

Lower Cape Fear Water & Sewer Authority  
Regular Board Meeting Minutes  
June 8<sup>th</sup>, 2026

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Chairman Phillips called to order the Authority meeting scheduled on June 8<sup>th</sup>, 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 Edge gave the invocation.

**Roll Call by Chairman Phillips:**

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

**Present by Virtual Attendance:** Damien Buchanan and Bill Saffo

**Absent:** Bill Sue

**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; Kevin Morris, Cape Fear Public Utility Authority Deputy Director; Ken Waldroup, Cape Fear Public Utility Authority Executive Director; David Fournier, HDR Construction Services; Jeff Gramm, Cape Fear Public Utility Authority Treatment/Engineering Services Administration; Greg Lazorchak, Brunswick County Kings Bluff Water Plant Facility Operator; Amy Vitner, First Tryon Advisors Managing Director; and Sean Kenyon, McKim & Creed Project Manager

**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; Eileen Callori, Brunswick County Deputy Finance Officer; John Nichols, Brunswick County Public Utilities Director; Kim Colson, P.E., Regulatory and Funding Strategy Lead HDR Inc; and Craig Wilson, PE, Cape Fear Public Utility Authority Assistant Operations Director

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

**APPROVAL OF CONSENT AGENDA**

**C1 – Minutes of May 11, 2026, Regular Board Meeting**

**C2 – Minutes of May 11, 2026, Personnel Committee Meeting**

**C3– Minutes of May 11, 2026, Finance Committee Meeting**

**C4– Minutes of May 11, 2026, Long Range Planning Committee Meeting**

**C5 – Kings Bluff Monthly Operations and Maintenance Report**

**C6 – Bladen Bluffs Monthly Operations and Maintenance Reports**

**C7 – Line-Item Adjustment for April 30, 2026**

Director Zapple would like to remove Consent Agenda items C1 and C3 to correct the minutes. The board would like an engineering presentation for the July meeting on the leaking fuel tank, covering the current leak condition, containment status, and fuel volume, so the board fully understands the situation before hurricane season.

**Motion:** Director Leonard **MOVED**; seconded by Director Williams, approval of the Consent Agenda Items C2, C4-C7. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

**OLD BUSINESS**

**OB1 - Finance Committee Recommended Budget for Fiscal Year 2026-2027**

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. Rates will increase by 0.04 for governmental partners and Industrial customers. Governmental partners rates will increase to 0.52 per 1,000 gallons from the current

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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. Director Zapple would like an update from Executive Director Holloman next month on the Bladen Bluff budget expense decrease. No written or public comments were received regarding the Draft Budget and Budget Ordinance for Fiscal Year 2026–2027.

**Motion:** Director Williams **MOVED**; seconded by Director Knight, to approve the Budget for Fiscal Year 2026-2027. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

## **NEW BUSINESS**

### **NB1 - Annual Right-of-Way Mowing Contract**

Executive Director Holloman recommends executing the right-of-way mowing contract with Rogers Excavating.

**Motion:** Director Leonard **MOVED**; seconded by Clinton-Quintana, to approve the recommended contractor for the Right-of-Way Mowing Contract. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

### **NB2 - Final Master Planning Document (25-Year Planning Period FY 2026-2051)**

Sean Kenyon presented the current draft Capital Improvement Plan (CIP) from 2026 through 2051, including Kings Bluff, Raw Water, and Bladen Bluff water treatment facilities. The CIP had several factors, including category of need, capacity issue, whether it needs to be replaced or rehabilitated, and whether there is a maintenance efficiency or redundancy issue. They assigned each project a criticality score indicating whether it was a high or low priority and assessed the consequences if no action was taken. There are three primary drivers: demand and capacity, life cycle, redundancy, and resiliency. The criticality is scored as 1, 2, or 3. One being the lowest and three being the highest need. The preliminary design memorandum is based on a demand table for projected usage by different entities, with a projected demand of 96 million gallons per day in 2062.

Sean Kenyon listed thirteen projects for Kings Bluff and three cost-sharing projects. KB1 New 4th Pump at Kings Bluff has a criticality of three because current pumps will meet projected demands by 2037. The fourth pump will be on standby/backup and will be added to the pump rotation to reduce hours per pump. KB2 Rebuild/Refurbish the existing 1600 HP vertical turbine raw water pump. Rebuilding the pumps will extend their service life. KB3 Generators at King's Bluff Raw Water Pump Station have a criticality of two due to the future need for increased load associated with auxiliary pump motor HP and larger quantities. The KB4 Pig 48" pipe from the Kings Bluff pump station to the 3 MG ground tank is critical because pigging will maintain a clean pipeline free of sediment, silt, and debris. It will also improve pump efficiency by reducing frictional losses in the pipeline. KB5 Pig Future 54" pipe from King's Bluff Pump Station to 3MG ground tank has a criticality of one sighting, for the same reason as pigging the 48" pipeline. KB6 Walkway and air backwash building replacement has a criticality of 2 due to the walkway's condition and will need to be replaced by 2027 due to rotting wood and overall weathering. KB7: Replacing raw water pumps 1, 4, and 5 has a criticality of 3 due to age and mechanical wear. KB8: New surge tank and Control Panel at Kings Bluff have a criticality of 2 because, as demand increases, system surges are likely to rise, and this needs to be installed before the fifth pump comes online. KB9 5 ROW acquisitions rated a criticality of one. The KB10 48-inch PCCP inspection and pig from the ground tank to US 421, with a criticality of 1, is of utmost importance due to current capacity loss and/or clogging caused by sediment buildup. Similarly, the KB11 48-inch PCCP repairs, also with a criticality of one, pose a significant risk of a pipeline break. The KB12 48" PCCP Leak Detection Project has a criticality of one because of potential leaks and weak points in the existing line before a break or failure. KB13 Solar Power Study and Installation has a criticality of two. This will enhance the station's reliability and efficiency by providing a redundant power source. KB14 Lock and Dam No. 1 Check Dam Repair/Restoration has a criticality of three.

CS1 A New fifth pump at the Kings Bluff raw water pump station has a criticality of 3 because reducing the load and run times of existing pumps will extend their life and improve all pumps' reliability. CS2 3-Mile parallel raw water main from 3MGD Pender Vault to Cape Fear Public Utilities vault has one criticality. CS3 100MGD Reservoir has a criticality of 1 due to the increasing availability of a water storage system, allowing temporary redundancy of supply in the event of an emergency (line break, power outage, hurricane).

BB1 Replacing two pumps at the Bladen Bluffs raw water pump station has a criticality of 1 because the pumps will be approximately 20 years old by 2032 and are approaching the end of their useful life. BB2 Replace blower in the Blower Building has one criticality. BB3: Replacing the existing pumps at the recycle pumping station has a criticality of 1, and the blowers will be approximately 25 years old by 2032, approaching the end of their useful life. BB4 Replace three pumps at the transfer pump station has a criticality of one. BB5 Replacing two generators at the site has a criticality of one because the facility currently has two (2) generators on-site. Generators will be approximately 25 years old by 2037 and approaching the end of their service life. BB6 PLC Upgrades has a criticality of one. BB7 SCADA upgrades has a criticality of one and are due to Routine upgrades to the existing SCADA system on a periodic basis. BB8 Intake screen walkway has a criticality of one.

Executive Director Holloman advised that, over the coming months, he will continue collaborating with all project partners and will meet with the Long-Range Planning Committee to develop a third planning session. The purpose of this session will be to identify and prioritize regional capital projects, including the proposed 54-inch parallel transmission line segment to the CFPWA Sweeney Water Treatment Plant. The Master Plan will be updated through an amendment to clearly identify and emphasize these regional capital improvement needs.

Director Leonard stated that he would like to hear Pender County's perspective regarding the proposed extension of the water transmission line to the CFPWA Sweeney Water Treatment Plant. He noted that when Pender County connected to LCFWASA's system, the county was responsible for funding the water line extension to its own treatment plant.

**Motion:** Director Williams **MOVED**; seconded by Director Leonard, to approve the Final Master Planning Document (25 Year Planning Period FY 2026-2051). Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

**PRESENTATION: Annual Review from First Tryon Advisors**

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 May 2026**

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

**DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS**

No comments.

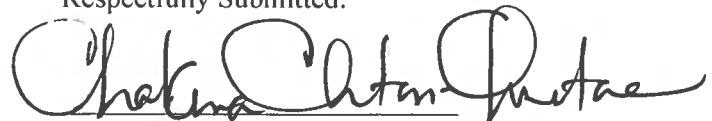
**PUBLIC COMMENT**

No comments.

**ADJOURNMENT**

There being no further business, Chairman Phillips adjourned the meeting at 10:56 a.m.

Respectfully Submitted:

  
Chakema Clinton-Quintana, Secretary