



## AGENDA

Board of Directors' Meeting - Jacksonville City Hall  
Thursday, June 15, 2023 - 6:00 PM

- CALL TO ORDER -** Chairman Royce Bennett will call the meeting to order.
- PLEDGE OF ALLEGIANCE -** Chairman Bennett will lead the board and audience in the Pledge of Allegiance.
- INVOCATION -** Mr. Brian Young, Senior Pastor of Love Grace & Mercy Church will provide the invocation.

**CHAIRMAN'S REMARKS:** Please turn cell phones to "off" or "vibrate". Individuals making presentations or public comments are asked to adjust the microphones as necessary and to speak directly into the microphone. This meeting is being recorded.

### 1. APPROVAL OF AGENDA

**Action Requested: Consider** a "Motion to approve agenda as amended/submitted."

- 2. APPROVAL OF ITEMS ON CONSENT AGENDA:** The consent agenda includes items that may be acted upon in a single vote with the minutes reflecting the motion and vote on each item. Any ONWASA Director may remove items from the consent agenda for separate discussion and consideration during the business portion of the meeting.

**Action Requested:** Consider a "Motion to approve the consent agenda."

### CONSENT AGENDA ITEMS

*Any Director may request that any Consent Agenda item(s) be moved to the Business portion of the agenda. An item moved to Business will be considered separately. Items remaining on the Consent Agenda may then be considered as a whole.*

#### **A. Acceptance of Monthly Departmental Reports**

May 2023 Financial Reports & April 2023 Operations Reports

**Action Requested:** Consider a "Motion to accept the monthly departmental reports."

#### **B. Approval of Minutes**

April 20, 2023 Proposed Special Meeting Minutes  
May 18, 2023 Proposed Regular Meeting Minutes

**Action Requested:** Consider a "Motion to approve the minutes as presented."

#### **C. Holiday Schedule**

As part of ONWASA's commitment to retain and attract a professional, highly skilled, engaged workforce, leadership routinely looks at work-life balance improvement opportunities that also

maintain our commitment to exceptional customer service. After a recent employee survey, staff evaluated the ONWASA holiday schedule in comparison to area units of government. Staff believes one such area of opportunity is the addition of two observed holidays to the current Holiday Policy and would ask that the Board consider adding the Wednesday prior to Thanksgiving and one (1) floating holiday to be designated annually by the CEO to the existing Holiday Schedule. This updated holiday schedule would align with the recently adopted Onslow County Government holiday schedule. While this would be two additional days our main office would be closed for routine business, our operations center is available to assist customers 24 hours a day, seven days a week by phone and other electronic communication methods and our on-call staff will be available for emergencies.

**Action Requested:** Consider a “Motion to add the Wednesday before Thanksgiving and one floating holiday to be determined annually by the CEO to the current holiday schedule.”

#### D. Dixon Water Treatment Plant Expansion Project Ordinance

On April 20, 2023 the ONWASA Board of Directors approved a Resolution and authorized the execution of a Funding Offer & Acceptance document from the NCDEQ Division of Water Infrastructure (DWI) for a Pre-Construction Planning Grant in the amount of \$250,000 for a proposed project to expand the Dixon Water Treatment Plant from 4.0 MGD to 6.0 MGD. As staff were preparing to execute a professional services agreement and begin work on the project, it was determined a Project Ordinance necessary to create and track the project in our fiscal system had not been included in the April 20th agenda item. Attached is a proposed Project Ordinance for this project, for Board of Directors approval and execution, so that work on the project can be initiated.

**Action Requested:** Consider a “Motion to approve the Project Ordinance and Budget Amendment for the Dixon Water Treatment Plant Expansion Project and to authorize the Chairman of the Board to execute this document.”

### 3. BUSINESS



#### A. Discussion of the FY23-24 Proposed ONWASA Budget

**Presenting:** Mr. Franky J. Howard, CEO



The Proposed FY23-24 budget has been produced in accordance with all NC laws. The Board of Directors have received the proposed FY23-24 ONWASA budget. If the Board wishes to change any item, staff is prepared to take action as directed.



There has been only one change since we presented the Budget last month. We have updated the Rate and Fee Schedule to reflect my recommendations for the System Development Fees based on the study calculations for the Pluris Acquisition scenario. You will see that we have phased in the increase for the ¾ inch sewer fee with half the study allowed maximum this year and the rest of the increase over the next four years. We have also removed the Tampering Fee since the method for recovering these expenses has changed.

**Action Requested:** Receive the presentation.



## B. Public Hearing – System Development Fee

During the April 20, 2023 Board meeting staff was directed to publish the System Development Fee Analysis on the website and solicit public comment. The date, time, and location of the public hearing to receive comments was also set during that meeting.

### Actions Requested:

1. **Open Public Hearing:** Chairman Bennett is asked to open the public hearing.
2. **Conduct the Public Hearing:** Members of the public are invited to address the Board of Directors regarding the System Development Fee Analysis. A sign-up sheet is being maintained at the door for those who desire to speak. The CEO shall call the names of all persons signed up to speak. Each speaker shall be given five (5) minutes to address the board during the public hearing.
3. **Close the Public Hearing:** Chairman Bennett is asked to close the public hearing.



## C. Public Hearing – FY 2023-2024 Budget

On Thursday, May 18, 2023, the Board held a meeting and set the date, time, and location of the public hearing on the Proposed 2023-2024 ONWASA Budget. The public hearing has been advertised as required by state law. A full copy of the budget with all supporting documents has been posted on the ONWASA website.

### Actions Requested:

1. **Open Public Hearing:** Chairman Bennett is asked to open the public hearing.
2. **Conduct the Public Hearing:** Members of the public are invited to address the Board of Directors on any aspect of the Proposed 2023-2024 budget. A sign-up sheet is being maintained at the door for those who desire to speak. The CEO shall call the names of all persons signed up to speak on the proposed budget. Each speaker shall be given five (5) minutes to address the board during the public hearing.
3. **Close the Public Hearing:** Chairman Bennett is asked to close the public hearing.



## D. Consideration of the Proposed 2023-2024 Budget

**Presenting:** Mr. Franky J. Howard, CEO



The Board of Directors have received and reviewed the proposed budget. The public hearing has been held as required by state law. The budget is now available for action by the Board. Members of the ONWASA leadership team are available to answer any questions board members may have.

### Actions Requested:

Consider a “Motion to adopt the 2023 Base CIP Update.”

Consider a “Motion to approve the Proposed System Development Fee calculations as of July 1, 2023.”

Consider a “Motion to approve the ONWASA budget ordinance for fiscal year 2023-2024 along with the proposed rate schedule as presented.”



#### **E. Disaster Response Emergency Construction Services 2023 Contracts**

**Presenting:** Mr. David M. Mohr, PE Chief Operations Officer

This item consists of a pair of single prime construction contracts that can be activated for the completion of emergency repairs to ONWASA water and wastewater utility infrastructure in the aftermath of a natural disaster or other catastrophic event. Each contract establishes unit or lump sum pricing for multiple items of work that are often necessary immediately following a major storm event, including repair of water or sewer mains; placement of temporary fill at road washouts; installation of isolation valves, and operating bypass pumping equipment at manholes or sewage pumping stations. Work is to be performed on an as-needed basis, determined solely by ONWASA, with payments to each contractor based on the actual work assigned and the pricing for that work set within the contract.

Two contracts are proposed, one designated as the "Primary" contractor and one designated as the "Secondary" contractor. The Primary contractor shall be on a first contact basis for all disasters and emergencies that require a response. The Secondary contractor will serve as a backup to the Primary, if they are unable to respond within the stipulated 24 hours following a request, or in the event the disaster is of a scale that is larger than one firm can address adequately. ONWASA reserves the right to decide when and if either contract will be used and the work assigned to it. Each contract has a duration of two years and a maximum value of \$500,000.

These contracts were originally advertised for formal bid on the ONWASA website beginning April 5, 2023, and a total of two bids were received on May 5, 2023. As this was less than the minimum number of bids (3) required under State Law, the project was re-advertised for bid on May 11, 2023.

A total of two bids were subsequently received and opened on May 19, 2023. The apparent low bidder was A.C. Schultes of Carolina, Incorporated of Rocky Point, NC, and the second low bidder was State Utility Contractors, Incorporated of Monroe, NC. As their bid submittals have been reviewed and determined responsive and responsible, we recommend execution of contracts with both firms for the next two-year contract term.

Please note that while the certified Bid Tabulation indicates that the Total Base Bid submitted by each contractor exceeds the maximum contract value (\$500,000), this figure represents the sum of all unit and lump sum price items on the Bid Schedule and is used only for the purpose of selecting the lowest two bidders for contracts.

**Action Requested:** Consider a “Motion to proceed with two Disaster Response Emergency Construction Services Contracts, in the amount of \$500,000 per contract with A.C. Schultes of Carolina, Incorporated as the Primary Contractor and State Utility Contractors, Incorporated as the Secondary Contractor, and to authorize the Chief Executive Officer to execute these contracts and any additional documents as required in connection with this action.”



#### **F. State Water Infrastructure Grant – Water System Master Plan Project**

**Presenting:** Mr. David M. Mohr, PE Chief Operations Officer

ONWASA received notification in August 2023 that the NCDEQ Division of Water Infrastructure (DWI) had awarded an Asset Inventory and Assessment (AIA) study grant in the amount of \$150,000 for a proposed project to develop a Water System Master Plan. Work to be performed under this grant includes updating and calibrating our existing Hydraulic Water Model to reflect current system configuration and demands, using the updated Model to run various scenarios to identify distribution system deficiencies and evaluate the impact of additional water sources and/or storage on system performance, and prioritizing needed improvements for future capital planning purposes. This grant, derived from the Federal American Rescue Plan Act, will cover 100% of eligible expenses up to the total award amount and all work must be completed by May 22, 2025.

After an extended review and approval of a proposed scope of work and timeline for completion, DWI has requested the execution of a Funding Offer and Acceptance document along with a Resolution stating acceptance and compliance with the requirements of this grant. As this grant supports ongoing efforts to increase treated water supplies, can be completed by the requested deadline, and requires no matching funds from ONWASA, I am recommending acceptance of the grant and execution of the requested documents.

**Action Requested:** Consider a “Motion to approve the Resolution to accept the American Rescue Plan grant offer, and authorize the Chief Executive Officer to execute the Funding Offer and Acceptance document and any additional documents necessary to complete this action.”



## G. Summerhouse WWTP Interim Improvements Equipment Acquisition

**Presenting:** Mr. David M. Mohr, PE Chief Operations Officer

The ONWASA staff have been working with an engineering consultant to develop short-term options to increase treatment and disposal capacities at the existing Summerhouse Wastewater Treatment Facility. The original intent of this project was to "bridge the gap" between current operations and the completion of new facilities with sufficient capacity to address projected future growth in the Southeast Service Area. Continuing operational problems with the existing Summerhouse facility, however, have resulted in its being unable to consistently reach more than 50% of its permitted capacity (180,000 GPD) even after completion of a recent partial membrane replacement project. Efforts are now focused on modifications that would address this situation, as well as support future expansion up to the plant's original design maximum treatment capacity (400,000 GPD) if needed.

After review of several options and site visits with treatment equipment suppliers, it has been determined that the most time and cost effective approach to address current issues is to utilize existing plant infrastructure as much as is possible but replace the two most problematic elements in the treatment process, the membrane filtration and ultraviolet (UV) disinfection systems. Based on compatibility with existing equipment and operations, the ability to be easily expanded to accept additional flow, and other successful installations in this area a Kubota Membrane USA Package System and Trojan Technologies Open-Channel UV Disinfection Equipment have been selected for this purpose.

This item includes a request to declare the two listed firms as sole source vendors for this project. North Carolina General Statue 143-129(e)(6)(iii) exempts purchase of apparatus, supplies, materials or equipment from competitive bidding when standardization or compatibility is the overriding consideration. An identical Kubota Membrane Bioreactor System is currently in use at both the Pluris North Topsail and Webb Creek treatment plants, so with their planned acquisition by ONWASA this installation would standardize MBR equipment across the enterprise. Similarly, the Trojan UV3000Plus system is already in use at multiple ONWASA and both Pluris facilities, and has become the standard for UV disinfection. Such standardization simplifies daily operations and maintenance, as well as providing a common source for replacement parts.

The proposals attached to this request provide a list of the equipment to be provided by each vendor and the associated cost for informational purposes only; final purchase of these items will be handled through issuance of a purchase order to each vendor with appropriate terms and conditions included.

It should also be noted that approval of the sole source designation is for the equipment purchase only, as installation is planned through the use of a separate competitive-bid construction contract. Due to the projected lead time for this material (30-35 weeks), the intent is to prepare documents and secure the necessary permits, bid the project and have a construction contract awarded by the time all ordered materials are delivered to the site. This early acquisition approach also has the benefit of allowing ONWASA to "lock in" current pricing for this equipment.

**Action Requested:** Consider a “Motion to proceed with the acquisition of the referenced equipment from Kubota Membrane USA and Trojan Technologies as sole source vendors and to authorize the Chief Executive Officer to execute purchase agreements and any additional documents as required in connection with this action.”



#### H. Administrative Service Agreement (3)

**Presenting: Ms. Tina Ryle Chief Customer Officer**

For the convenience of Authority customers located in or near the general vicinity of the Towns it was provided in the Water and Sewer Agreement with the Towns that the Authority shall maintain facilities in the Towns for the purpose of bill payment and telephone communication from customers. ONWASA currently has agreements with the Towns of Holly Ridge, Richlands, and Swansboro.

The agreements have been sent to and approved by each of the Towns respective boards.

Between April 2022 and March 2023, the Town Halls processed 8,610 transactions in total. Of those transactions Richlands Town Hall processed 3,299, Holly Ridge processed 1,793 and Swansboro Town Hall processed 3,518. This partnership increases customer satisfaction and eliminates the need for a customer to travel to the Main Office for more routine tasks, such as paying monthly bills in-person.

**Action Requested:** Consider a “Motion to approve the FY24 Administrative Service Agreements as presented and authorize the Chairman of the Board to execute the agreements and any other documents as may be required by this action.”

#### I. Pluris System Purchase Agreement

**Presenting: Mr. Franky J. Howard, CEO**

ONWASA Staff, consultants, and counsel have been working diligently over the past several weeks to prepare and finalize the System Purchase Agreement for the Pluris LLC and Pluris Webb Creek LLC wastewater treatment systems. Within this agreement it spells out the details of this purchase and what is to be expected of both parties. There are also provisions in place that must be met in order for ONWASA to successfully seek and receive the necessary financing to fund the purchases. If these conditions are not met there are steps to terminate the agreement and seek a refund of our deposit. Once this agreement is approved and signed by both parties, we will begin the process to seek both the Local Government Commission approval and the Utilities Commission approval, both of which are necessary in order to complete the purchase. We will also be putting the final touches on the feasibility study based on the information provided thus far. An updated Board presentation on the feasibility study has been provided in this package. It is my recommendation that the Board approve the provided System Purchase Agreement understanding that there may be minor future changes that the Local Government Commission

recommends or requires. We will bring back a final version for board approval that will have all the exhibits and schedules once they are produced.

**Action Requested:** Consider a “Motion to approve the proposed and recommended final System Purchase Agreement for the Pluris LLC and Pluris Webb Creek LLC systems and authorize the Chairman to sign and execute the final agreement and any additional documents as required in connection with this action.”

**4. PUBLIC COMMENT**



Citizens are invited to address any comments or concerns to the Board of Directors. Each speaker is granted three (3) minutes during this period of public comment.

**5. CHIEF EXECUTIVE OFFICER'S COMMENTS**

**6. BOARD OF DIRECTOR'S COMMENTS**

**7. ADJOURN**

## For Reference: ONWASA Strategic Plan Goals

Business Items and Major Budget Initiatives are all tied to the goals that are part of ONWASA's adopted strategic plan. Icons indicate which goals the item(s) support.



### Communication and Partnerships

*Fostering an environment that encourages open communication and supports partnerships*



### Enhanced Customer Experience

*Creating a culture that delivers an enhanced customer experience*



### Financial Stewardship

*Generating revenues sufficient to support operations and growth, while maintaining reasonable rates*



### Reliable and Sufficient Infrastructure

*Planning, delivering, and maintaining dependable infrastructure necessary to address the changing needs of the service area*



### Workforce Development

*Attracting, developing, and retaining a professional highly skilled, engaged, and versatile team*