

AGENDA
Lower Cape Fear Water & Sewer Authority
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina
9:00 a.m. – Regular Monthly Board Meeting
August 10, 2026

MEETING CALL TO ORDER: Chairman Phillips

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVAL OF CONSENT AGENDA

- C1** – Minutes of July 13, 2026, Regular Board Meeting
- C2** – Kings Bluff Monthly Operations and Maintenance Report
- C3** – Bladen Bluffs Monthly Operations and Maintenance Reports
- C4** – Line-Item Adjustment for June 30, 2026
- C5** – Resolution Establishing Criteria for a Design-Build Delivery Method and Authorizing Use of the Design-Build Delivery Method for 100 Million Gallon Reservoir and Associated Infrastructure Project for the Lower Cape Fear Water and Sewer Authority

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

ENGINEER’S COMMENTS

ATTORNEY COMMENTS

EXECUTIVE DIRECTOR REPORT

- EDR1** – Comments on Customers’ Water Usage and Raw Water Revenue for Fiscal Year to Date Ending July 31, 2026
- EDR2** – Operating Budget Status, Ending June 30, 2026
- EDR3** – Summary of Activities

DIRECTOR’S COMMENTS AND/OR FUTURE AGENDA ITEMS

PUBLIC COMMENT

CLOSED SESSION

ADJOURNMENT

The next board meeting of the Lower Cape Fear Water & Sewer Authority is scheduled for Monday, September 14th 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 PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2026

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 July 13, 2026, Regular Board Meeting

C2 – Kings Bluff Monthly Operations and Maintenance Report

C3 – Bladen Bluffs Monthly Operations and Maintenance Report

C4 – Line-Item Adjustment for June 30, 2026

C5 – Resolution Establishing Criteria for a Design-Build Delivery Method and Authorizing Use of the Design-Build Delivery Method for 100 Million Gallon Reservoir and Associated Infrastructure Project for the Lower Cape Fear Water and Sewer Authority

Action Requested: Motion to approve/disapprove Consent Agenda.

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes
July 13th, 2026

Chairman Phillips called to order the Authority meeting scheduled on July 13th, 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: Chakema Clinton-Quintana, Patrick DeVane, Wayne Edge, Jerry Groves, Harry Knight, Al Leonard, Scott Phillips, Bill Saffo, Chris Smith, Bill Sue, Phil Tripp, and Frank Williams

Present by Virtual Attendance: Damien Buchanan

Absent: Rob Zapple

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 Administrative Assistant

Guests Present: Troy Hunter, Computer Warriors; Kevin Morris, Cape Fear Public Utility Authority Deputy Director; Ken Waldroup, Cape Fear Public Utility Authority Executive Director; Benjamin Kearns, Cape Fear Public Utility Authority Water Resources Manager Water Treatment; David Carson, Brunswick County Kings Bluff Water Resource Supervisor; Chris Giesting, Brunswick County Water Resources Manager; James Proctor, Pender County Interim Utilities Director; Colby Sawyer, Pender County Manager; Sam Shumate, Electus Governmental Affairs Inc, Vice President; David Fournier, HDR Construction Services Resident Project Representative; David Cowell, HDR Construction Services P.E., HDR Construction Services

Guests Virtual Attendance: Heidi Cox, NC DEQ Regional Engineering Supervisor, Division of Water Infrastructure; Michael Miller, NC DEQ Financial Services; Erin Jones, Pender County Utilities Water Treatment Plant Superintendent; Aaron Smith, Brunswick County Director of Fiscal Operations; Dodie Render, Electus Governmental Affairs Inc, President; Margarita Anayiotou, Electus Governmental Affairs Inc, Research & Operations Associate; Elisabeth Austin, Electus Governmental Affairs Inc

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

AMENDING THE AGENDA

Chairman Phillips requested the Board's add a closed session to the agenda for in accordance with N.C.G.S. §143-318. 11(a)(3) to discuss with our attorney a matter within the attorney-client privilege.

Motion: Director Leonard **MOVED**; seconded by Director DeVane, approval to amend the agenda. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

APPROVAL OF CONSENT AGENDA

C1 – Minutes of June 8, 2026, Regular Board Meeting

C2 – Minutes of May 11, 2026, Regular Board Meeting

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

C4 – Kings Bluff Monthly Operations and Maintenance Report

C5 – Bladen Bluffs Monthly Operations and Maintenance Reports

C7 – Line-Item Adjustment for May 31, 2026

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

NEW BUSINESS

NB1 - Truck for Lower Cape Fear Water & Sewer Authority Office

Executive Director Holloman reviewed the bids received for the purchase of a new Authority truck. The lowest bid was approximately \$46,222 from a Wilmington-area Dodge dealership for a 2025 Ram truck. Executive Director Holloman explained that the dealership had purchased a large quantity of vehicles and was able to offer a competitive price. The proposed purchase price was below the amount included in the Authority's budget.

Motion: Director Edge **MOVED**; seconded by Clinton-Quintana, to approve the recommended for the 2025 Ram 1500 vehicle for the Lower Cape Fear Water & Sewer Authority Office. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB2 - Owners Advisor for Reservoir Project

Executive Director Holloman reported that LCFWASA had completed the purchase of property for the reservoir project and had remaining funds available to begin the Design-Build process. LCFWASA advertised a Request for Qualifications for an owner's advisor and received two submissions. The project was re-advertised, but no additional submissions were received. The two firms submitting qualifications were Schnabel and HDR. Staff recommended selecting HDR as the owner's advisor based on the firm's qualifications and the Authority's previous experience working with HDR. Mr. Holloman stated that HDR would assist the Authority with advertising for a Design-Build contractor. The overall reservoir project is estimated to cost more than \$70 million, and additional funding will be required as the project progresses.

Motion: Director Williams **MOVED**; seconded by Director Leonard, to approve the Owners Advisor for Reservoir Project. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

ENGINEER'S COMMENTS

Jess Powell provided an update regarding one of the existing 12,000-gallon diesel fuel storage tanks that was leaking fuel into the secondary containment area. Kings Bluff staff arranged for the rental of a temporary 10,000-gallon tank so that the facility would maintain adequate diesel fuel storage during hurricane season. Two primary replacement options were discussed: A replacement concrete Convault tank, with an estimated tank cost of approximately \$140,000 and a preliminary total project estimate between \$400,000 and \$500,000. A double-wall steel tank, similar to the temporary rental tank currently on site. The estimated cost for a turnkey installation was approximately \$180,000, including tank removal, demolition, disposal, delivery, installation, and associated concrete work. Staff advised that the double-wall steel tank would have an estimated service life of approximately 20 years and would require minimal maintenance other than routine painting and exterior upkeep. The steel tank could also be installed more quickly than the concrete tank.

The Board directed staff to obtain firm proposals for the following three options: A 10,000-gallon double-wall steel tank; A 12,000-gallon double-wall steel tank; and A replacement Convault tank. The proposals will be presented at a future Board meeting for consideration.

PRESENTATION: Quarterly Review from Sam Shumate, Electus Governmental Affairs Inc

Sam Shumate provided an update regarding LCFWASA state and federal legislative activities. Mr. Shumate reported that LCFWASA representatives had met with members of the regional legislative delegation to discuss the Authority's long-term infrastructure needs. LCFWASA continues to seek legislative support for two major projects: Approximately \$5.8 million for a fourth pump at the Kings Bluff facility; and Approximately \$4.2 million for replacement of the air backwash access walkway and associated building at Kings Bluff. The Authority previously secured approximately \$750,000 in federal community project funding through Congressman David Rouzer's office for the fourth pump project. Mr. Shumate noted that the recently adopted state budget contained fewer special appropriations and directed infrastructure grants than in prior years. Legislative planning for the next long session will begin immediately, with the session expected to begin 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 June 2026

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

DIRECTOR’S COMMENTS AND/OR FUTURE AGENDA ITEMS

No comments.

PUBLIC COMMENT

No comments.

CLOSED SESSION

Chairman Phillips requested a motion to go into a closed session in accordance with N.C.G.S. §143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege.

Motion: Director Williams **MOVED**; seconded by Director Clinton-Quintana, to go into closed session in accordance with N.C.G.S. §143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

At 9:35 a.m., the board went into closed session. At 9:59 a.m., the board returned to open session. Discussion only; no action taken.

ADJOURNMENT

There being no further business, Chairman Phillips adjourned the meeting at 10:01 a.m.

Respectfully Submitted:

Chakema Clinton-Quintana, Secretary

BRUNSWICK COUNTY PUBLIC UTILITIES

Kings Bluff Pump Station/LCFWASA

246 Private Rd. 703
Riegelwood, NORTH CAROLINA 28456MAILING ADDRESS
P. O. Box 249
BOLIVIA, NORTH CAROLINA 28422TELEPHONE (910) 655-4799
FAX (910) 655-4798**TO: Tim Holloman****FROM: David Carson****DATE: 8/1/2026****SUBJECT: Monthly maintenance report for July 2026**

Mr. Holloman,

The Maintenance and Operations of the King's Bluff facility (KB) for July were performed as prescribed in the station SOPs, and other items are as follows.

The diesel drive booster pumps, along with the standby System Computer and Data Acquisition (SCADA) generator located at the raw tank and the SCADA generator located at INVISTA / CFPWA vaults off HWY 421, were run and tested weekly and verified as standby-ready.

Items highlighted in yellow were on Annual Inspection.

1. KB personnel completed all locates issued by the Boss 811 system.
2. KB personnel refinished and painted Radiator fan covers.
3. KB personnel calibrated the Sonde EXO2 pH/ORP and Total Algae sensors.
4. KB personnel fixed a faulty valve for the Sonde EXO2, taped off the 24" pipe, and replaced it with a new valve in the pump/pipe gallery.
5. KB personnel aided McKim & Creed and Vital Tank in obtaining quotes on diesel tank removal and logistics.
6. KB personnel assembled new gear box and installed on 48" valve at Pender County, then opened and put back in service.
7. KB personnel checked valves at raw tank, Mt. Misery, and Du Pont plant to confirm they were open and fully operational.

8. KB personnel assisted I&E (Instrumentation and Electrical) with testing water meters at the Wilmington vault on 7/21/2026, as well as at Pender County and Stepan on 7/22/2026, to assess discrepancies between Kings Bluff and our metered vaults.
9. KB personnel supported Garney construction with the Pender County/CFPUA bypass for the construction of the last two interconnections (Pender County and Mt Misery) for the parallel line project.
10. KB personnel installed new air filters on VFD room air handlers for HVAC units.
11. KB personnel mowed Kings Bluff, Authority property, and the Raw tank. KB personnel have taken over the mowing /landscaping of Kings Bluff, Authority property at Raw tank.
12. KB personnel aided I&E (Instrumentation and Electrical) with diagnosing and changing the EDCO transmitter at Linde/Praxair Panel.
13. KB personnel, with guidance of I&E (Instrumentation and Electrical), cleaned and flushed Rosemont unit to remove sediment and reassembled piping for flow monitors at Wilmington vault.
14. KB personnel assisted Garney Construction and Razorback Boring Inc. with location services of the existing 48" waterline on Rt. 421.
15. KB personnel, along with I&E (Instrumentation and Electrical), replaced the radio at Linde/Praxair.

Contractors:

I&E (instrumentation and electrical)

McKim & Creed

D.H. Griffin

Edwards Crane

Vital Tank

SR&R

Razorback Boring Inc.

David Carson



To: Tim Holloman - LCFWASA

From: James Kern – Bladen Bluffs SWTP ORC

Date: 8/4/26

Subject: July 2026 Operations

During the month of July, Bladen Bluffs SWTP operated a total of 18 days, treating 59.19 million gallons of water.

We used:

32,454 lbs. of aluminum sulfate (Alum)

11,715 lbs. of sodium hydroxide (Caustic)

1,966 lbs. of sodium hypochlorite (3,948 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: 8/4/2026

ISSUE:

PLAN OF ACTION:

1. All PLC need updated	1. Parts arrived – scheduling install
2. Wooden walkway to river needs replacement	2. Tim and Jess plan to meet and discuss plan
3. Transfer pump #2 NA	3. Bad wire – temp fix. Planning with internal electrician – Pump available
4. Chemical pump PM needed	4. Completed partial – scheduled 8/11 and 8/12
5. Caustic pump #3 NA	5. Have spare...planning install – scheduled 8/11
6. Flocculator 2B failed	6. Replace motor – issue with gear box
7. Suspected mud valve leak on settle basin #2	7. Ordering repair kit – inspect next time we clean basin – August. Will land app end of month
8. UPS needs software update	8. FIXED
9. Generator has recommended PM repairs	9. Quotes approved – scheduled this month
10. Issue with AC unit in MMC room	10. FIXED
11. DUCT smoke detector issue	11. Superior mechanical diagnosing – have to order part
12. Relay on flocculator 1B not working correctly	12. FIXED
13. Bleach transfer pump not working	13. IN PROGRESS
14. Truck need oil change and inspection	14. COMPLETE

Monthly Operating Reports (MORs) Summary

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

Year: 2026 PWS Name: Bladen Bluffs Water System PWSID#: NC5009012
 Month: July Facility Name: Bladen Bluff

Combined Filter Effluent (CFE) Turbidity

Samples exceeding 1 NTU (count):	<u>0</u>	Number of samples required:	<u>99</u>
Samples exceeding .3 NTU (count):	<u>0</u>	Number of samples taken:	<u>99</u>
Samples exceeding .3 NTU (pct):	<u>0.0%</u>	Highest single turbidity reading NTU:	<u>0.141</u>
		Monthly average turbidity NTU:	<u>0.076</u>

Individual Filter Effluent (IFE) Turbidity

1)	Was each filter <u>continuously</u> monitored for turbidity?	Yes	<u>X</u>	No	<u></u>
2)	Was each filter's monitoring results <u>recorded every 15 minutes</u> ?	Yes	<u>X</u>	No	<u></u>
3)	Was there a failure of the continuous turbidity monitoring equipment?	Yes	<u></u>	No	<u>X</u>
4)	Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements ?	Yes	<u></u>	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	<u></u>	No	<u>X</u>
6)	Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements in each 3 consecutive months ?	Yes	<u></u>	No	<u>X</u>
7)	Was any individual filter turbidity level > 2.0 NTU in two consecutive measurements in 2 consecutive months ?	Yes	<u></u>	No	<u>X</u>

Entry Point Residual Disinfectant Concentration (EPRD)

Disinfectant Used	<u>Chlorine</u>	Number of samples required	<u>99</u>
Minimum EPRD concentration	<u>0.3300</u>	Number of samples taken	<u>99</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>17.70</u>	Number of CT ratios required	<u>18</u>
Number of CT ratios below 1.0	<u>0</u>	Number of CT ratios calculated	<u>18</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 July, 2026 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 (C4)**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 06/30/2026

Operating Fund:	Line-Item Budget Amount prior to Adjustment	Decrease	Increase	Budget Amount as of 04/30/2026
Expenses				
4036-01 Miscellaneous Payroll Processing Expenses	\$2,900		\$500	\$3,400
4039-01 Property and Liability Insurance	\$173,160	\$(32,660)		\$140,500
4049-01 Information Technology	\$25,000		\$12,000	\$37,000
4062-01 Office Equipment	\$50,000		\$300	\$50,300
4065-01 Telephone and Internet	\$7,100		\$700	\$7,800
4081-01 Dues & Subscription	\$14,165	\$(1,765)		\$12,400
4520-01 Utilities/Energy Kings Bluff	\$662,287		\$54,629	\$716,916
4546-01 Bladen Bluffs Debt Service Interest	\$480,000	\$(33,704)		\$446,296
Total	\$1,414,612	\$(68,129)	\$68,129	\$1,414,612

**Resolution Establishing Criteria for a Design-Build Delivery Method and
Authorizing Use of the Design-Build Delivery Method for 100 Million Gallon
Reservoir and Associated Infrastructure Project for the
Lower Cape Fear Water and Sewer Authority**

WHEREAS, the Lower Cape Fear Water and Sewer Authority (“Authority” or “LCFWASA”) serves Brunswick, Bladen, Pender, New Hanover, Columbus Counties, and the City of Wilmington with a Board of Directors representing those local governments. As the largest regional water system in Eastern North Carolina, LCFWASA’s primary role is to provide raw water from the Cape Fear to supply treatment facilities that serve 550,000 customers;

WHEREAS, LCFWASA’s Kings Bluff raw water system is a key component of LCFWASA’s infrastructure, supplying untreated water sourced from the Cape Fear River at Kings Bluff to several major customers in southeastern North Carolina;

WHEREAS, LCFWASA’s water system uses a raw water pump station and transmission lines to deliver water to regional partners, including Brunswick County, Pender County, and the Cape Fear Public Utility Authority (CFPUA);

WHEREAS, LCFWASA’s water system plays a vital role in supporting residential, industrial, and agricultural needs across the region, ensuring a reliable and sustainable water supply for LCFWASA’s customers and the public;

WHEREAS, LCFWASA received State funding to acquire land and perform preliminary engineering and design for a 100-million-gallon reservoir and associated infrastructure (the “Project”);

WHEREAS, the purpose of the proposed 100-million-gallon reservoir is to provide reserve capacity and backup water supply during periods when intake from the Cape Fear River may be disrupted due to drought, floods, hurricanes, storms, equipment failure, maintenance needs, or contamination events;

WHEREAS, the proposed reservoir Project will also help regulate the flow of water to treatment plants by leveling out fluctuations in river flow and water demand, which will allow customer treatment processes to operate more efficiently and consistently;

WHEREAS, LCFWASA has acquired land in Brunswick County, North Carolina, suitable in size and location for the reservoir Project;

WHEREAS, LCFWASA has conducted a preliminary reservoir feasibility evaluation for the proposed new ground reservoir, including preliminary costs, permitting requirements, and water quality parameters;

WHEREAS, major components and associated infrastructure of the Project would include the excavated reservoir, earthen berm surrounding the reservoir, service road(s) to provide access, raw water pump station and building(s) for electrical and pumping equipment, generators and fuel tanks for emergency backup power and associated building(s) and structures;

WHEREAS, due to the nature, size, scope and anticipated time schedule of the proposed Project, the Board has determined that it is appropriate to use a design-build delivery method for the 100-million-gallon reservoir and associated infrastructure Project;

WHEREAS, pursuant to N.C. Gen. Stat. § 143-128.1.A(b), a governmental entity shall establish in writing the criteria used for determining the circumstances under which the design-build method is appropriate for a project, and such criteria shall, at a minimum, address all of the following:

- (1) The extent to which the governmental entity can adequately and thoroughly define the project requirements prior to the issuance of the request for qualifications for a design-builder.
- (2) The time constraints for the delivery of the project.
- (3) The ability to ensure that a quality project can be delivered.
- (4) The capability of the governmental entity to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery.
- (5) A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities. The governmental entity shall not limit or otherwise preclude any respondent from submitting a response so long as the respondent, itself or through its proposed team, is properly licensed and qualified to perform the work defined by the public notice issued under subsection (c) of this section.
- (6) The criteria utilized by the governmental entity, including a comparison of the advantages and disadvantages of using the design-build delivery method for a given project in lieu of the delivery methods identified in subdivisions (1), (2), and (4) of G.S. 143-128(a1).

WHEREAS, based upon the criteria and reasons set forth herein, LCFWASA desires to proceed with the design-build delivery method for the reservoir Project pursuant to N.C. Gen. Stat. § 143-128.1.A to construct the 100-million-gallon reservoir and associated infrastructure.

NOW, THEREFORE, BE IT RESOLVED, that based upon the foregoing, pursuant to N.C. Gen. Stat. § 143-128.1.A(b), LCFWASA establishes the following criteria:

Criteria for Determining Whether the Design-Build Delivery Method
Is Appropriate for a Project

(Criteria 1) *The extent to which the Authority can adequately and thoroughly define the project requirements prior to the issuance of the request for qualifications (RFQ) for a design-builder.* The design-build delivery method may be used if it is

determined that, for the project, the Authority has professional personnel that are both qualified and experienced to thoroughly define project requirements prior to the issuance of a request for qualifications for a design-builder. Consideration will be given to the qualifications and experience of the Authority's personnel, any Owner-Advisor and consultants retained by the Authority to assist with the project, and the availability of the professional personnel and Staff of LCFWASA's customers to assist in the development of an RFQ, including the departments and areas of Public Works, purchasing, finance and legal.

(Criteria 2) *The time constraints for the delivery of the project.* The design-build delivery method may be used if a project has a firm date by which a facility must be substantially completed and/or operational and the normal delivery method is likely not to be timely (typically RFQ, study, design, bid and construct). The size, scope and cost of a project will dictate complexity and schedule.

(Criteria 3) *The ability to ensure that a quality project can be delivered.* The design-build delivery method may be used if it is determined that, for the project, the Authority has professional and experienced personnel to ensure that the design-build firm will provide a quality project within the budget constraints established by the LCFWASA Board. Consideration will be given to the qualifications and experience of Authority personnel and consultants, and the availability of the professional personnel and Staff of LCFWASA's customers, including the Public Works Departments of LCFWASA's customers.

(Criteria 4) *The capability of the Authority to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery.* The design-build delivery method may be used if it is determined that, for the project, the Authority has professional, experienced and qualified personnel or consultants that are knowledgeable of design-build projects, which may include the availability of the professional personnel and Staff of LCFWASA's customers, to perform the construction management of a design-build contract.

(Criteria 5) *A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities.* The design-build delivery method may be used if it is determined that, for the project, requirements will be imposed which ensure that contractors will comply with the M/WBE goals set by the Authority.

(Criteria 6) *The criteria utilized by the Authority, including a comparison of the advantages and disadvantages of using the design-build delivery method for a given project in lieu of the delivery methods identified in subdivisions (1), (2), and (4) of G.S. 143-128(a1).* The criteria utilized by the Authority when considering a design-build delivery method for a project will be as follows:

- Is the project well defined and does it include qualitative and quantitative characteristics that make a design-build contract more appropriate than other methods of delivery?
- Is the project timeline overly constrained and will it be necessary to have the project/facility complete and operational within a short timeframe?
- Given the scope of the project, is there a maximum budget that must be adhered to in order to allow negotiations and flexibility to make appropriate decisions on scope as the project progresses?
- Does the design-build delivery method meet the ultimate operational goals established for a given project/facility and the quality of product achieved as a result of a more fluid and flexible delivery method?

In general terms, if it is determined that the expected expense of a design-build project will be no more than ten percent (10%) greater than the expected expense of a traditional RFQ, study, design, bid and construct project, the design-build delivery method may be utilized.

Application of Criteria to 100 Million Gallon Reservoir and
Associated Infrastructure Project

Criteria 1: LCFWASA will utilize the services of an experienced and qualified Owner-Advisor to assist LCFWASA with thoroughly defining the requirements of the Project prior to the issuance of a request for qualifications (RFQ) for a design-builder. Additionally, the professional engineering and public utilities Staff of LCFWASA's local government customers, including Brunswick County Public Utilities (the operator of the Kings Bluff facilities), are available for consultation and assistance in development of a design-build RFQ.

Criteria 2: The Project is under time constraints due to the importance and nature of the Project, including the additional raw water storage capacity the Project will provide for the wellbeing of LCFWASA's customers and the public;

Criteria 3: LCFWASA will utilize the services of an experienced and qualified Owner-Advisor knowledgeable with the type and complexity of the Project. With the team of the Owner-Advisor and LCFWASA Staff, and the availability of consultation with the professional engineering and utilities Staff of LCFWASA's local government customers, LCFWASA can assure that the Project deliverables will be very high quality with adherence to budget and best budgeting and financial practices.

Criteria 4: LCFWASA will utilize the services of an Owner-Advisor to assist with Project management functions. The Owner-Advisor selected by LCFWASA will assist LCFWASA with expertise and professional guidance regarding the Design-Build construction method.

Criteria 5: The Authority shall make good faith efforts to comply with N.C.G.S. § 143-128.2, N.C.G.S. § 143-128.4, and to recruit and select small business entities. Requirements shall be imposed to ensure that contractors will comply with M/WBE requirements for funding and all applicable State and Federal requirements.

Criteria 6: As noted above, the Project is under time constraints due to the importance and nature of the 100 million gallon reservoir to LCFWASA, its customers and the public. The Design-Build process may reduce the overall project schedule by approximately 9 to 12 months, which has a benefit on the Project budget. Reducing the Project time frame may also help eliminate any price escalation that could occur within that time period. The Design-Build delivery method is not expected to result in expenses above the traditional RFQ, study, design, bid and construction process. The Project will have reduced scope and design efforts enabling more of the Project budget to meet actual construction and facility improvements. This is expected to enable between 5% and 10% of Project funds to address construction and Owner-Advisor responsibilities.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Chairman and the Directors of the Lower Cape Fear Water and Sewer Authority, that the Board approves the criteria for the use of the design-build delivery method. The Board further determines that the design-build delivery method is appropriate for the above-referenced 100-million-gallon reservoir and associated infrastructure Project, and the Board authorizes the Executive Director to move forward with use of the design-build delivery method for the Project.

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

Adopted this _____ day of August, 2026.

Scott Phillips, Chairman

ATTEST:

Chakema Clinton-Quintana, Secretary

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2026

Re: Executive Director's Report

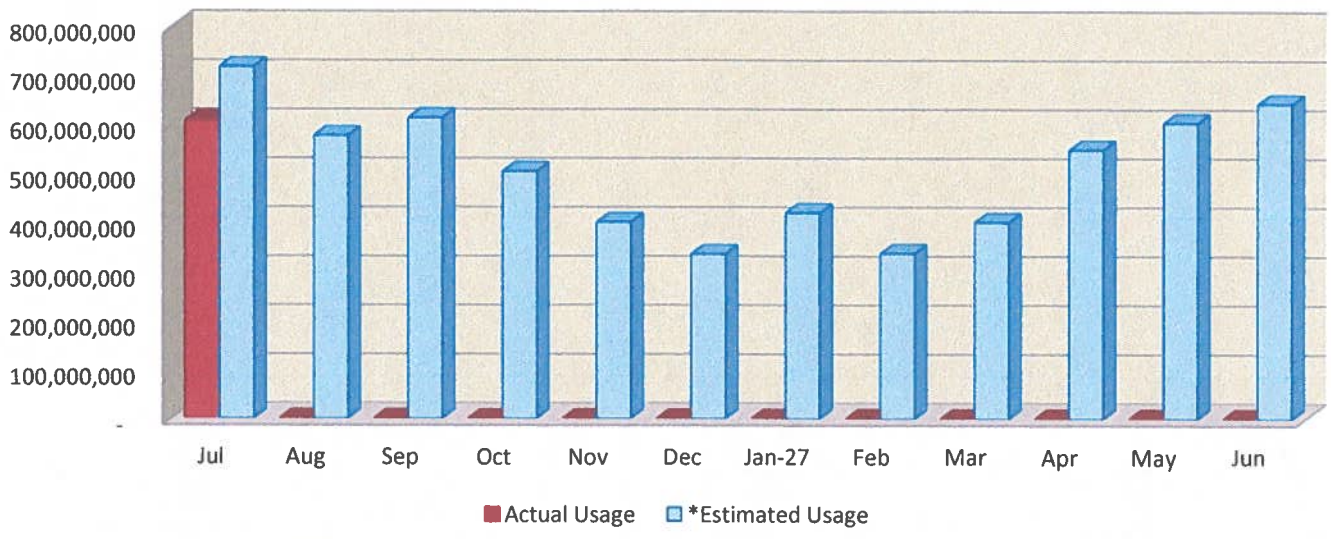
EDR1 - Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending July 31, 2026

EDR2 - Operating Budget Status, Ending June 30, 2026

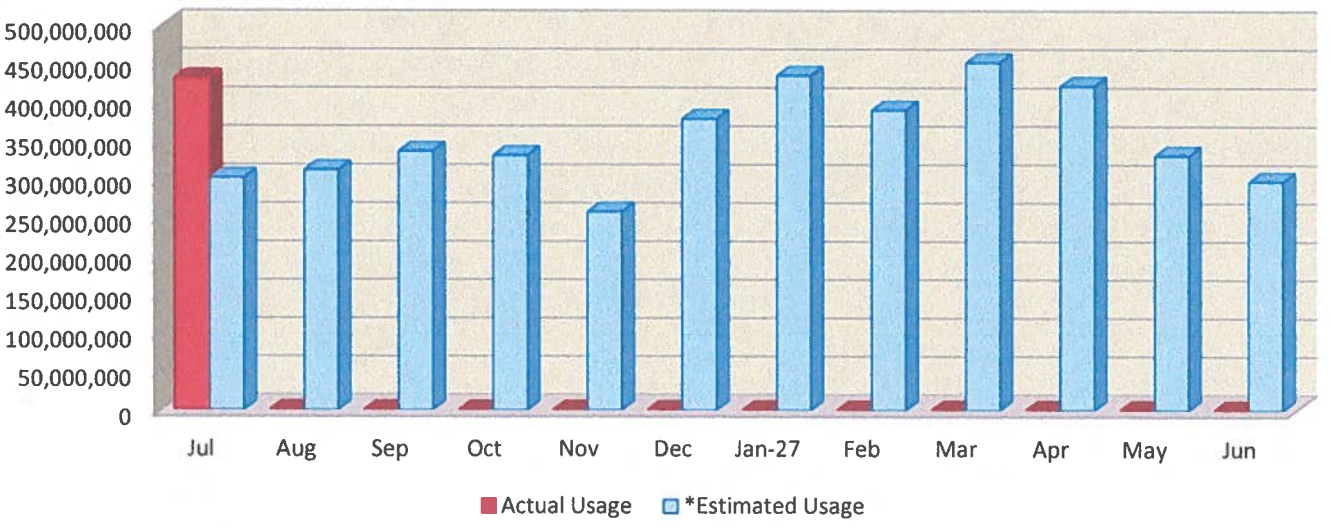
EDR3 - Summary of Activities

Action Requested: For information purposes.

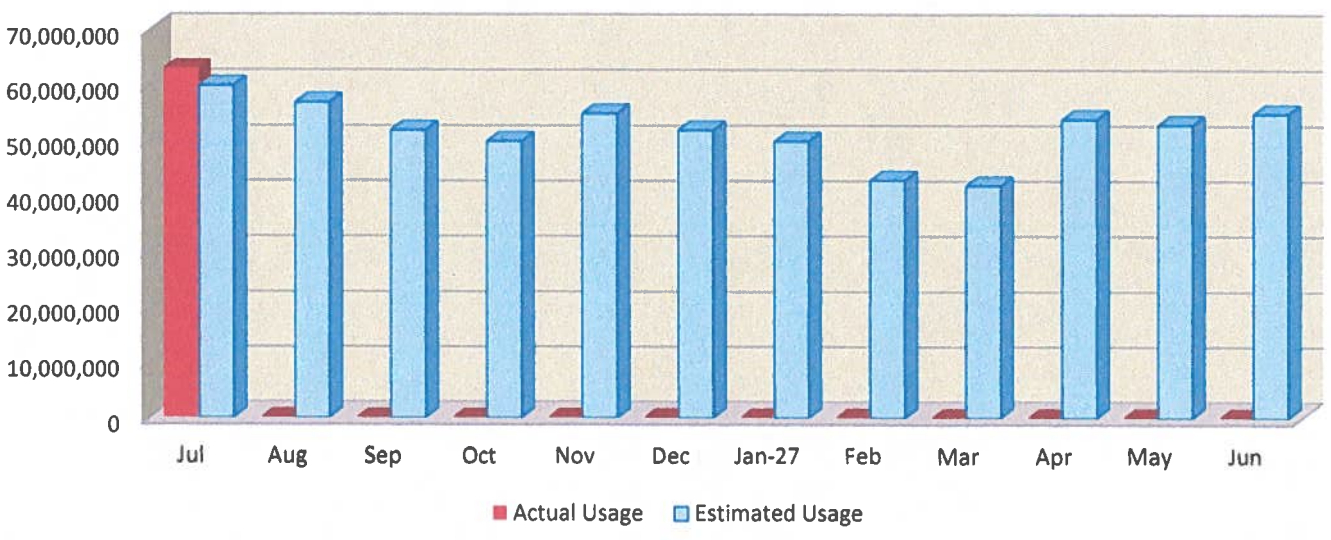
Brunswick County Water Usage FY 26-27



CFPUA Water Usage FY 26-27



Pender County Water Usage FY 26-27



LOWER CAPE FEAR WATER AND SEWER AUTHORITY
FISCAL YEAR 2025-2026 BUDGET

ACCOUNT NO.	REVENUES	FY 2025-2026 APPROVED BUDGET	FY 2025-2026 AMENDED BUDGET	July 1 - June 30, 2026 ACTUAL		FY 25-26 TOTAL COMBINED BUDGET	% of Amended Budget As of 06/30/2026
				KINGS BLUFF	BLADEN BLUFFS		
	OPERATING						
3001-01	Brunswick County	\$ 2,621,733	\$ 2,621,733	\$ 2,752,334	\$ -	\$ 2,752,334	105%
3002-01	Cape Fear Public Utility Authority	\$ 2,022,934	\$ 2,022,934	\$ 2,048,243	\$ -	\$ 2,048,243	101%
3003-03	Pender County	\$ 289,440	\$ 289,440	\$ 339,935	\$ -	\$ 339,935	117%
3004-01	Stepan/Invista	\$ 140,000	\$ 140,000	\$ 205,120	\$ -	\$ 205,120	147%
3005-01	Praxair, Inc	\$ 35,200	\$ 35,200	\$ 25,467	\$ -	\$ 25,467	72%
3006-01	Bladen Bluffs Reimbursement for Plant Operation Costs	\$ 5,670,086	\$ 5,670,086	\$ -	\$ 3,007,046	\$ 3,007,046	53%
3006-02	Bladen Bluffs Administrative Reimbursement	\$ 133,823	\$ 133,823	\$ -	\$ 193,589	\$ 193,589	145%
3007-01	Sales Tax Refund	\$ 159,988	\$ 159,988	\$ -	\$ 290,617	\$ 290,617	182%
	Subtotal	\$ 11,073,204	\$ 11,073,204	\$ 5,371,100	\$ 3,491,252	\$ 8,862,352	80%
	Non-Operating						
3105-01	Interest	\$ 200,000	\$ 200,000	\$ 243,131	\$ -	\$ 243,131	122%
3120-01	Other Revenue (Insurance Proceeds/Refunds/FEMA)	\$ -	\$ -	\$ -	\$ -	\$ -	0%
3125-01	Federal Tax Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	0%
3156-00	Rental House Income	\$ -	\$ -	\$ -	\$ -	\$ -	0%
3170-01	Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	0%
3900-01	Renewal and Replacement Fund Appropriated	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	0%
3900-02	SRF/ARPA	\$ 37,762,800	\$ 37,762,800	\$ 34,703,297	\$ -	\$ 34,703,297	92%
2900-00	Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ -	0%
	Subtotal	\$ 37,962,800	\$ 38,712,800	\$ 35,696,428	\$ -	\$ 35,696,428	92%
	TOTAL REVENUES	\$ 49,036,004	\$ 49,786,004	\$ 41,067,528	\$ 3,491,252	\$ 44,558,780	90%

LOWER CAPE FEAR WATER AND SEWER AUTHORITY
FISCAL YEAR 2025-2026 BUDGET

ACCOUNT NO.	EXPENDITURES	FY 2025-2026 APPROVED BUDGET	FY 2025-2026 AMENDED BUDGET	July 1 - June 30, 2026 ACTUAL		FY 25-26 TOTAL COMBINED BUDGET	% of Amended Budget As of 06/30/2026
				KINGS BLUFF	BLADEN BLUFFS		
	Administration						
4001-01	Salaries	\$ 246,869	\$ 246,869	\$ 168,874	\$ 74,061	\$ 242,935	98%
4010-01	Per Diem and Mileage Board Members	\$ 64,791	\$ 64,791	\$ 37,235	\$ 19,437	\$ 56,673	87%
4012-01	Vehicle Allowance	\$ 5,200	\$ 5,200	\$ 3,640	\$ 1,560	\$ 5,200	100%
4019-01 & 4024-01	FICA Taxes	\$ 24,658	\$ 24,658	\$ 15,462	\$ 7,397	\$ 22,859	93%
4029-01	Retirement	\$ 36,660	\$ 36,660	\$ 22,873	\$ 10,998	\$ 33,871	92%
4035-01	401K Plan	\$ 13,912	\$ 13,912	\$ 8,354	\$ 4,174	\$ 12,527	90%
4036-01	Miscellaneous Payroll Processing Expenses	\$ 2,900	\$ 3,400	\$ 3,167	\$ -	\$ 3,167	93%
4038-01	Group Insurance	\$ 42,586	\$ 42,586	\$ 18,352	\$ 12,777	\$ 31,129	73%
4039-01	Property and Liability Insurance	\$ 173,160	\$ 140,500	\$ 88,552	\$ 51,948	\$ 140,500	100%
4046-00	Professional Services General	\$ 55,000	\$ 210,000	\$ 171,864	\$ -	\$ 171,864	82%
4046-01	Attorney	\$ 65,000	\$ 73,500	\$ 69,293	\$ -	\$ 69,293	94%
4047-01	Auditor	\$ 9,500	\$ 9,500	\$ 6,200	\$ 2,800	\$ 9,000	95%
4048-01	Engineer	\$ 150,000	\$ 57,500	\$ 56,850	\$ -	\$ 56,850	99%
4049-01	Information Technology	\$ 15,000	\$ 37,000	\$ 36,634	\$ -	\$ 36,634	98%
4050-01	Financial Advisor	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	0%
4055-01	Office Maintenance/Repair/Common Charge	\$ 45,000	\$ 35,000	\$ 33,848	\$ -	\$ 33,848	97%
4058-01	Office Utilities	\$ 4,000	\$ 4,000	\$ 3,471	\$ -	\$ 3,471	87%
4059-01	Office Expenses (telephone, Printing, Adv)	\$ 15,000	\$ 11,500	\$ 9,151	\$ -	\$ 9,151	80%
4062-01	Office Equipment	\$ 30,000	\$ 50,300	\$ 50,275	\$ -	\$ 50,275	100%
4064-01	Printing and Advertising	\$ 15,500	\$ 15,500	\$ 9,320	\$ -	\$ 9,320	60%
4065-01	Telephone and Internet	\$ 5,500	\$ 7,800	\$ 7,647	\$ -	\$ 7,647	98%
4070-01	Travel and Training	\$ 36,000	\$ 43,500	\$ 39,758	\$ -	\$ 39,758	91%
4070-20	Phone Allowance	\$ 520	\$ 520	\$ 364	\$ 156	\$ 520	100%
4075-01	Vehicle Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4080-01	Miscellaneous Expense	\$ 25,000	\$ 25,000	\$ 4,282	\$ -	\$ 4,282	17%
4081-01	Dues & Subscription	\$ 12,000	\$ 12,400	\$ 12,400	\$ -	\$ 12,400	100%
	Subtotal	\$ 1,103,756	\$ 1,181,596	\$ 877,868	\$ 185,308	\$ 1,063,176	90%

LOWER CAPE FEAR WATER AND SEWER AUTHORITY
FISCAL YEAR 2025-2026 BUDGET

ACCOUNT NO.	EXPENDITURES	FY 2025-2026 APPROVED BUDGET	FY 2025-2026 AMENDED BUDGET	July 1 - June 30, 2026 ACTUAL		FY 25-26 TOTAL COMBINED BUDGET	% of Amended Budget As of 06/30/2026
				KINGS BLUFF	BLADEN BLUFFS		
	Operating						
4501-01	Sales Tax Expense	\$ 150,000	\$ 550,000	\$ -	\$ 510,076	\$ 510,076	93%
4510-01	Bladen Bluffs O & M	\$ 3,821,385	\$ 3,408,385	\$ -	\$ 730,377	\$ 730,377	21%
4515-01	Bladen Bluffs Hurricane Florence	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4520-01	Utilities/Energy/Kings Bluff	\$ 778,052	\$ 716,916	\$ 716,916	\$ -	\$ 716,916	100%
4530-01	Contract O & M Kings Bluff	\$ 736,811	\$ 766,811	\$ 851,329	\$ -	\$ 851,329	111%
4537-01	O&M Kings Booster Pump Bluff Pump Station	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4541-01	Combined Enterprise Funded Series 2010 Principal	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4542-01	Combined Enterprise Funded Series 2010 Interest	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4543-01	Combined Enterprise System Ref Series 2012 Principal	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4544-01	Combined Enterprise System Ref Series 2012 Interest	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4545-01	Bladen Bluffs Debt Service Principal	\$ 1,115,000	\$ 1,115,000	\$ -	\$ 1,115,000	\$ 1,115,000	100%
4546-01	Bladen Bluffs Debt Service Interest	\$ 480,000	\$ 446,296	\$ -	\$ 404,092	\$ 404,092	91%
	Operating Capital Expense	\$ 10,851,000	\$ 10,851,000	\$ 1,513,465	\$ -	\$ 1,513,465	14%
4998-05	Transfer to R&R- Kings Bluff R&R Expense	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	100%
	Transfer to R&R - Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4998-06	Transfer to Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2041-01	421 Relocation New Hanover County Loan Principal	\$ -	\$ -	\$ -	\$ -	\$ -	0%
5180-00	SRF77 mile parallel line expenditures	\$ 30,000,000	\$ 30,000,000	\$ 31,322,575	\$ -	\$ 31,322,575	104%
	Subtotal	\$ 47,932,248	\$ 48,604,408	\$ 35,154,284	\$ 2,759,545	\$ 37,913,829	78%
	TOTAL EXPENDITURES	\$ 49,036,004	\$ 49,786,004	\$ 36,032,153	\$ 2,944,853	\$ 38,977,005	78%

Executive Director Highlighted Activities:

- Regular Monthly meetings with the Design Build Team and the Owner's Advisor for the parallel line project.
- Routine meetings with HDR concerning projects
- Certify BB Monthly Report
- Monthly meeting with McKim and Creed
- Director Lunch
- NC Water Warn Monthly Meeting
- Weekly Drought conditions and status meetings
- Attend Brunswick County Board meeting
- Met with Nature Conservancy about Timber Dikes for additional details.
- Attended North Carolina Water 50th Anniversary
- Two weeks of Paid Time Off as one of four leaders taking 35 Cape Fear Area Scouts to the 2026 National Jamboree. Checked emails and took phone calls as needed while away.

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: August 10, 2026

Re: Closed Session

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

A motion is made by _____ to go into a closed session.

The motion is seconded by _____.

Closed Session

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

The motion is seconded by _____.