Unit Finance Officer* (typed or printed) Tim Holloman, Executive Director	Signature*
Date of Pre-Audit Certificate*	Email Address* director@lcfwasa.gov

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
NA	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

AGENDA ITEM

To: CHAIRMAN KNIGHT AND BOARD MEMBERS

From: TIM H HOLLOMAN EXECUTIVE DIRECTOR

Date: February 12, 2024

Re: RESOLUTION OF THE LOWER CAPE FEAR WATER AND SEWER
AUTHORITY BOARD OF DIRECTORS REGARDING ACCOUNTING
RESPONSIBILITIES FOR THE KINGS BLUFF RAW WATER PUMP
STATION

Background: After completing the Annual Audit Report for the Fiscal year ending June 30, 2023, and Willdan Rate Study, it was brought to light that LCFWASA is missing out on sales tax revenue since LCFWASA is not handling accounts payable and accounts receivable for the Kings Bluff Raw Water Plant.

Action Requested: Motion to approve/disapprove:

RESOLUTION OF THE LOWER CAPE FEAR WATER AND SEWER AUTHORITY BOARD OF DIRECTORS REGARDING ACCOUNTING RESPONSIBILITIES FOR THE KINGS BLUFF RAW WATER PUMP STATION

WHEREAS, as the largest regional water system in Eastern North Carolina, the Lower Cape Fear Water and Sewer Authority (“LCFWASA”) recognizes the importance of financial planning in relation to infrastructure, construction, maintenance and emergency work;

WHEREAS, to assist with financial planning, LCFWASA received funding from the State Revolving Loan Fund to proceed with a water rate study, and at its December 12, 2022 Meeting, the Board awarded the contract for LCFWASA’s water rate study to Willdan Financial Services (“Willdan”);

WHEREAS, included in the Willdan Study is a recommendation that LCFWASA transfer accounts receivable and accounts payable responsibilities for the Kings Bluff Raw Water Pump Station (“Kings Bluff”) from Brunswick County to LCFWASA to allow for direct individual invoicing to LCFWASA;

WHEREAS, at the January 8, 2024 presentation of the Annual Audit Report for Fiscal Year Ending June 30, 2023 to the Board, by LCFWASA’s auditor, Thompson, Price, Scott, Adams & Co., P.A., the auditor recommended that the Board consider the above-referenced change to the Kings Bluff accounting process, which is consistent with the Willdan Study recommendation on this issue;

WHEREAS, transferring accounts receivable and accounts payable responsibilities for Kings Bluff from Brunswick County to LCFWASA will reduce operations and maintenance overhead costs and allow LCFWASA to realize sales tax receipts; and,

WHEREAS, based upon the foregoing, the LCFWASA Board of Directors wishes to transfer accounts receivable and accounts payable responsibilities for Kings Bluff from Brunswick County to LCFWASA effective July 1, 2024.

NOW, THEREFORE, BE IT RESOLVED by the LCFWASA Board of Directors that responsibility for managing accounts receivable and accounts payable for the Kings Bluff Raw Water Pump Station shall be transferred from Brunswick County to LCFWASA effective July 1, 2024.

THEREFORE, BE IT FURTHER RESOLVED, that a copy of this Resolution be recorded in the permanent minutes of this Board.

Adopted this _____ day of February 2024.

Harry Knight, Chairman

ATTEST:

Scott Phillips, Secretary

AGENDA ITEM

To: CHAIRMAN KNIGHT AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 12, 2024

Re: Executive Director's Report

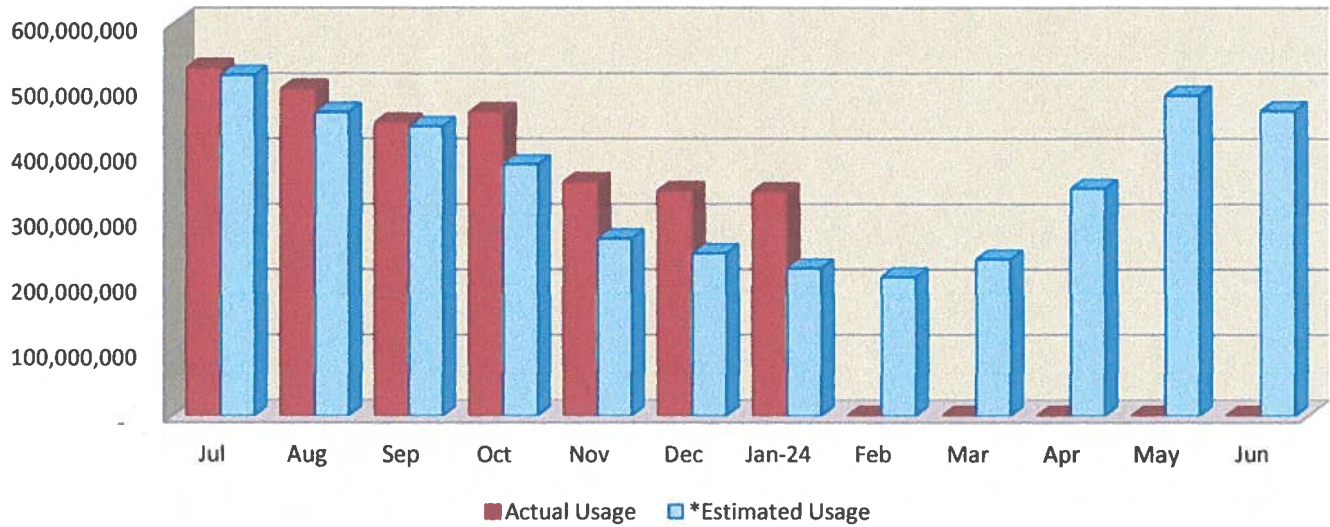
EDR1 - Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending January 31, 2024

EDR2 - Operating Budget Status, Ending December 31, 2023

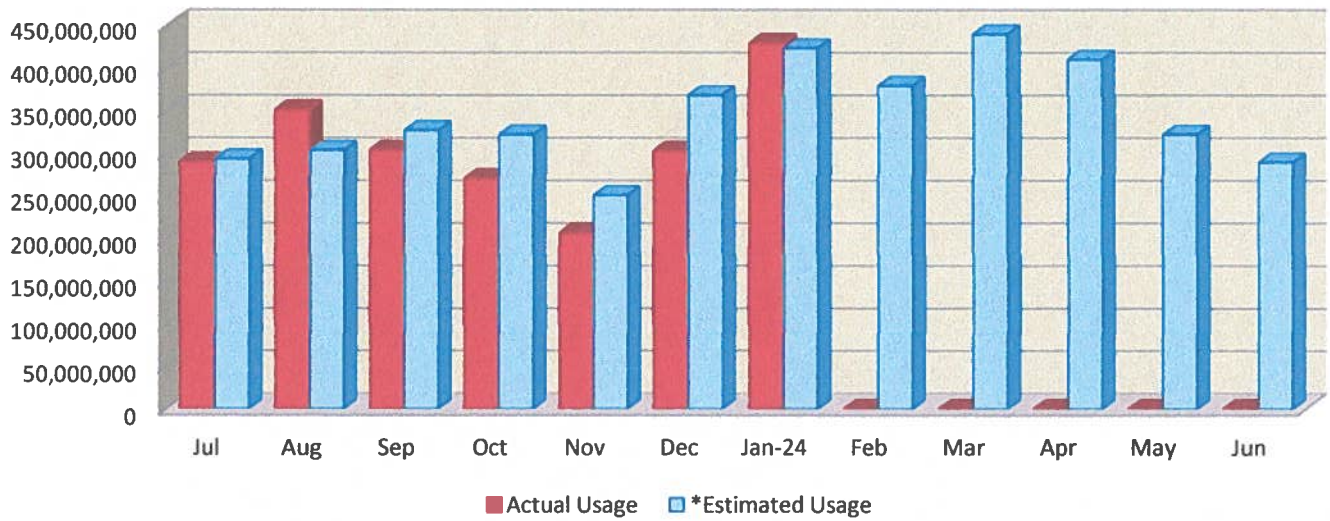
EDR3 - Summary of Activities.

Action Requested: For information purposes.

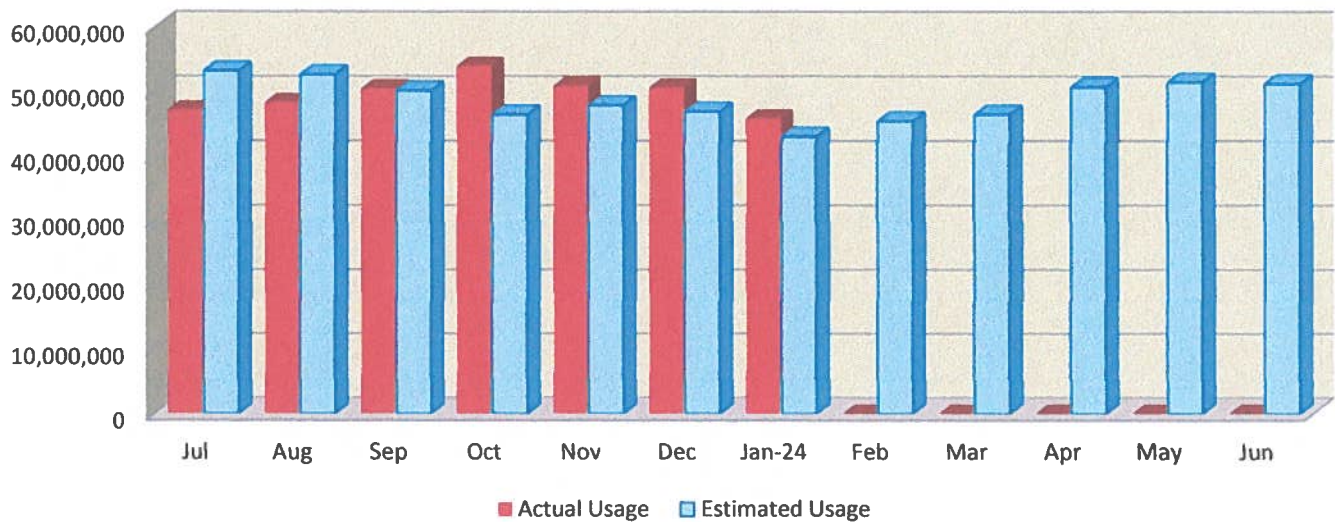
Brunswick County Water Usage FY 23-24



CFPUA Water Usage FY 23-24



Pender County Water Usage FY 23-24



OPERATING FUND BUDGET PERFORMANCE

Jul-1 through Dec 31

Income	Approved	Approved	Jul 1-Dec 31	Jul 1-Dec 31	Jul 1-Dec 31	Budget
	Annual Budget	Adjusted Budget	Kings Bluff	Bladen Bluffs	OF BUDGET	
3000-01 · OPERATING REVENUE						
3001-01 · 01 Bruns County Public Utility	1,725,765	1,905,135	1,057,696		1,057,696	61%
3002-01 · 01 CFPUA	1,652,562	1,652,562	689,896		689,896	42%
3003-01 · 01 Pender County	234,160	234,160	120,650		120,650	52%
3004-01 · 01 HWY 421 - Invista	200,000	93,000	59,383		59,383	30%
3005-01 · 01 Praxair, Inc	100,000	40,784	8,022		8,022	20%
3006-01 · 01 Bladen Bluffs Revenue	4,938,603	4,938,603		3,483,015	3,483,015	71%
Bladen Admin Reimb	110,473	110,473		79,377	79,377	72%
3007-01 · Sales Tax Refund Revenue	100,000	100,000		106,041	106,041	106%
Total 3000-01 · OPERATING REVENUE	9,061,563	9,074,717	1,935,646	3,668,433	5,604,079	62%
3100-00 · OF NONOPERATING REVENUE						
3120-00 · Revenue-Other						
Interest & Investment Revenue	500	9,716	14,580		14,580	150%
FEMA Reimbursement	0	0	0		0	0%
Refunds / Insurance Proceeds/ Other	0	0	432		432	0%
3180-00 · SRF/Parallel Revenue	2,500,000	2,500,000	318,388		318,388	13%
3900-01 R&R Fund Appropriated	0	0	0		0	0%
2900-00 Fund Balance	0	0	0		0	0%
Total 3100-00 · OF NONOPERATING REVENUE	2,500,500	2,509,716	333,399	0	333,399	13%
Total Income	11,562,063	11,584,433	2,269,045	3,668,433	5,937,478	51%
Expense						
4000-01 · ADMINISTRATION EXPENDITURES						
4001-01 · Salary - gross	203,530	203,530	67,803	30,530	98,333	48%
4010-01 · Per Diem= mileage+per diem pay	64,001	64,001	18,119	9,600	27,719	43%
4012-01 · Vehicle Allowance	5,200	5,200	1,820	780	2,600	50%
4070-02 · Phone Allowance	520	520	182	78	260	50%
4015-01 · Payroll Taxes	20,953	20,953	6,705	3,143	9,848	47%
4029-01 · Retirement Employer's Part	26,153	26,153	8,971	3,923	12,894	49%
4035-01 · 401K Employer PD Contribution	11,312	11,312	3,716	1,697	5,413	48%
4038-01 · Payroll Processing Exp	2,900	2,900	1,252		1,252	43%
4038-01 · Insurance Group	40,176	40,176	12,974	6,026	19,001	47%
4039-01 · Insurance, Property	103,734	103,734	41,366	15,560	56,926	55%
4046-00 Professional Services General	15,000	15,000	2,200	0	2,200	15%
4046-01 · Attorney	50,000	50,000	16,219		16,219	32%
4047-01 · Auditor	8,000	8,000	3,200	2,800	6,000	75%
4048-01 · Engineer	300,000	290,000	29,640		29,640	10%
4049-01 Information Technology	16,000	45,370	6,284		6,284	39%
4055-01 · Office Maint/Repair	24,000	24,000	1,031		1,031	4%
4058-01 Office Utilities	5,000	5,000	1,096		1,096	22%
4059-01 Office Expense	14,000	16,000	10,277		10,277	73%
4062-01 Office Equipment	10,000	25,000	16,711		16,711	67%
4064-01 Printing & Advertising	5,000	5,000	2,792		2,792	56%
4065-01 Telephone and Internet	3,500	3,500	1,614		1,614	46%
4070-01 · Travel & Training	29,000	29,000	4,937		4,937	17%
4080-01 · Miscellaneous Expenses	20,000	20,000	7,582		7,582	38%
Total 4000-01 · ADMINISTRATION EXPENDITURES	977,979	1,014,349	266,492	74,137	340,629	35%
4500-01 · OPERATING EXPENDITURES						
4501-00 · Sales Tax Expense - Other	100,000	100,000		68,141	68,141	68%
4510-01 · Bladen Bluffs Expenses	3,324,385	3,324,385		2,032,229	2,032,229	61%
4520-01 · Utilities-Energy Pump Station	786,589	786,589	385,321		385,321	49%
4530-01 · Kings Bluff O&M Expenses	686,749	686,749	192,541		192,541	28%
4535-01 Kings Bluff Hurricane Other FEMA	0	0	0		0	0%
4543-01 · Series 2012 Bond Principal (ST)	0	0	0		0	0%
4544-01 · Series 2012 Bond Interest (ST)	0	0	0		0	0%
4545-01 · Series 2010 Bond Principal (BB)	970,000	970,000		970,000	970,000	100%
4546-01 · Series 2010 Bond Interest (BB)	450,000	450,000		262,036	262,036	58%
5180-00 · SRF/Parallel Expenditures	2,500,000	2,500,000		1,465,411	1,465,411	59%
7400-01 · Operating Capital Expense	1,286,360	1,286,360		47,275	47,275	4%
4998-05- Transfer to R&R- KB R&R Expense	380,000	380,000		0	0	0%
4998-05- Transfer to Enterprise Fund	100,000	100,000		0	0	0%
Total 4500-01 · OPERATING EXPENDITURES	10,584,083	10,584,083	577,862	4,845,093	5,422,954	51%
Total Expense	11,562,062	11,598,432	844,354	4,919,230	5,763,584	50%

Executive Director Highlighted Activities:

- Regular Monthly meeting with Design Build Team and Owner's Advisor for the parallel line project
- Provided Brunswick Utilities with an additional copy of our CIP.
- Provided Pender Utilities with a copy of the Emergency Management Plan to review and revise.
- Continue to work with partners on the Sand Mine Issue and Permitting
- Work with Mckim and Creed and readvertise for roof work at Kings Bluff.
- Participated in Leadership Brunswick for the Educational System module.
- Continue to follow up with the State about notice of award for the second phase (final 3 miles) of the parallel line project.
- Attended NCCCMA Managers Winter conference.
- Tentatively scheduled William Rivenbark, School of Government, to revisit his 2021 presentation about the financial viability of LCFWASA since his first evaluation.
- Recorded a Public Works Podcast for air later.
- Review the Scope for the next 3 miles of the parallel line project with the Design Build team and Owners Advisor.
- Reviewed final Willdan Rate Document, expect the final copy to be ready by March.
- Attended Brunswick County Regular Board Meeting
- Attended Pender County Regular Board Meeting
- Contacted the Fire department and working on schedule to burn the former rental house.

AGENDA ITEM

To: CHAIRMAN KNIGHT AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 12, 2024

Re: Closed Session in Accordance with NCGS §143-318.11(a)(3) to consult with attorney in order to preserve the attorney-client privilege.

Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

A Closed Session is required in accordance with NCGS §143-318.11(a)(3) to discuss with our attorney matters within the attorney-client privilege.

A motion is made by _____ to go into a closed session in accordance with North Carolina General Statute Section 143-318.11(a)(3).

The motion is seconded by _____.

Closed Session

A motion is made by _____ to return to open session.

The motion is seconded by _____.