

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

MEETING CALL TO ORDER: Chairman Phillips

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVAL OF CONSENT AGENDA

- C1** – Minutes of January 12, 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 December 31, 2025

PRESENTATION TO: Charlie Rivenbark, City of Wilmington, by Chairman Scott Phillips

PRESENTATION: Sam Shumate, Electus Governmental Affairs Update

NEW BUSINESS

- NB1** – Election of New Secretary to the Authority's Board of Directors Officers for the remaining term of 2026
- NB2** – Appointment of Chakema Clinton-Quintana to the Calendar Year 2026 Finance Committee by Chairman Phillips
- NB3** – Appointment of Chakema Clinton-Quintana to Calendar Year 2026 Personnel Committee by Chairman Phillips
- NB4** – Appointment of Chakema Clinton-Quintana to Calendar Year 2026 Long Range Planning Committee by Chairman Phillips
- NB5** – Budget Amendment #1
- NB6** – Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2026, to Thompson, Price, Scott, Adams & Co. P.A. in the Amount of \$9,000.00

ENGINEER'S COMMENTS

ATTORNEY COMMENTS

EXECUTIVE DIRECTOR REPORT

- EDR1** – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending January 31, 2026
- EDR2** – Operating Budget Status, Ending December 31, 2025

DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS

PUBLIC COMMENT

CLOSED SESSION

- CS1** – 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

ADJOURNMENT

The next board meeting of the Lower Cape Fear Water & Sewer Authority is scheduled for Monday, March 9th 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. HOLLOWAY, EXECUTIVE DIRECTOR
Date: February 9, 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 January 12, 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 December 31, 2025

Action Requested: Motion to approve/disapprove Consent Agenda.

Lower Cape Fear Water & Sewer Authority
Regular Board Meeting Minutes
January 12th, 2026

Chairman DeVane called to order the Authority meeting scheduled on January 12th, 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 DeVane gave the invocation.

Roll Call by Vice-Chairman Phillips:

Present: Damien Buchanan, Patrick DeVane, Wayne Edge, Jerry Groves, Harry Knight, Scott Phillips, Charlie Rivenbark, Chris Smith, Bill Sue, Phil Tripp, Frank Williams, and Rob Zapple

Present by Virtual Attendance: Al Leonard and 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: Anthony Aldrick, Computer Warriors; David Carson, Brunswick County Kings Bluff Water Resource Supervisor; Chris Giesting, Brunswick County Water Resources Manager; Anthony Colon, Pender County Utilities Director; James Proctor, Pender County Utilities Deputy Director; David Fournier, HDR Construction Services; Kevin Morris, Cape Fear Public Utility Authority Deputy Director; Benjamin Kearns, Cape Fear Public Utility Authority Water Resources Manager Water Treatment; Ken Waldroup, Cape Fear Public Utility Authority Executive Director; Christopher "CJ" Cahoy, Garney Construction; Sam Shumate, Electus Governmental Affairs; Brittany Perkins, Thompson Price, Scott, Adams & Co., P.A.

Guests Virtual Attendance: Heidi Cox, NC DEQ Regional Engineering Supervisor, Division of Water Infrastructure; Aaron Smith, Brunswick County Director of Fiscal Operations; Eileen Callori, Brunswick County Deputy Finance Officer; Caleb Stoker, Smithfield Foods, Senior EHS Manager; Will Shull, HDR Associate Vice President

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

APPROVAL OF CONSENT AGENDA

C1 – Minutes of December 8, 2025, Regular Board Meeting

C2 – Kings Bluff Monthly Operations and Maintenance Report

C3 – Bladen Bluffs Monthly Operations and Maintenance Reports

C4 – Line-Item Adjustment for November 30, 2025

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

PRESENTATION TO: Patrick DeVane, Bladen County, by Chairman Scott Phillips

Chairman Phillips presented Director DeVane with a certificate and gift card in recognition and appreciation for his distinguished service to the Authority for serving as Chairman in 2025.

NEW BUSINESS

NB1- Presentation of Annual Audit Report for Fiscal Year Ending June 30, 2025

Mrs. Brittany Perkins reviewed a PowerPoint summarization of the audit report, a copy of which is hereby incorporated as part of these minutes. She explained the primary task of the audit firm is to reach an opinion on the 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. She 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. She reviewed a summary of essential audit items, including cash/cash equivalents, total revenue, and total expenses.

Executive Director Holloman wanted it noted as a hard copy or PDF file of the *Annual Financial Report for the Year Ended June 30, 2025*, available upon request.

Motion: Director Devane **MOVED**; seconded by Director Buchanan, approval of the Annual Financial Report for the Year Ended June 30, 2025. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB2- Appointment of Calendar Year 2026 Finance Committee by Chairman Phillips

Chairman Phillips noted the members he appointed to the Finance Committee for the calendar year 2026, including:

- Scott Phillips, Chairman
- Al Leonard
- Charlie Rivenbark
- Damien Buchanan
- Harry Knight

Motion: Director Rivenbark **MOVED**; seconded by Director Williams, approval to Appointment of Calendar Year 2026 Finance Committee by Chairman Phillips. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

NB3- Appointment of Calendar Year 2026 Personnel Committee by Chairman Phillips

Chairman Phillips noted the members he appointed to the Personnel Committee for the calendar year 2026, including:

- Scott Phillips, Chairman
- Al Leonard
- Charlie Rivenbark
- Damien Buchanan
- Harry Knight
- Matt Nichols

Motion: Director Williams **MOVED**; seconded by Director Edge, motion to approve Appointment of Calendar Year 2026 Personnel Committee by Chairman Phillips. Upon voting, the **MOTION CARRIED**.

NB4- Appointment of Calendar Year 2026 Long Range Planning Committee by Chairman Phillips

Chairman Phillips noted the members he appointed to the Long-Range Planning Committee for the calendar year 2026, including:

- Scott Phillips, Chairman
- Al Leonard
- Charlie Rivenbark
- Damien Buchanan
- Harry Knight
- Patrick DeVane
- Phil Tripp
- Frank Williams
- Rob Zapple
- John Nichols
- Ken Waldroup
- Anthony Colon

Motion: Director Rivenbark **MOVED**; seconded by Director Zapple, approval to Appointment of Calendar Year 2026 Long Range Planning Committee by Chairman Phillips. Upon voting, the **MOTION CARRIED**.

NB5- Resolution to Proceed with Purchase of Steel Coil for Project 2 (Phase 3) of the 10 Mile Phased Parallel Raw Water Line Project

Motion: Director Knight **MOVED**; seconded by Director DeVane, approval of the Resolution to Proceed with Purchase of Steel Coil for Project 2 (Phase 3) of the 10 Mile Phased Parallel Raw Water Line Project. Upon voting, the **MOTION CARRIED UNANIMOUSLY**.

Christopher "CJ" Cahoy , with Garney Contractation, presented pictures of the Raw Water Main Project Construction to the board.

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 November 30, 2025

Executive Director Holloman reported that during December Pender County exceeded projections.

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 NCGS §143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege.

Motion: Director Rivenbark **MOVED**; seconded by Director Knight, 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 9:34 a.m., the board went into closed session. At 10:16a.m., the board returned to open session. Discussion only; no action taken.

ADJOURNMENT

There being no further business, Chairman Phillips adjourned the meeting at 10:17 a.m.

Respectfully Submitted:

Charlie Rivenbark, Secretary

BRUNSWICK COUNTY PUBLIC UTILITIES

Kings Bluff Pump Station/LCFWASA

246 Private Rd. 703
Riegelwood, NORTH CAROLINA 28456

MAILING ADDRESS
P. O. Box 249
BOLIVIA, NORTH CAROLINA 28422

TELEPHONE (910) 655-4799
FAX (910) 655-4798

TO: Tim Holloman

FROM: David Carson

DATE: 2/1/2026

SUBJECT: Monthly maintenance report for January 2026

Mr. Holloman,

The Maintenance and Operations of the King's Bluff facility (KB) for the month of December were performed as prescribed in the station SOP'S 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 / CFPUA vaults off HWY 421 were run and tested weekly and verified standby ready.

Items Highlighted in yellow were on Annual Inspection

KB personnel completed all locates issued by the Boss 811 system.

KB personnel replaced front office door pull handle leading to office.

KB personnel removed spray foam over spray from both generators.

KB personnel replaced and then installed new hubs on 2005 Chevy as well as changed oil.

KB personnel assisted I&E (Instrument and Electrical) with tracing out ground connections within Kings Bluff plant as a part of the ongoing troubleshooting for the VFDs.

KB personnel painted safety shrouds on both generators.

KB personnel installed new Lower Cape Fear branded locks on P.R.V. Housing (Pressure Reducing Valves).

KB personnel have been inspecting the Right Of Ways (ROW) as LJ. s has been cutting the ROW The first cutting is complete.

KB personnel changed oil & replaced air filters on both Air Compressors as per maintenance schedule.

KB personnel applied boiled linseed oil on bed of trailer for weatherizing and longevity.

KB personnel assisted McKim & Creed in taking pictures of vaults in preparation for Project 2 (Phase3) Parallel Raw Water Line Project.

KB personnel painted air supply line of the generator air start system inside of generator building.

KB personnel began cleaning, spackling, and sanding in preparation for painting walls of electric room, generator room, and supply room at generator building.

KB personnel began painting walls of electric room, generator room, and supply room at generator building.

KB personnel painted doors and frames in electrical room at generator building.

KB personnel installed hearing protection stations at various locations throughout Kings Bluff facility.

Contractors:

I&E (Instrumentation and Electrical) replaced Rosemont sensors

Rogers' Excavating/Laydown Yard

CPI Security/Cameras

Echo Security/Cameras

United Rental/Scissor Lift

I&E (Instrumentation and Electrical)/Grounding on VFDs

LJ's land management continued to cut R.O.W. (right of way)

David Carson

Smithfield.

To: Tim Holloman - LCFWASA

From: James Kern – Bladen Bluffs SWTP ORC

Date: 2/3/26

Subject: January 2026 Operations

During the month of January, Bladen Bluffs SWTP operated a total of 18 days, treating 51.61 million gallons of water.

We used:

27,160 lbs. of aluminum sulfate (Alum)

5,874 lbs. of sodium hydroxide (Caustic)

939 lbs. of sodium hypochlorite (1,886 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: 2/3/2026

ISSUE:

PLAN OF ACTION:

All PLC need updated	Quote received...plan to order hardware and schedule install/update soon
Vault intrusion electrical needs replaced	Parts arrived – scheduling install when SEC here for large electrical repair
Wooden walkway to river needs replacement	Planning with Jess Powell for concrete structure
Transfer pump #2 NA	Bad wire – temp fix. Scheduling for when SEC here for large electrical repair – Pump available
Look into replacing worn out safety signs	Safety Dept to order
Outdoor digital displays no good	Ordering new
Caustic transfer pump keep tripping out	FIXED
RWPS level indictor not working	Electrical issue – temp fix
Front Gate needs PM	Complete
Outlets at finished instruments need replacing	FIXED

Monthly Operating Reports (MORs) Summary

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

Year: <u>2026</u>	PWS Name: <u>Bladen Bluffs Water System</u>	PWSID# : <u>NC5009012</u>
Month: <u>January</u>	Facility Name: <u>Bladen Bluff</u>	

Combined Filter Effluent (CFE) Turbidity

Samples exceeding 1 NTU (count): 0
 Samples exceeding .3 NTU (count): 0
 Samples exceeding .3 NTU (pct): 0.0%

Number of samples required: 95
 Number of samples taken: 95
 Highest single turbidity reading NTU: 0.113
 Monthly average turbidity NTU: 0.057

Individual Filter Effluent (IFE) Turbidity

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

Entry Point Residual Disinfectant Concentration (EPRD)

Disinfectant Used Chlorine
 Minimum EPRD concentration 1.0800

Number of samples required 95
 Number of samples taken 95

Distribution Residual Disinfectant Concentration

Number of samples under 0.010 mg/L (without any detectable) excluding where HPC is \leq 500/mL 0

Contact Time (CT) Ratio

Lowest CT ratio reading 12.50
 Number of CT ratios below 1.0 0

Number of CT ratios required 18
 Number of CT ratios calculated 18

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 January, 2026 and that records documenting compliance with this rule are maintained on the premises and available for inspection upon request.

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 12/31/2025

Operating Fund:	Line-Item Budget Amount prior to Adjustment	Decrease	Increase	Budget Amount as of 12/31/2025
Expenses				
4046-00 Professional Services General	\$130,000		\$20,000	\$150,000
4049-01 Information Technology	\$15,000		\$5,000	\$20,000
4048-01 Engineer	\$67,500	\$(25,000)		\$42,500
Total	\$212,500	\$(25,000)	\$25,000	\$212,500

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Election of New Secretary to the Authority's Board of Directors Officers for the remaining term of 2026

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

In accordance with Article III, Section 1 of the Lower Cape Fear Water and Sewer Authority's Bylaws, the Board will elect a new Secretary to serve the remainder of the 2026 calendar year.

Action Requested: Motion to approve/disapprove election of proposed Board Officers for the term on February 9, 2026, to December 31, 2026

Chairmanship Rotation Schedule

Brunswick County
 Columbus County
 City of Wilmington
 Pender County
 New Hanover County
 Bladen County

Lower Cape Fear Water & Sewer Authority**CURRENT****Board Officers, January 1 - December 31, 2026**

Chairman	Scott Phillips Brunswick County
Vice-Chairman	Al Leonard Columbus County
Secretary	Charlie Rivenbark City of Wilmington
Treasurer	Damien Buchanan Pender County
Assistant Treasurer	Harry Knight New Hanover County

Lower Cape Fear Water & Sewer Authority**PROPOSED****Board Officers, February 9 - December 31, 2026**

Chairman	Scott Phillips Brunswick County
Vice-Chairman	Al Leonard Columbus County
Secretary	Chakema Clinton-Quintana City of Wilmington
Treasurer	Damien Buchanan Pender County
Assistant Treasurer	Harry Knight New Hanover County

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM HOLLOWAN, EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Appointment of Calendar Year 2026 Finance Committee by Chairman

Background: Appointment of Chakema Clinton-Quintana to the Calendar Year 2026 Finance Committee by Chairman Phillips.

Please find attached Chairman Phillips' appointments to the Finance Committee.

Action Requested: Discussion and direct staff.

FINANCE COMMITTEE
January 1, 2026 - December 31, 2026

CHAIRMAN:**SCOTT PHILLIPS**

5229 MAULTSBY RD. NE
 LELAND, NC 28451

Cell (910) 269-8651
 Home (910) 253-9145
 Email scott.phillips@adm.com

AL J. LEONARD

MANAGER, TOWN OF TABOR CITY
 POST OFFICE DRAWER 655
 TABOR CITY, NC 28463

Cell (910) 234-0966
 Office (910) 653-3458
 Fax (910) 653-3970
 Email yamman2024@gmail.com

CHAKEMA CLINTON-QUINTANA

CITY OF WILMINGTON COUNCILMEMBER
 PO BOX 1810
 WILMINGTON, NC 28402

Office (910) 341-7800
chakema.clinton-quintana@wilmingtonnc.gov

DAMIEN BUCHANAN

499 ATKINSON POINT RD
 SURF CITY, NC 28445

Cell (910) 338-7779 CELLL/WORK
 Email damienbuchanan@gmail.com

HARRY KNIGHT

3225 ASTER COURT
 WILMINGTON, NC 28409

Cell (910) 289-1310
 Home (910) 794-4956
 Office (910) 509-7623
 Email hknight846@aol.com

PATRICK DEVANE

2406 CHESTNUTT LANE
 ELIZABETHTOWN, NC 28337

Cell (910) 874-5014
 Email pdevane50@gmail.com

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Appointment of Calendar Year 2026 Personnel Committee by Chairman

Background: Appointment of Chakema Clinton-Quintana to the Calendar Year 2026 Personnel Committee by Chairman Phillips.

Please find attached Chairman Phillips' appointments to the Personnel Committee.

Action Requested: Discussion and direct staff.

PERSONNEL COMMITTEE
January 1, 2026- December 31, 2026

CHAIRMAN:**SCOTT PHILLIPS**

5229 MAULSBY RD. NE
 LELAND, NC 28451

Cell (910) 269-8651
 Home (910) 253-9145
 Email scott.phillips@adm.com

AL J. LEONARD

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 Fax (910) 653-3970
 Email yamman2024@gmail.com

CHAKEMA CLINTON-QUINTANA

CITY OF WILMINGTON COUNCILMEMBER
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AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Appointment of Calendar Year 2026 Long-Range Planning Committee by Chairman

Background: Appointment of Chakema Clinton-Quintana to the Calendar Year 2026 Long Range Planning Committee by Chairman Phillips.

Please find attached Chairman Phillips' appointments to the Long-Range Planning Committee.

Action Requested: Discussion and direct staff.

LONG RANGE PLANNING COMMITTEE
January 1, 2026 - December 31, 2026

CHAIRMAN:**SCOTT PHILLIPS**

5229 MAULTSBY RD. NE
 LELAND, NC 28451

Cell (910) 269-8651
 Home (910) 253-9145
 Email scott.phillips@adm.com

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MR. PHIL TRIPP

1380 RIVERBEND DR
 SHALLOTTE, NC 28470-4610

Cell (910) 620-8282
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FRANK WILLIAMS

BRUNSWICK COUNTY COMMISSIONER
 P.O. BOX 1986
 LELAND, NC 28451

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 Office (910) 604-6510
 Email commissioner.williams@brunswickcountync.gov

ROB ZAPPLE

NEW HANOVER COUNTY COMMISSIONER
 321 R.L. HONEYCUTT DRIVE
 WILMINGTON, NC 28412

Cell (910) 619-2464
 Office (910) 798-7306
 Fax (910) 798-7145
 Email rzapple@nhcgov.com

Brunswick County Utilities

JOHN NICHOLS

Brunswick County Utilities Director

Work 910-253-2653
 Email John.Nichols@brunswickcountync.gov

Cape Fear Public Utilities Authority

KEN WALDROUP

Executive Director

Cell 919-369-3240
 Work 910-332-6669
 Email kenneth.Waldroup@cfpu.org

Pender County Utilities

ANTHONY COLON

Pender County Utilities Director

Work 910-389-3329
 Email acolon@pendercountync.gov

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Budget Amendment #1

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

Background: Budget Amendment #1 is due to LCFWASA conducting a comprehensive review of its financial resources and identified a need for a budget amendment to transfer funds from Operating account to R&R Account due to FY 2025-2026 audit.

Action Requested: Motion to approve/disapprove.



Lower Cape Fear Water & Sewer Authority
Leland, North Carolina

BUDGET AMENDMENT #1

Fiscal Year 2025-2026

BE IT ORDAINED by the Board of Directors of the Lower Cape Fear Water & Sewer Authority that the following amendments are made to the FY 2025-2026 Annual Budget Ordinances as follows:

Section 1: To amend the **Operating Revenue** the appropriations are to be changed as follows:

Fund Balance Appropriated:	Increase
3900-01 R&R Fund Appropriated	<u>750,000.00</u>

Section 2: To amend the **Operating Expenses** the appropriations are to be changed as follows:

Operating Fund:	Increase
4998-05- Transfer to R & R	<u>750,000.00</u>

Section 3: Copies of this Budget Amendment shall be furnished to the Budget Officer for direction in the carrying out of his duties.

Approved as to the availability of funds:

 Tim H. Holloman, Finance Officer

This Budget Amendment adopted this 9th day of February 2026.

 Scott Phillips, Chairman

ATTEST:

 Chakema Clinton-Quintana, Secretary

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H HOLLOWAY EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2026, to Thompson, Price, Scott, Adams & Co. P.A. in the Amount of \$9,000.00

Please find enclosed the annual audit contract for the preparation of the Authority's audit and financial statements for the fiscal year ending June 30, 2026.

Action Requested: Motion to approve/disapprove:

Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2026, to Thompson, Price, Scott, Adams & Co. P.A. in the Amount of \$9,000.

Resolution Awarding Annual Audit Contract for Fiscal Year Ending June 30, 2026, to Thompson, Price, Scott, Adams & Co. P.A. In the Not to Exceed Amount of \$9,000.00

Whereas, each unit of local government shall have its accounts audited as soon as possible after the close of each fiscal year by a Certified Public Accountant;

Now Therefore Be It Resolved, that the Board of Directors for the Lower Cape Fear Water & Sewer Authority awards the annual auditing contract to the firm Thompson, Price, Scott, Adams & Co. P.A. in the amount of \$9,000.00 to audit the accounts of the Authority and to prepare the financial statements for the fiscal year ending June 30, 2026.

Furthermore, the Board designates that the Chairman and the Executive Director for the Authority are duly authorized to execute the contract on behalf of the Authority.

Adopted this 9th day of February 2026

Scott Phillips, Chairman

ATTEST:

Chakema Clinton-Quintana, Secretary

The	Governing Board
of	Primary Government Unit Lower Cape Fear Water & Sewer Authority
and	Discretely Presented Component Unit (DPCU) (if applicable)
	NA

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Thompson, Price, Scott, Adams & Co., P.A.
	Auditor Address 4024 Oleander Dr., Suite 103, Wilmington, NC 28403

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$750,000 for a federal single audit and \$500,000 for a State Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within six months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. the invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Tim Holloman	Executive Director/LCFW&S	director@lcfwasa.gov

OR Not Applicable (*Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.*)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	Lower Cape Fear Water & Sewer Authority
Audit Fee (financial and compliance if applicable)	\$ 9,000.00
Fee per Major Program (if not included above)	\$ 3000.00 if applicable
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 9,000

Discretely Presented Component Unit	NA
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Thompson, Price, Scott, Adams & Co., P.A.	
Authorized Firm Representative (typed or printed)* Gregory S Adams, CPA	Signature*
Date*	Email Address* gadams@tpsacpas.com

GOVERNMENTAL UNIT

Governmental Unit* Lower Cape Fear Water & Sewer Authority	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* Scott Phillips Chairperson	Signature*
Date	Email Address* scott.phillips@adm.com

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 9,000
Primary Governmental Unit Finance Officer* (typed or printed) Tim Holloman, Executive Director	Signature*
Date of Pre-Audit Certificate*	Email Address* director@lcfwasa.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	NA
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOWAY, EXECUTIVE DIRECTOR

Date: February 9, 2026

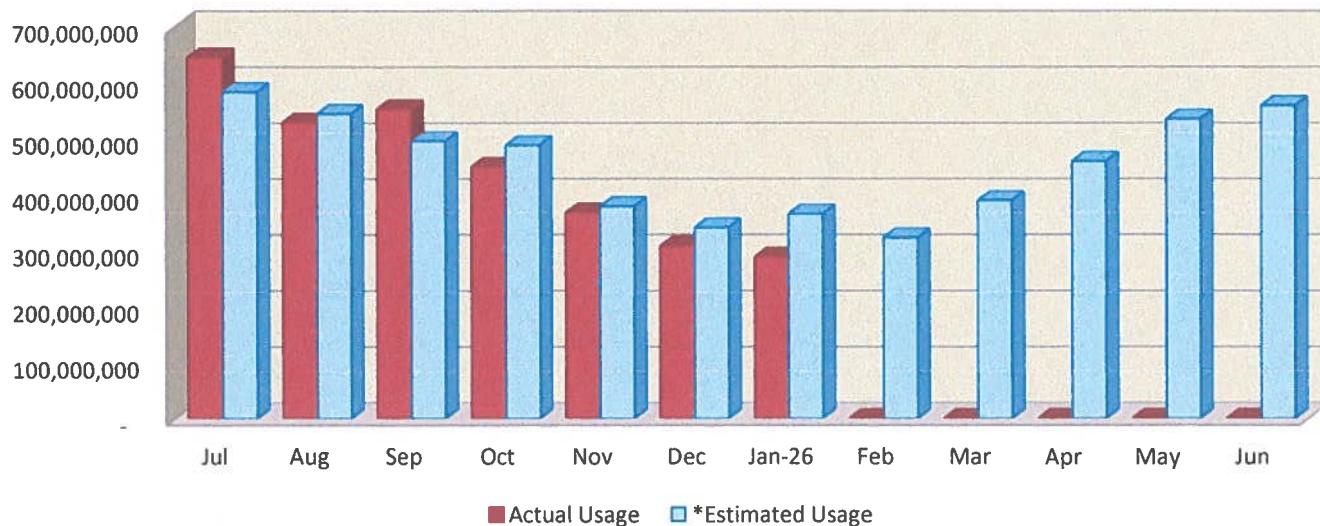
Re: Executive Director's Report

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

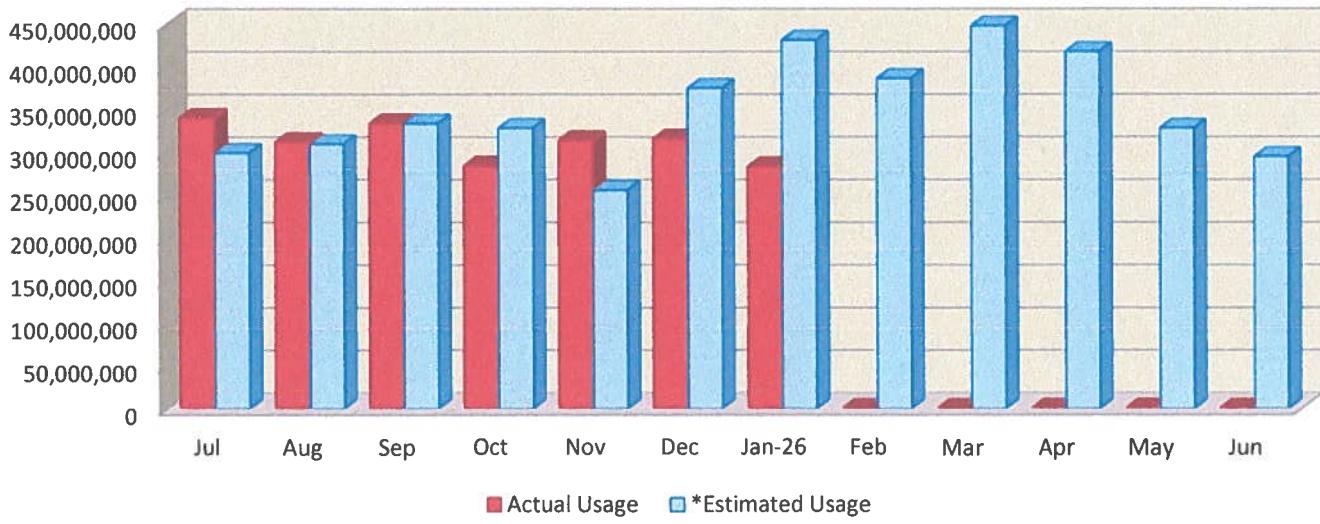
EDR2 - Operating Budget Status, Ending December 31, 2025

Action Requested: For information purposes.

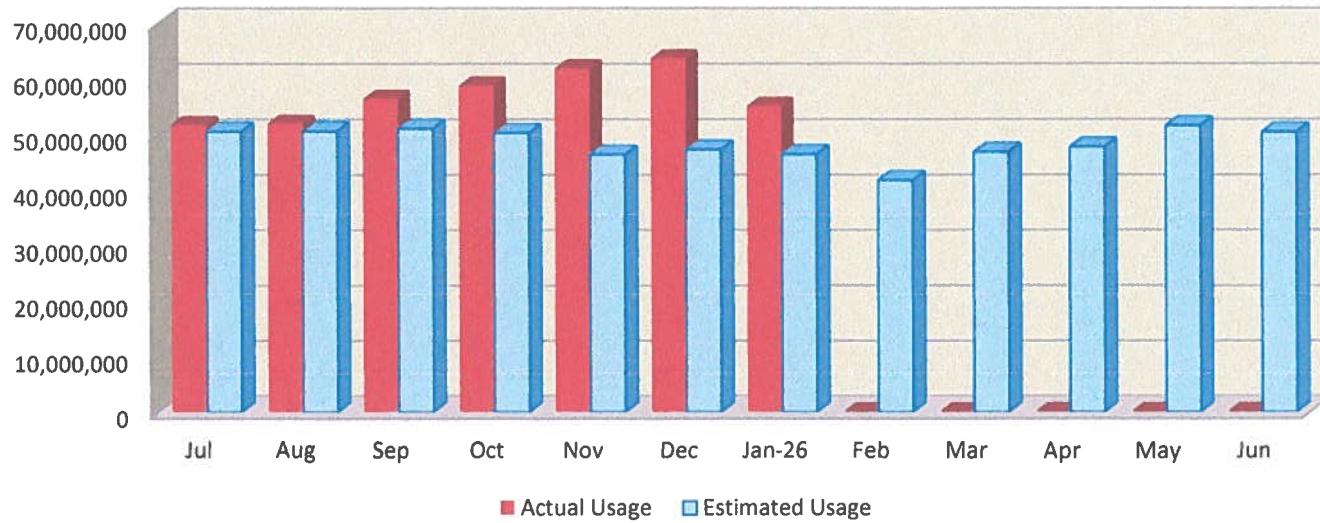
Brunswick County Water Usage FY 25-26



CFPUA Water Usage FY 25-26



Pender County Water Usage FY 25-26



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 - December 31, 2025 ACTUAL	FY 25-26 TOTAL COMBINED BUDGET	% of Amended Budget As of 12/31/2025
OPERATING						
3001-01	Brunswick County	\$ 2,621,733	\$ 2,621,733	\$ 1,367,506	\$ -	\$ 1,367,506 52%
3002-01	Cape Fear Public Utility Authority	\$ 2,022,934	\$ 2,022,934	\$ 911,823	\$ -	\$ 911,823 45%
3003-03	Pender County	\$ 289,440	\$ 289,440	\$ 165,662	\$ -	\$ 165,662 57%
3004-01	Stepan/Invista	\$ 140,000	\$ 140,000	\$ 80,963	\$ -	\$ 80,963 58%
3005-01	Praxair, Inc.	\$ 35,200	\$ 35,200	\$ 13,461	\$ -	\$ 13,461 38%
3006-01	Bladen Bluffs Reimbursement for Plant Operation Costs	\$ 5,670,086	\$ 5,670,086	\$ -	\$ 2,040,604	\$ 2,040,604 36%
3006-02	Bladen Bluffs Administrative Reimbursement	\$ 133,823	\$ 133,823	\$ -	\$ 96,795	\$ 96,795 72%
3007-01	Sales Tax Refund	\$ 159,988	\$ 159,988	\$ -	\$ -	\$ - 0%
	Subtotal	\$ 11,073,204	\$ 11,073,204	\$ 2,539,415	\$ 2,137,399	\$ 4,676,814 42%
Non-Operating						
3105-01	Interest	\$ 200,000	\$ 200,000	\$ 132,876	\$ -	\$ 132,876 66%
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	\$ -	\$ -	\$ -	\$ -	\$ - 0%
3900-02	SRF/ARPA	\$ 37,762,800	\$ 37,762,800	\$ 20,382,085	\$ -	\$ 20,382,085 54%
2900-00	Fund Balance Appropriated	\$ -	\$ -	\$ -	\$ -	\$ - 0%
	Subtotal	\$ 37,962,800	\$ 37,962,800	\$ 20,514,941	\$ -	\$ 20,514,941 54%
	TOTAL REVENUES	\$ 49,036,004	\$ 49,036,004	\$ 23,054,356	\$ 2,137,399	\$ 25,191,755 51%

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 - December 31, 2025 ACTUAL	FY 25-26 TOTAL COMBINED BUDGET		% of Amended Budget As of 12/31/2025
					KINGS BLUFF	BLADEN BLUFFS	
Administration							
4001-01	Salaries	\$ 246,869	\$ 246,869	\$ 85,717	\$ 37,030	\$ 122,748	50%
4010-01	Per Diem and Mileage Board Members	\$ 64,791	\$ 64,791	\$ 18,365	\$ 9,719	\$ 28,083	43%
4012-01	Vehicle Allowance	\$ 5,200	\$ 5,200	\$ 1,820	\$ 780	\$ 2,600	50%
4019-01 4024-01	FICA Taxes	\$ 24,658	\$ 24,658	\$ 7,852	\$ 3,699	\$ 11,551	47%
4029-01	Retirement	\$ 36,660	\$ 36,660	\$ 12,736	\$ 5,499	\$ 18,235	50%
4035-01	401K Plan	\$ 13,912	\$ 13,912	\$ 4,155	\$ 2,087	\$ 6,242	45%
4036-01	Miscellaneous Payroll Processing Expenses	\$ 2,900	\$ 2,900	\$ 1,398	\$ -	\$ 1,398	48%
4038-01	Group Insurance	\$ 42,586	\$ 42,586	\$ 9,161	\$ 6,388	\$ 15,550	37%
4039-01	Property and Liability Insurance	\$ 173,160	\$ 173,160	\$ 44,932	\$ 25,974	\$ 70,906	41%
4046-00	Professional Services General	\$ 55,000	\$ 55,000	\$ 109,405	\$ -	\$ 109,405	73%
4046-01	Attorney	\$ 65,000	\$ 65,000	\$ 20,723	\$ -	\$ 20,723	32%
4047-01	Auditor	\$ 9,500	\$ 9,500	\$ 3,950	\$ 2,800	\$ 6,750	71%
4048-01	Engineer	\$ 150,000	\$ 150,000	\$ 42,500	\$ 19,605	\$ 19,605	46%
4049-01	Information Technology	\$ 15,000	\$ 20,000	\$ 10,591	\$ -	\$ 10,591	53%
4050-01	Financial Advisor	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	0%
4055-01	Office Maintenance/Repair/Common Charge	\$ 45,000	\$ 45,000	\$ 12,986	\$ -	\$ 12,986	29%
4058-01	Office Utilities	\$ 4,000	\$ 4,000	\$ 1,857	\$ -	\$ 1,857	46%
4059-01	Office Expenses (Telephone, Printing, Adv)	\$ 15,000	\$ 15,000	\$ 4,221	\$ -	\$ 4,221	28%
4062-01	Office Equipment	\$ 30,000	\$ 35,000	\$ 27,917	\$ -	\$ 27,917	80%
4064-01	Printing and Advertising	\$ 15,500	\$ 20,500	\$ 2,971	\$ -	\$ 2,971	14%
4065-01	Telephone and Internet	\$ 5,500	\$ 5,500	\$ 3,497	\$ -	\$ 3,497	64%
4070-01	Travel and Training	\$ 36,000	\$ 38,500	\$ 16,839	\$ -	\$ 16,939	44%
4070-20	Phone Allowance	\$ 520	\$ 520	\$ 221	\$ 39	\$ 260	50%
4075-01	Vehicle Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%
4080-01	Miscellaneous Expense	\$ 25,000	\$ 25,000	\$ 2,030	\$ -	\$ 2,030	8%
4081-01	Dues & Subscription	\$ 12,000	\$ 12,000	\$ 8,311	\$ -	\$ 8,311	69%
	Subtotal	\$ 1,103,756	\$ 1,108,756	\$ 431,359	\$ 94,015	\$ 525,374	47%

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 - December 31, 2025 ACTUAL	FY 25-26 TOTAL COMBINED BUDGET	% of Amended Budget As of 12/31/2025
Operating						
4501-01	Sales Tax Expense	\$ 150,000	\$ 550,000	\$ -	\$ 305,162	55%
4510-01	Bladen Bluffs O & M	\$ 3,821,385	\$ 3,416,385	\$ -	\$ 474,757	14%
4515-01	Bladen Bluffs Hurricane Florence	\$ -	\$ -	\$ -	\$ -	0%
4520-01	Utilities/Energy Kings Bluff	\$ 778,052	\$ 778,052	\$ 310,042	\$ 310,042	40%
4530-01	Contract O & M Kings Bluff	\$ 736,811	\$ 736,811	\$ 386,371	\$ 386,371	52%
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 Buffs Debt Service Principal	\$ 1,115,000	\$ 1,115,000	\$ -	\$ 1,115,000	100%
4546-01	Bladen Buffs Debt Service Interest	\$ 480,000	\$ 480,000	\$ -	\$ 199,234	42%
4998-05	Operating Capital Expense	\$ 10,851,000	\$ 10,851,000	\$ 612,549	\$ 612,549	6%
	Transfer to R&R - Kings Bluff R&R Expense	\$ -	\$ -	\$ -	\$ -	0%
	Transfer to R&R - Industrial	\$ -	\$ -	\$ -	\$ -	0%
	Transfer to Enterprise Fund	\$ -	\$ -	\$ -	\$ -	0%
4998-06	Transfer to Enterprise Fund	\$ -	\$ -	\$ -	\$ -	0%
2041-01	421 Relocation New Hanover County Loan Principal	\$ -	\$ -	\$ -	\$ -	0%
5180-00	SRF/7 mile parallel line expenditures	\$ 30,000,000	\$ 30,000,000	\$ 14,053,490	\$ 14,053,490	47%
	Subtotal	\$ 47,932,248	\$ 47,927,248	\$ 15,362,452	\$ 2,094,153	36%
	TOTAL EXPENDITURES	\$ 49,036,004	\$ 49,036,004	\$ 15,793,811	\$ 2,188,168	\$ 17,981,979
						37%

AGENDA ITEM

To: CHAIRMAN PHILLIPS AND BOARD MEMBERS

From: TIM H. HOLLOWAY, EXECUTIVE DIRECTOR

Date: February 9, 2026

Re: Closed Session in Accordance with NCGS §143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege

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

A Closed Session is required in accordance with NCGS §143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege

A motion is made by _____ to go into a closed session in accordance with North Carolina General Statute Section 143-318.11(a)(3) to discuss with our attorney a matter within the attorney-client privilege.

The motion is seconded by _____.

Closed Session

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

The motion is seconded by _____.