

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes
May 11th, 2026

Chairman Phillips called to order the Authority meeting scheduled on May 11th, 2026, 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 Leonard gave the invocation.

Roll Call by Chairman Phillips:

Present: Damien Buchanan, Chakema Clinton-Quintana, Patrick DeVane, Wayne Edge, Jerry Groves, Harry Knight, Al Leonard, Scott Phillips, Chris Smith, Bill Sue, Phil Tripp, Frank Williams, and Rob Zapple

Present by Virtual Attendance: Bill Saffo

Absent: None

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

Guests Present: Jorgen Holmberg, Computer Warriors; David Carson, Brunswick County Kings Bluff Water Resource Supervisor; Chris Giesting, Brunswick County Water Resources Manager; Kevin Morris, Cape Fear Public Utility Authority Deputy Director; Ken Waldroup, Cape Fear Public Utility Authority Executive Director; David Fournier, HDR Construction Services; and Christopher "CJ" Cahoy, Garney Construction

Guests Virtual Attendance: Heidi Cox, NC DEQ Regional Engineering Supervisor, Division of Water Infrastructure; James Proctor, Pender County Interim Utilities Director; Aaron Smith, Brunswick County Director of Fiscal Operations; and John Nichols, Brunswick County Public Utilities Director

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

APPROVAL OF CONSENT AGENDA

C1 – Minutes of April 14, 2026, Regular Board Meeting

C2 – Kings Bluff Monthly Operations and Maintenance Report

C3 – Bladen Bluffs Monthly Operations and Maintenance Reports

C4 – Retainer for General Counsel Services Agreement: Matthew Nichols, Attorney at Law in the amount of \$225 per hour for FY 2026-2027.

C5 A – Resolution of Lower Cape Fear Water & Sewer Authority Exempting Lower Cape Fear Water & Sewer Authority from the Provisions of N.C.G.S. §143-64.31 for C5 B.

C5 B – Retainer for Engineering Services Agreement: McKim & Creed in the amount of \$38,400 for Fiscal Year 2026-2027.

C6 – Resolution Approving Memorandum of Understanding Regarding Interlocal Agreement for Phased 10-Mile Parallel Raw Water Line Project.

C7 – Resolution Opposing the Expansion of the Chemours Fayetteville Works.

Motion: Director Clinton-Quintana **MOVED**; seconded by Director Buchanan, approval of the Consent Agenda Items. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

PUBLIC HEARING: PRESENTED DRAFT BUDGET FOR THE FISCAL YEAR 2026-2027 BUDGET AND BUDGET ORDINANCE:

Motion to open Public Hearing per North Carolina General Statute Section 159-12

Motion: Director Leonard **MOVED**; seconded by Director Clinton-Quintana, to open Public Hearing. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB1- Finance Committee Comments and Review of Draft Recommended Budget for the Fiscal Year 2026-2027 (Finance Committee Chairman Scott Phillips)

Executive Director Holloman reviewed essential cost items for the FY 2026-2027 draft budget. Our customers' water usage is projected at 11,196,923 gallons, with a proposed rate of \$0.52 per 1,000 gallons, resulting in an estimated \$5.8 million in revenue. Health insurance will increase by 18%. The property and liability insurance expenses will increase by 8%. State retirement will increase from 14.85% to 15.10%. LCFWASA will purchase a fourth pump through Pay-Go. We will pay for the Air Backwash and Walkway cost of \$4,200,000 through either state appropriation, finance, or partner contribution. Governmental partners rates will increase to 0.52 per 1,000 gallons from the current 0.48, and industrial customers will increase to 0.74 per 1,000 gallons from the current 0.70, as recommended by the rate forecast for the Master Plan. The FY 2026-2027 budget has a 23% decrease over the FY2025-2026 budget, primarily due to the Parallel Line Project nearing completion. No written or public comments were received regarding the Draft Budget and Budget Ordinance for Fiscal Year 2026-2027.

Motion to close Public Hearing per North Carolina General Statute Section 159-12

Motion: Director Williams **MOVED**; seconded by Director DeVane, to close Public Hearing. Upon voting, the **MOTION CARRIED UNANIMOUSLY.**

PRESENTATION: Raw Water Main Update by Christopher "CJ" Cahoy with Garney Construction

A copy of the presentation will be attached to the minutes.

ENGINEER'S COMMENTS

No comments.

ATTORNEY COMMENTS

No comments.

EXECUTIVE DIRECTOR REPORT

EDR1 – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending April 2026

Executive Director Holloman reported that all customers exceeded projections in April.

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

No comments.

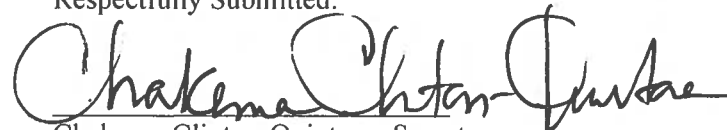
PUBLIC COMMENT

No comments.

ADJOURNMENT

There being no further business, Chairman Phillips adjourned the meeting at 9:27 a.m.

Respectfully Submitted:


Chakema Clinton-Quintana, Secretary