

EXECUTIVE COMMITTEE MEETING

Monday, January 14, 2019 • 11:00 AM

AGENDA

- 1. Call to Order, Welcome, Invocation, Introductions & Pledge**
- 2. Department of Environmental Quality Division of Water Infrastructure**
 - a. Jennifer Haynie, Supervisor, Environment and Special Projects Unit (*see attachment*)
- 3. Approval Minutes**
 - a. December 10, 2018 (*see attachment*) ***
- 4. Finance Committee Report**
 - a. Audit Report (*approve audit report FY ending 18*) ***
Hard copies of each will be provided at the meeting
 - b. Financial Report (*see attachment*) ***
- 5. Director's Reports**
 - a. Chris May, Executive Director
 - b. Program Directors Reports
- 6. Chairman's Comments**
- 7. Executive Committee Members' Comments**
- 8. Next Meeting:** Thursday, March 28, 2019 ~ 46th Annual Meeting & Awards Banquet at Scotts Hill Baptist Cross Point Center 185 Scotts Hill Loop Road, Wilmington NC 6:30PM
- 9. Adjournment *****

Items marked with *** are actionable items that require a vote

THIS IS THE REGULAR MEETING OF THE NINE MEMBER EXECUTIVE COMMITTEE; HOWEVER, MEMBER GOVERNMENTS ARE INVITED AND ENCOURAGED TO ATTEND. COPIES OF MINUTES OF PREVIOUS MEETINGS ARE AVAILABLE UPON REQUEST.

For Further Information Call 910-395-4553

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Water Infrastructure
ENVIRONMENTAL QUALITY

2017

North Carolina's Statewide Water and Wastewater INFRASTRUCTURE MASTER PLAN *The Road to Viability*

State Water Infrastructure Authority

- Created in 2013 under North Carolina General Statute 159G-70
- Nine-member body with primary responsibility for awarding both federal and state funding for water and wastewater infrastructure projects.
- Development of a statewide master plan is one of twelve tasks assigned to the authority
- Department of Environmental Quality's Division of Water Infrastructure serves as staff for the authority

The State Water Infrastructure Authority has taken major steps toward helping owners and operators of water and wastewater utilities reach the master plan's goal of viable water and wastewater systems statewide in NC by:

- Implementing Asset and Inventory Assessment Grants and Merger/Regionalization Feasibility grants
- Developing and distributing the master plan, with its valuable resources and tools, and making the plan accessible statewide through a targeted outreach and communication program

Water & Wastewater Infrastructure System Needs and Funding

- Over the next 20 years, capital cost estimates for water & wastewater system needs in North Carolina range from \$17 to \$26 billion.
- While subsidized loans are the primary vehicle to help make infrastructure more affordable, the authority recognizes that only a fraction of today's infrastructure capital needs can be met with currently available state or federal subsidized funding levels.
- The remaining needs must be funded by the utility providers. If not funded, these add to the backlog of infrastructure investments that continue to be deferred.



The Department of Environmental Quality's Division of Water Infrastructure supports the work of the nine-member State Water Infrastructure Authority, created in 2013 by the North Carolina General Assembly to assess and make recommendations about the state's water and wastewater infrastructure needs. One of the authority's specific tasks is to develop a statewide master plan to meet the state's water infrastructure needs.

Now available, "North Carolina's Statewide Water and Wastewater Infrastructure Master Plan: The Road to Viability" is the state's roadmap for viable water and wastewater utilities that safeguard public health, protect the environment, support vibrant communities, and encourage economic development.

Over the next 20 years, capital cost estimates for water and wastewater system needs in North Carolina range from \$17 to \$26 billion – most likely at the higher end of the range. While subsidized loans are the primary vehicle to help make infrastructure more affordable, the authority recognizes that only a fraction of today's infrastructure capital needs can be met with currently available state or federal subsidized funding levels.

The state will best be able to meet these water infrastructure needs by ensuring individual utilities are, or are on a path to be, viable systems. A viable system is one that functions as a long-term, self-sufficient business enterprise, establishes organizational excellence, and provides appropriate levels of infrastructure maintenance, operation, and reinvestment that allow the utility to provide reliable water services now and in the future.

The master plan applies broadly to owners and operators of water and wastewater utilities and systems that serve the public. Local elected officials, town and county managers, utility governing boards, customers, stakeholders, and the general public all have key roles in achieving viable utilities. The state's role is to foster long-term viability in three integrated focus areas:

- Infrastructure Management
- Organizational Management
- Financial Management

The authority's master plan addresses the alignment of organizational and financial management practices to support the operation of utilities as self-sufficient business enterprises. The plan provides strategies for utility management, including renewal/replacement, asset management, and regionalization, all of which are increasingly important in times of limited resources and budgetary constraints.

“North Carolina’s Statewide Water and Wastewater Infrastructure Master Plan: The Road to Viability”

Vision for the Future




- The state will best be able to meet its water infrastructure needs by ensuring individual utilities are, or are on a path to be, viable systems.
- A viable system is one that functions as a long-term, self-sufficient business enterprise, establishes organizational excellence, and provides appropriate levels of infrastructure maintenance, operation, and reinvestment that allow the utility to provide reliable water services now and in the future.
- The state’s role is to provide resources to help utilities address organizational and financial management challenges that may be contributing to physical infrastructure limitations.

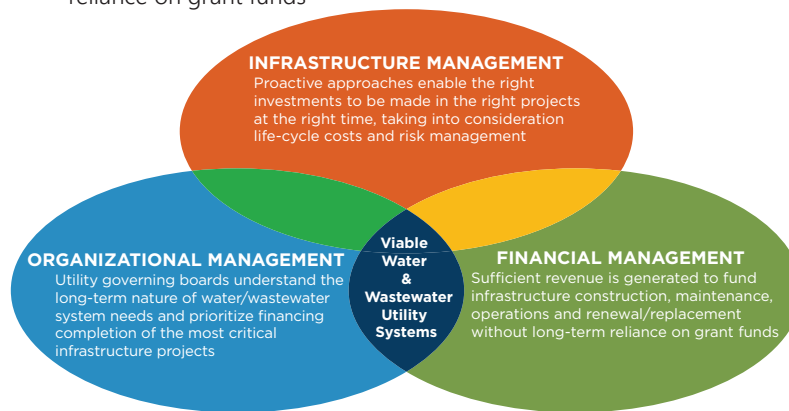
State Water Infrastructure Authority’s Goal

The master plan applies broadly to owners and operators of water and wastewater utilities and systems that serve the public. The State Water Infrastructure Authority’s goal is for utilities to:

- Recognize that users and beneficiaries of water infrastructure must pay, to the greatest extent possible, for the cost of operating, maintaining, and renewing that infrastructure
- Be proactive in the management of water infrastructure by understanding the condition of infrastructure, identifying the most critical components, and establishing prioritized long-term renewal and modernization plans which promote transparent decision-making with customers and stakeholders
- Establish financial plans that enable the utility to fund both operation and maintenance as well as long-term infrastructure renewal without long-term reliance on grant funds

Best practices in utility management are essential for viable utility systems that are robust in three key integrated focus areas:

-  **Infrastructure Management** – By taking proactive approaches to enable the right investments to be made in the right projects at the right time, taking into consideration life-cycle costs and risk management
-  **Organizational Management** – Through governing boards (elected officials, appointed officials and owners) understanding the long-term nature of water/wastewater systems and prioritizing the financing and completion of the most critical infrastructure projects
-  **Financial Management** – Through sufficient revenue generation to fund infrastructure construction, maintenance, operations, renewal/replacement, and reserves for unexpected events without long-term reliance on grant funds



Best practices in utility management are essential for viable utility systems that are robust in three key integrated focus areas.

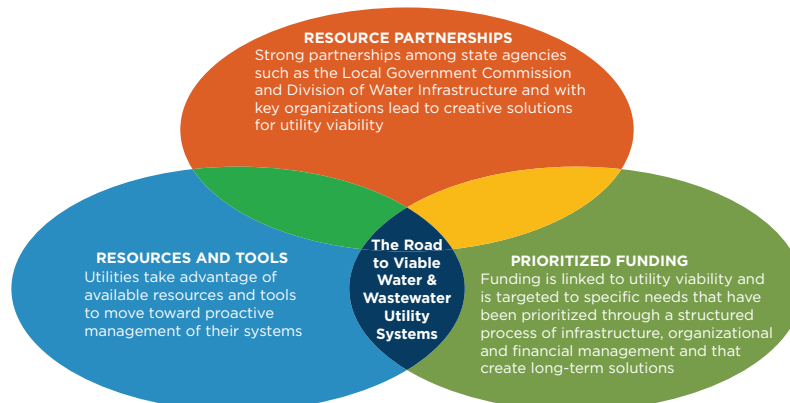
Achieving the Master Plan Vision

Achieving viable water utilities across NC requires actions by the state, local governments & water utility providers to:

- Ensure that, to the greatest extent practicable, water utilities operate as enterprise systems that generate sufficient revenue to cover all operating, maintenance, and capital expenditures, as well as funding reserves for unexpected events
- Promote viable water utilities through the state water infrastructure funding programs
- Acknowledge that when water utilities are not viable or are not on a path to become viable, solutions are needed that go beyond simply constructing or repairing infrastructure

Moving forward in achieving utility viability involves:

- **Resource partnerships** among state and federal agencies, key organizations and utility providers for more cohesive support as they work to reach and maintain viability by leveraging existing resources and programs
- **Resources and tools** that support proactive utility management
- **Prioritized funding** that is linked to utility viability



Together, the state, local governments and utility providers will move forward in achieving viability in the three focus areas through resource partnerships, use of resources and tools, and prioritized funding linked to viability.

FUNDING PROGRAMS

DIVISION OF WATER INFRASTRUCTURE



Clean Water State Revolving Fund: Provides low-interest loans to local government units to fund wastewater collection and treatment facilities as well as programs associated with stormwater quality.



Drinking Water State Revolving Fund: Provides low-interest loans to local government units and certain non-profit water corporations for projects to provide safe drinking water.



Community Development Block Grant – Infrastructure: Provides grants to local government units to address water and wastewater infrastructure needs in HUD-qualified low-to-moderate income communities.



State Wastewater & Drinking Water Reserve Programs: Provides grants for construction of critical needs for wastewater collection systems, wastewater treatment works, and public water systems.



Merger/Regionalization Feasibility Grant Program: Provides grants for studies to evaluate the potential consolidation of two or more systems into one system and the potential physical interconnection with another system for regional wastewater treatment or regional water supply.



Asset Inventory and Assessment Grant Program: Provides grants for developing asset inventories, condition assessment of critical assets, and other components of a comprehensive asset management program.

“ . . . This [Asset Inventory and Assessment] process has opened our eyes as staff as well as opened the line of communication to our governing boards on the condition and needs of our aging infrastructure. **We feel confident that this plan will initiate much needed improvements to better serve our community.** ”

—Joy Garland, Town Administrator, Town of Clyde

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Cape Fear Council of Governments
EXECUTIVE COMMITTEE MEETING
December 10, 2018 • 11:00AM
MINUTES

Members Present:

Trent Burroughs	George Brown, Jr.	Jonathan Barfield, Jr.	Jan Dawson
Teresa Batts	Mike Forte	Charlie Rivenbark; <i>arrived late due to conflict</i>	

Members Absent:

Lamont Grate	Walt Eccard
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COG Staff Present:

Chris May	Dawn Tucker	April Radford	Allen Serkin	Maegan Zielinski
Ginger Brick	Jane Jones; <i>arrived late due to conflict</i>			

Other Guest:

Buddy Fowler, Surf City	Lars Isaacson, RSM US LLP	Robbie Bittner, III, RSM US LLP
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Call to Order, Welcome, Invocation, Introductions & Pledge:

Mr. Trent Burroughs, Chairman called meeting to order & welcomed everyone at 11:05AM. Mr. George Brown gave the invocation. Mr. Chris May led the Pledge of Allegiance.

Ms. Dawn Tucker introduced Mr. Robbie Bittner & Mr. Lars Isaacson of RSM US LLC. Mr. Robbie Bittner presented the Audit report to the board. Mr. Robbie Bittner addressed questions from the board. Ms. Dawn Tucker informed the board that she would be emailing them the final report as soon as RSM US LLP sends it to her and she will provide a hard copy to each board member at the January meeting.

Mr. Lars Isaacson spoke about the equity debit and credit portion of the audit and addressed questions from the board.

Mr. Trent Burroughs thanked both Mr. Robbie Bittner and Mr. Lars Isaacson for their time and presentation of the audit.

Approval of October 8, 2018 Minutes:

A motions was made by Mr. George Brown to accept the audit report and seconded by Mr. Jonathan Barfield. The motion carried unanimously.

Director's Reports:

Mr. Chris May presented the CFRA report and addressed questions from the board in regards to the CFRA report.

Mr. Allen Serkin presented the Local Government Services report. There were no questions from the Board.

Ms. Ginger Brick presented the Workforce Development report. Mr. Trent Burroughs congratulated Ms. Ginger Brick on her praise from the State. There were no questions from the Board.

Ms. Maegan Zielinski presented the Continuum of Care report. There were no questions from the Board.

Mr. Chris May informed the board that Ms. April Radford had been battling cancer over the last 7 months while working part-time and continuing with her Clerk Certification Training and is now cancer free. Mr. Chris May requested the board appoint Ms. April Radford as the Clerk to the Board going forward. A motion was made by Mr. Jonathan Barfield to approve the appointment of Ms. April Radford as the Clerk to the Board and seconded by Mr. George Brown. The motion carried unanimously.

Finance Committee Report:

Ms. Dawn Tucker presented the Budget Adjustment through October 31, 2018. There were no questions from the board. A motion was made by Mr. Jonathan Barfield to approve the Budget Adjustment through October 31, 2018 and seconded by Mr. George Brown. The motion carried unanimously.

Ms. Dawn Tucker presented the Budget Adjustment through November 30, 2018. There were no questions from the board. A motion was made by Mr. Jonathan Barfield to approve the Budget Adjustment through November 30, 2018 and seconded by Mr. George Brown. The motion carried unanimously.

Ms. Dawn Tucker presented the Financial Report through October 31, 2018 and addressed questions from the board. A motion was made by Ms. Jan Dawson to approve the Finance Report through October 31, 2018 and seconded by Mr. George Brown. The motion carried unanimously.

Chairman's Comments:

Mr. Trent Burroughs reminded the board of the next board meeting on January 14, 2019. Ms. Dawn Tucker confirmed the board's request about how they would like the Final Audit Report from RSM US LLC. The board confirmed they would like an email copy once it is here as well as a hard copy at the January board meeting.

A motion was made at 12:00pm by Mr. George Brown to go into closed session to discuss a personnel matter and seconded by Ms. Jan Dawson.

Mr. Charlie Rivenbark entered the meeting at 12:10pm.

A motion was made at 12:30 by Ms. Jan Dawson to end closed session and seconded by Mr. George Brown.

A motion was made by Mr. George Brown to approve the 2.5% pay increase to Mr. Chris May and make the increase retroactive to the beginning of November 2018 and seconded by Mr. Jonathan Barfield. The motion carried unanimously.

Mr. Chris May announced he was planning to retire mid-Summer 2019 and will meet with the CFCOG Management Team at a later date to discuss the details.

Executive Committee Members' Comments:

There were no comments from other board members.

Next Meeting:

Monday, January 14, 2019 11:00AM.

Adjournment:

Mr. Jonathan Barfield motioned to adjourn the meeting and seconded by Mr. George Brown. The motion carried unanimously. The meeting ended at 12:36PM.

Respectfully submitted,

April D. Radford, Clerk to the Board

Trent Burroughs, Chairman

CAPE FEAR COUNCIL OF GOVERNMENTS
Cash Balance and
Budget/Expenditure Comparison
FY 2018-2019 (as of December 31, 2018)

Cash Balance

Cash Balance in Bank	\$ 132,093
North Carolina Cash Management Investments	571,704
Total Cash on Hand	\$ 703,798

Budget & Actual Revenues

Departments	Adjusted Budget	Jul - Aug Revenues	Reserve Balance	Remaining Budget	Percent Received
Continuum of Care	\$ 616,609	\$ 292,950		\$ 323,659	48%
Local Gov Services	\$ 799,639	128,778	61,644	609,216	17%
Area Agency on Aging	\$ 4,580,586	1,888,613		2,691,973	41%
Workforce Development	\$ 5,944,818	714,481	1,316,346	3,913,991	15%
General Fund	27,000	175,390		(148,390)	650%
Total Revenues	\$ 11,968,652	\$ 3,200,212	\$ 1,377,990	\$ 7,538,839	30%

Budget & Actual Expenditures

Departments	Beginning Budget	Jul - Aug Expenditures	Reserve Balance	Remaining Budget	Percent Expended
Continuum of Care	\$ 85,000	\$ 49,639		\$ 35,361	58%
ESG - HMIS	379,582	214,695		164,887	57%
ESG - ADM	6,000	3,922		2,078	65%
HUD - PLANNING	21,027	4,012		17,015	19%
SOAR	125,000	72,916		52,084	58%
Continuum of Care	616,609	345,185	-	271,424	56%
Planning Services	290,463	112,170		178,293	39%
Rural Planning Org	132,969	66,314		66,655	50%
MOTSU	235,936	41,094		194,842	17%
EDA Disaster Recovery	125,000	1,364	61,644	61,992	2%
Water Quality Planning Grant	15,271	-		15,271	0%
Local Gov Services	799,639	220,942	61,644	517,053	30%
Aging Planning & Admin.	403,229	186,926		216,303	46%
Ombudsman & Elder Abuse	207,726	102,332		105,394	49%
Project Care	103,000	50,171		52,829	49%
Family Caregiver Support	140,954	56,523		84,431	40%
AAA Funds to Counties	3,725,677	1,182,543		2,543,134	32%
Area Agency on Aging	4,580,586	1,578,495	-	3,002,091	34%
WIOA - 2010 - Admin	397,436	120,142	116,554	160,740	43%
WIOA - 2020 - Adult	1,227,856	181,148	388,015	658,693	22%
WIOA - 2030 - Dislocated Worker	1,026,104	153,629	252,200	620,275	20%
WIOA - 2031 - Hurricane Florence DI	1,500,000	21,051	99,700	1,379,249	2%
WIOA - 2040 - Youth	1,362,395	237,559	459,876	664,960	26%
WIOA-2050 Statewide Activities	281,027	137,633	-	143,394	49%
WIOA-2060-Finish Line Grant	150,000	-	-	150,000	0%
Workforce Development	5,944,818	851,162	1,316,346	3,777,310	18%
General Operations	27,000	353	-	26,647	1%
General Fund	27,000	353	-	26,647	1%
Total Expenditures	\$ 11,968,651	\$ 2,996,138	\$ 1,377,990	\$ 7,594,524	25%
Administration	408,960	199,204	-	209,756	49%

*Administrative costs are allocated to and included in the department, program or project budgets.

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