



AGENDA

Board of Directors' Meeting - Jacksonville City Hall
Thursday, September 21, 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 -** Pastor Josh McCord with Blue Creek Baptist 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

June & July 2023 Financial Reports
May, June, July 2023 Operations Reports

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

B. Approval of Minutes

June 15, 2023 Proposed Regular Meeting Minutes
August 7, 2023 Proposed Special Meeting Minutes

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

C. 2024 Proposed Schedule of Board of Directors Meetings

Each year Onslow Water and Sewer Authority Board of Directors approves and publishes a set schedule of meetings. All Board of Directors regular meetings shall be held at Jacksonville City Hall, 815 New Bridge St. Jacksonville, NC at 6:00 PM unless otherwise advertised.

[Action Requested:](#) Consider a “Motion to approve the 2024 Proposed Schedule of Regular Meetings of the ONWASA Board of Directors.”

D. FY 23 Budget Rollover to FY 24

Each year the Finance Department tracks purchases or projects that were ordered or procured in one fiscal year, but which will not be received or completed until the following fiscal year. Generally accepted accounting principles state that expenses must be booked in the fiscal year in which they are received or completed. For the fiscal year that just begun on July 1, 2023 there are 13 purchase orders which are carried over from the prior fiscal year. Of the 13 purchases, 2 are engineering/consultant projects, 3 equipment purchases and 8 vehicle or vehicle accessories purchases. The total is \$415,562.49. These funds were budgeted in FY 23 but not spent. Fund balance to match the expenditure would be budgeted in the current year, FY 24 to cover all expenses.

[Action Requested:](#) Consider a “Motion to approve the purchase order rollovers and associated budget amendment to fully cover the rollover purchases.”

E. Article V – The Pay Plan – Section 14 On-Call & Call Back Duty Update

During FY23 ONWASA completed a comprehensive organizational study with the help of Raftelis Consulting Group, which included peer comparisons and employee surveys. Data gathered from these revealed the need to modify the current on-call policy.

Due to the nature of our business and to ensure we have adequate staffing to handle emergency situations it is necessary for certain employees to be assigned to work on an on-call basis outside of their normal work schedule. Employees off duty actions are limited while serving in the on-call roll due to the required response time etc. The current policy only compensates employees for on-call duty if they are called to work.

The recommended modification to the on-call policy would compensate the primary scheduled on-call employee with a stipend of \$15.00 per day as compensation for being on-call and pay the employee for actual time worked.

[Action Requested:](#) Consider a “Motion to approve the update to Article V- The Pay Plan, Section 14 On-Call & Call Back Duty of the Personnel Policy as submitted.”

F. Renew Six-month Terms for Chemicals from RFB # FY2023 Chemicals

At the March 16, 2023 board meeting, the board approved the award of four chemicals: Liquid Sodium Hypochlorite 12.5% Mini Bulk \$2.99 per gallon, Liquified Hydrofluorosillic Acid \$5.08 per gallon, Orthophosphate \$12.75 per gallon from Water Guard and Potassium Permanganate \$2.97 pound from Carus. This was awarded for a six-month term from March 16, 2023 through September 18, 2023. As we are satisfied with the arrangements, we request the board exercise the option to renew the terms as set forth in RFB #FY2023.

Action Requested: Consider a “Motion to exercise the renewal of these terms for another six months and up to 2 more consecutive terms and authorize the CEO to execute purchase contracts plus any other documents as may be required in connection with these contracts.”

G. Exercise Option to Renew Terms RFB #2022-23 Salt

At the September 15, 2022 board meeting, the board approved the award of salt to Cargill Salt for one year in accordance with RFB #2022-23 Salt. As we are satisfied with the current arrangement, we request the board exercise the option to renew the terms as set forth in RFB #2022-23 Salt.

Action Requested: Consider a "Motion to exercise the renewal of these terms for another year and up to 3 more consecutive terms, and authorize the CEO to execute purchase contracts plus any other documents as may be required in connection with these contracts."

H. Uncollectable Water and Sewer Account Write-Offs

Each year inactive water and sewer accounts that are deemed uncollectable must be written off of the accounts receivable against the allowance for doubtful accounts. The amount of this year's uncollectible water and sewer accounts is \$34,257.69. This amount is less than 1/4 of one percent (0.0025) of the total water and sewer fees billed in the last twelve months. Prior to deeming an inactive account uncollectable, we attempt to collect the outstanding account balances through Online Utility Exchange and the North Carolina Debt Setoff Program.

Action Requested: Consider a “Motion to write-off uncollectable accounts in the amount of \$34,257.69.”

3. BUSINESS



A. ONWASA Lead Service Line Inventory Grant Application

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

Under the US EPA's 2021 revisions to requirements regarding the presence of lead in public water systems, ONWASA is required to complete an inventory of all potable water service lines to document the pipe material used and determine if any were installed with lead piping and/or connectors. Ultimate goal of this effort is the replacement of these materials in all potable water systems. While services installed after the use of lead materials were prohibited (March 1987 in North Carolina) are not an issue, older installations need to be verified through review of existing records and field investigations (i.e., actually digging them up). Due date for completion of an initial inventory is October 14, 2024. To comply with this requirement, ONWASA has performed more than 6,000 of an estimated 31,000 field inspections to verify service line materials, and no lead services have been found so far.

To assist public water systems with this effort, the North Carolina Department of Environmental Quality, Division of Water Infrastructure (NCDEQ) is making funding available through both loans and grants via a competitive process. Work to be funded includes completing the required inventory, finding and replacing lead service lines and/or lead connectors. Earlier this year NCDEQ requested information on potential project from interested parties, and in June ONWASA submitted two project proposals for a total of \$1,000,000 - the maximum amount available for

inventory completion projects. Based on the initial response, NCDEQ revised the initial program requirements in July and ONWASA was given the opportunity to submit a new, more competitive single application for the entire amount.

The application was completed and submitted by an August 18th deadline for consideration at the September 19th meeting of the State Water Infrastructure Authority.

This request is for the Board of Directors to consider and approve the attached Resolution in support of the project application. This document must be provided by all applicants and is prepared from a standard template provided by NCDEQ. While required as part of the application package, ONWASA was given approval to submit this document after the September 21st Board of Directors meeting. In the event this Resolution is not acceptable, the current application will be removed from consideration in this round of funding.

Action Requested: Consider a “Motion to approve the Resolution in Support of the ONWASA Lead Service Line Inventory Project and authorize the Chairman of the Board of Directors to execute this document.”



B. Adoption of Amended Project Ordinances

Presenting: Mr. David Mohr, PE – Chief Operations Officer

Many capital improvement projects require multiple fiscal years to complete, therefore ONWASA utilizes Project Ordinances to establish budgets for these types of projects. Based on review of current project priorities, schedules and cost estimates it has been determined the following existing Project Ordinances must be amended in order to have sufficient funding in place to complete the work anticipated in the current fiscal year:

CIP-001, Building Roof Replacements - Amended to include funding for the replacement of existing roofs on two well buildings and begin design work for replacement of the main roof on the Dixon WTP.

CIP-011, Emergency Power System Upgrades - Amended to include wastewater pump stations and treatment facilities in the scope of work, and to include funding for replacement of damaged/inoperable generators at four (4) sites plus the installation of additional emergency power connections at all treatment facilities.

CIP-032, Topsail Island Booster Pumping Station - Amended to reflect the most recent estimated cost of construction for this project.

CIP-035, Water and Sewer Operational Improvements - Amended to reflect design and construction costs for projects not included in the original Project Ordinance, as well as updated construction cost estimates for existing projects.

CIP-038, Dixon Water Treatment Plant Expansion Project - Amended to reflect additional design work (floor drain revisions and support facility assessment) that will not be funded through the ARPA grant for this project.

Actions Requested:

Consider a "Motion to amend the Building Roof Replacement Project Ordinance and corresponding budget amendment."

Consider a "Motion to amend the Emergency Power System Upgrades Project Ordinance and corresponding budget amendment."

Consider a "Motion to amend the Topsail Island Booster Pumping Station Project Ordinance and corresponding budget amendment."

Consider a "Motion to amend the Water and Sewer Operational Improvements Project Ordinance and corresponding budget amendment."

Consider a "Motion to amend the Dixon Water Treatment Plant Expansion Project Ordinance and corresponding budget amendment."



C. Bond Order for Revenue Bonds for Pluris Purchase

Presenting: Mr. Chuck Kitchen – Authority Attorney

In connection with the purchase of the two Pluris systems, the Board is requested to adopt a bond order which will allow the Authority to issue revenue bonds to finance the purchase. In addition to the cost of the purchase, the bonds will finance the costs of issuance, including the costs for the surveying, title search, and title insurance. The total amount of the bond issuance will be determined after all the costs, including the initial \$200,000 deposit, have been determined. The amount of the bonds will not exceed \$50,000,000. The closing date is set for November 9, 2023.

All of the revenue bonds issued by ONWASA are being issued pursuant to a General Indenture. Since the original adoption of the General Indenture, changes have occurred in what is included in indentures, especially as it relates to retirement benefits. As such, it has been suggested by bond counsel that the General Indenture be amended.

The form of the bond order, which provides for the approval and execution of the documents in connection with the issuance, is attached.

Action Requested: Consider a "Motion to adopt Order authorizing the sale and issuance by the Onslow Water and Sewer Authority not to exceed \$50,000,000 Combined Enterprise System Revenue Bonds, Series 2023 and authorizing the execution and delivery of certain documents in connection therewith."



D. Budget Ordinance Amendment for Operation of Pluris Facilities & Project Ordinance

Presenting: Mr. Franky J. Howard – Chief Executive Officer &
Mr. J. Eric Adams – Chief Financial Officer

Following the recent decision by the North Carolina Utilities Commission to support the purchase of both the North Topsail and Webb Creek wastewater treatment plants, and associated collection systems from Pluris LLC, ONWASA must begin putting the necessary financial and personnel resources in place to ensure a smooth operational transition at the time of final closing on the sale (scheduled for early November of this year). This request is for the approval of an amendment to ONWASA's current (FY23-24) operating budget in order to have funding in place for basic operating and personnel expenses for these new facilities between the closing date and the end of the fiscal year on June 30, 2024.

This budget amendment reflects increases to multiple budget lines within several different sections of ONWASA, and will establish funding under three general categories:

1. Daily operation of all acquired facilities, including utility costs, treatment chemicals, fuel for equipment and generators, equipment maintenance, lab testing supplies, etc.
2. Salary and benefits for all Pluris personnel (total of eight) who have expressed an interest in transferring to ONWASA.
3. Salary and benefits for a total of seventeen (17) new positions necessary to adequately staff the two treatment facilities, address the additional workload anticipated for Collections, Facilities Maintenance and Utility Locates personnel, and provide additional support for Human Resources and Warehouse activities.

Non-personnel costs included in the amended budget are based on a review of past Pluris operating budgets and ONWASA expenses at similar facilities and have been pro-rated where appropriate. Personnel costs are based on the specific positions Pluris personnel would be placed into upon transfer, and in the case of new positions on the current salary schedule for the specific position to be filled. It should be noted that the amounts included in this amendment are based on the available information and may need to be revisited after ONWASA has gained some experience in daily operations, and that these new facilities would be included in the annual budget process for all ONWASA facilities starting with the FY24-25 budget cycle.

We are also recommending the adoption of the Pluris Acquisition Project Budget Ordinance and corresponding budget amendment that is necessary to facilitate the purchase of the two Pluris facilities. We mirrored the other bond related documents and kept with the "not to exceed" \$50M. We recommend adopting the ordinance as presented.

Actions Requested:

Consider a "Motion to adopt the Budget Ordinance Amendment, and to authorize the Chief Executive Officer to execute any additional documents as required in connection with this action.

Consider a "Motion to adopt the Pluris Acquisition Project Ordinance and the corresponding budget amendment, and to authorize the Chief Executive Officer to execute 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