

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

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Chairman Knight called to order the Authority meeting scheduled on January 8<sup>th</sup>, 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

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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

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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.

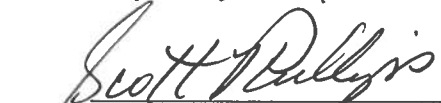
**PUBLIC COMMENT**

No comments

**ADJOURNMENT**

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

Respectfully Submitted:

  
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Scott Phillips, Secretary