

**Onslow Water & Sewer Authority**  
**Board of Directors' Special Meeting 228 Georgetown Road Jacksonville**  
**Thursday, April 10, 2025**  
**APPROVED MINUTES**

**CALL TO ORDER:** Having a quorum, Chairman Royce Bennett called the meeting to order at 3:00 pm. Board members present included Chairman Michael Royce Bennett, Vice Chairman Paul Conner, Secretary/Treasurer Richard Grant, Directors Gregory Hines, Tony Padgett, and Robert Warden. Absent was Director Jerry Bitner and Director Joe Brown.

**1. APPROVAL OF AGENDA** – Director Gregory Hines made a motion to approve the agenda as submitted. Director Tony Padgett seconded the motion. All were in favor. The agenda was approved as submitted.

**2. BUSINESS**

**A. Appointment of Interim Legal Counsel**

**[A COPY OF THE RETAINER FEE AGREEMENT BETWEEN MEWBORN & DESELMS AND ONWASA MAY BE FOUND AT EXHIBIT A AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on CEO, Franky Howard, to present the item. Mr. Howard shared that at the last Board meeting Mr. Kitchen announced his resignation as legal counsel and his last day was today [April 10, 2025]. Mr. Howard presented a proposal from Mewborn & DeSelms Attorneys at Law to provide interim legal services while a permanent solution is determined. He shared that Mewborn & DeSelms currently serves as the County Legal Counsel. Chairman Royce Bennett inquired if the retainer fee was the same or less than what was already being paid. Mr. Howard replied yes. Secretary/Treasurer Richard Grant asked if it would be Brett that would be stepping in. Mr. Howard replied yes it will be Brett. Chairman Bennett said while he thinks with an attorney there is always a possibility of conflict, but he does not think we will have a conflict. He added if there is then we will have to deal with it at that time. Chairman Bennett said he [Brett DeSelms] works with the County two days a week, Tuesday and Thursday and it is his understanding that he plans to work with ONWASA on Wednesdays. Director Padgett added that if it is anything like it is for the County when he is with ONWASA on Wednesdays he will not mix it up he will be working for ONWASA. Director Hines shared that while he had some questions about potential conflict he was satisfied after speaking with the Chairman. Mr. Howard added that Brett shared if a conflict did come up he would refer us out.

**Action:** A motion was made by Director Tony Padgett to appoint Mewborn & DeSelms, Attorneys at Law, as Interim Legal Counsel and authorize the CEO to sign the Retainer Fee Agreement and any additional documents required in connection with this action. A second was made by Director Robert Warden. All were in favor, the motion passed unanimously.

**B. Discussion of RFQ for Legal Services**

Chairman Royce Bennett called on CEO, Franky Howard, to present the item. Mr. Howard reviewed the details of a proposed RFQ for legal services and asked the Board for input on any desired changes. Director Warden inquired about where an RFQ like this could be advertised. Mr. Howard shared that the listserv of UNC SOG was one option. Chairman Bennett added that he had asked the NC Association of County Commissioners for guidance, and they did not have any suggestions. Chairman Bennett said he did not see anything in the RFQ that needed further discussion. Mr.

Howard said one addition that Staff has discussed is establishing office hours. Director Warden mentioned the difference in having someone local to attend the Board meetings verses someone out of town who may begin billing during travel. Director Hines asked if the requirement to attend all Board meetings includes special called meetings. Mr. Howard replied yes.

No action was taken.

**C. Wallace Creek HDD Replacement Project Contract Change Order**

**[A COPY OF THE WORK CHANGE DIRECTIVE NO. 001 AND WALLACE CREEK FORCE MAIN PROJECT AMENDED PROJECT ORDINANCE & BUDGET AMENDMENT MAY BE FOUND AT EXHIBIT B AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on CEO, Franky Howard, to present the item. Mr. Howard explained when contractors attempted to make the horizontal directional drill they found the condition so be too unstable and wet to complete the work. He went on to explain that by lengthening the HDD by approximately 90 feet to the north work could continue in more stable conditions and it would remain in the existing easement and within the areas approved by MCBCL. Mr. Howard shared that the proposed change would increase the contract by \$63,342.30 and would not change the days to completion time.

Secretary/Treasurer Richard Grant made a motion to proceed with amending the construction contract with Military and Federal Construction Company, Inc. and to authorize the Chief Executive Officer to execute the change order and any additional documents as required in connection with this action. A second was made by Director Tony Padgett. All were in favor, the motion passed unanimously.

Director Bob Warden made a motion to adopt the Wallace Creek HDD Replacement Project Amended Project Ordinance and corresponding budget amendment. A second was made by Vice Chairman Paul Conner. All were in favor, the motion passed unanimously.

**3. CEO COMMENTS**

Mr. Howard thanked the Board for having the special called meeting. He shared that just before the meeting began he received an email that the grant previously awarded from the State for the Mt Pleasant Pump Station relocation was being paused due issues with FEMA.

**4. DIRECTOR COMMENTS**

Chairman Royce Bennett shared he attended a JOED meeting earlier and the Wachovia Tract project is moving along. Director Hines asked if the agreement was for five years. Mr. Howard replied that there is a five-year due diligence period.

There were no other director comments.

**5. ADJOURNMENT:** Chairman Bennett adjourned the meeting at 3:23 pm.

MINUTES APPROVED JUNE 18, 2025.

Onslow Water & Sewer Authority Board of Directors



Michael Royce Bennett, Chairman



ATTEST:

Wkathur Norris, Clerk



**MEWBORN  
& DESELMS**  
Attorneys at Law

**RETAINER FEE AGREEMENT**

**THIS AGREEMENT** by and between Mewborn & DeSelms, Attorneys at Law hereinafter referred to as "Attorney", of 829 Gum Branch Road, Suite C, Jacksonville, North Carolina, 28540, ONWASA referred to as "Client".

**SERVICES TO BE PERFORMED**

WHEREUPON it is agreed that **Mewborn & DeSelms, Attorneys at Law**, shall represent Client on the issues of: Interim Legal Services.

These services will specifically include all actions necessary to protect the legal rights and interests of the client, including but not limited to, attendance at meetings, contract review, legal research; defense/prosecution of claims, settlement negotiations and the like. In the event that litigation becomes necessary or is presently pending, the services will also include the preparation of all necessary documents and other pleadings related to this litigation and all trial preparation. The attorney will take such action as is legally and ethically permitted to attempt the maximum recovery for the client. The attorney will apply his skill and best judgment in handling this case in order to achieve a maximum recovery for any claims that the client may have specifically set forth above.

**SERVICES EXCLUDED**

The services to be rendered in this agreement are specifically limited to those set forth in the preceding paragraphs. They do not include any appeal of any matters in this claim, any post-trial proceedings, or any efforts to enforce or collect on any agreement or court order arising out of this agreement. In the event that the client and the attorney reach an agreement regarding further services, that agreement will be set forth in a separate writing.

**RETAINER FEE**

The attorney has required an initial deposit of **\$0.00** as a retainer fee. This fee is being paid in consideration of assuring the attorney's availability, for the purpose of engaging the firm in this matter and in recognition of the fact that the firm may be precluded from being engaged in other cases as a result of this employment. The retainer fee is earned immediately upon receipt and is not subject to refund unless required by the Revised Rules of Professional Conduct. In addition, the parties further agree that client shall pay to attorney an initial deposit in the amount of **\$0.00** for legal fees, to be used at the rates set forth below.

**LEGAL FEES TO BE PAID**

CHRISTOPHER L. MEWBORN  
cmewborn@mewbornlaw.biz

BRETT J. DESELMS  
bdeselms@mewbornlaw.biz

J. TIMOTHY WILSON  
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JONATHAN EURE  
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MICHAEL TUTON  
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829 Gum Branch Road | Suite C  
Jacksonville, NC 28540  
P: 910.455.9755 | 800.509.8219  
F: 910.346.3483 • mewbornlaw.biz

The legal fee will be determined by the "billable time" spent by the attorney and his employee in providing legal services. The legal fee will be determined by multiplying the billable rate times the billable hours spent. Billing rates are expressed in dollars per billable hour. The rates are established according to ability, experience and other factors that may be considered. The attorney shall be paid for his billable time at the rate of \$200.00 per hour. The attorney may bill at a rate of \$100.00 per hour for time expended on this matter by his paralegal or staff.

INITIALS ESH \_\_\_\_\_

Billable time will be charged in quarters of an hour and will be rounded up to the nearest quarter of an hour. Billable hours will be based primarily on the actual time spent in connection with the client's legal matter but may be affected by other matters such as nature of the employment, the size of the claim, the novelty and difficulty of the questions involved, time limitations imposed by the client or by the circumstances, the results obtained and the attorney's experience and ability.

The Client agrees that if attorney requires an initial deposit, in addition to the nonrefundable retainer fee, as an advance payment for services to be rendered, then said advance payment shall be placed in attorney's trust account and billed against by attorney; that is, as attorney provides legal services to client, he may pay from the advance payment in trust those fees earned based upon his billable time and billing rate. As the advance payment is expended, the attorney may, from time to time, require further advance payment deposits. The client further agrees that the attorney will not begin work until the initial deposit is received.

INITIALS ESH \_\_\_\_\_

#### COSTS AND EXPENSES

In connection with representation, it may be necessary to incur out-of-pocket costs or expenditures including, but not limited to; copies, postage, and mileage. In the event any of these expenses are advanced on behalf of the client, the expenses shall become due and payable by the client immediately upon presentation of a bill for these costs or expenses by the firm. Any such expense incurred in connection with this case will be the ultimate responsibility of the client and they shall be paid directly by the client, or the attorney will be reimbursed for any such expenses that have been advanced on behalf of the client.

#### TERMINATION OF SERVICES

The client may terminate the services of said attorney at any time. Any termination of services by the client does not relieve the client of the obligation to pay any fees or amounts owed to the attorney at the time of termination.

The attorney may terminate representation of you under the following circumstances:

1. He discovers any conflict of service;

- 2. The client fails to pay immediately when due any amounts required to be paid under this agreement;
- 3. The attorney discovers that the client has made any misrepresentation in connection with any matter that he may be handling for you, or he discovers any material variance between the facts as related by the client and the facts as they actually exist;
- 4. The client fails or failed to heed the advice or recommendation of the attorney or otherwise does not cooperate in the attorney's representation of the client;
- 5. The attorney has a disagreement over what matters he is supposed to be handling for the client;
- 6. For any other reason, the attorney deems as a basis to discharge the client.

If attorney has made a court appearance on client's behalf, the client will be notified of attorney's request to the court to be allowed to withdraw from the representation and the court may discharge the attorney without any further obligation to the client.

**MISCELLANEOUS TERMS**

Each provision of this agreement is severable. The invalidity or unenforceability of any provision of this agreement does not impair the validity or enforceability of any other terms.

The attorney has not made any agreement or promise to you about the outcome or result of this matter. The client will notify the attorney in writing if, at any time, the client feels that this matter is not receiving proper attention or is being improperly handled or if the client suspects some misunderstanding about what the attorney is supposed to do for the client.

If the client fails to pay any amount due under this agreement, the client will pay all reasonable attorney's fees and other expenses incurred by the attorney in attempting to collect the amounts due.

After completing the work called for in this contract, the attorney will dispose of everything in the file, after first giving the client a chance to retrieve matters from the file. Client consents to the destruction of any documents not claimed within 60 days of notice of completion of the matter.

INITIALS FSH \_\_\_\_\_

If any funds of the clients are paid directly to the attorney in connection with the resolution of this matter, the attorney may deduct from those funds and pay to himself any unpaid amounts that have been billed to the client.

The client(s) agrees to pay the outstanding balance shown on this bill within thirty days of its receipt. The client further agrees to pay interest of 1.5% per month on any legal fees and expenses incurred which are thirty days or more overdue. Statements of account mailed to client(s) will be deemed conclusive of the account if client(s) does not object in writing within ten days after the statement of account is mailed to client(s).

INITIALS FSH \_\_\_\_\_

**CONCLUSION**

By their signatures affixed hereto, each party represents that they have read this agreement and that they fully understand and agree with its contents. Each party does agree to specifically abide by the terms set forth herein.

Date: 4-11-25

Authorized Representatives

By: [Signature] (SEAL)  
ONWASA, Client



MEWBORN & DESELMS, ATTORNEYS AT LAW

By: [Signature] (SEAL)  
Brett J. DeSelms, Attorney at Law  
829 Gum Branch Road, Suite C  
Jacksonville, NC 28540  
(910) 455-9755

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

[Signature]  
Finance Officer

**ONLOW WATER & SEWER AUTHORITY  
WALLACE CREEK FORCE MAIN PROJECT**

**AMENDED PROJECT ORDINANCE**

**BE IT ORDAINED** by the Board of Directors of Onslow Water & Sewer Authority (ONWASA) that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Wallace Creek Force Main Project is hereby adopted:

**Section I.**

This item consists of a single-prime construction contract to replace an existing sanitary sewer transmission force main crossing Wallace Creek. This project is necessary due to a line break in this section of the force main which resulted in a spill into Wallace Creek. Temporary repairs were made to the line and this project will construct the permanent repair of the force main with a new 24-inch fusible C900 PVC line.

**Section II.**

The officers of Onslow Water & Sewer Authority are hereby directed to proceed with the Wallace Creek Force main Project.

**Section III.**

The following revenue is anticipated to be available to complete the project:

Fund Balance Appropriation	\$900,000
Total	<u>\$900,000</u>

**Section IV.**

The following amounts are appropriated for the project:

Construction	\$900,000
Total	<u>\$900,000</u>

**Section V.**

The Finance Officer is hereby directed to maintain within the Water & Sewer Fund sufficient specific detailed accounting records to provide the accounting required by federal and state regulations and in accordance with generally accepted accounting procedures.

**Section VI.**

The Finance Officer is directed to report monthly on the financial status of the project and the total revenues received.

**Section VII.**

The Budget Officer is directed to include an analysis of past and future costs and revenues on this project as a part of every budget submission made to this Board.

**Section VIII.**

Copies of this Wallace Creek Force Main Project Ordinance shall be made available to the Budget Officer for direction in carrying out these projects.

Adopted this 10th day of April 2025.

ONslow WATER & SEWER  
AUTHORITY BOARD OF  
DIRECTORS



  
\_\_\_\_\_  
Michael R. Bennett, Chairman

  
\_\_\_\_\_  
Heather Norris, Clerk to the Board

Project Ordinance  
 Wallace Creek Force Main  
 Budget Amendment  
 April 10, 2025

Budget Amendment – Fund 61 and Fund 40

Department Number	General Ledger Name	General Ledger Number	Amount
	Fund Balance Appropriation	3919940	\$900,000
9910	Transfer to Capital Projects	8000040	\$900,000
	Transfer from Operating – Wallace Creek	3709997	\$900,000
8793	Construction – Wallace Creek	8925800	\$900,000

**Work Change Directive No.**

Date of Issuance:	4/4/2025	Effective Date:	4/4/2025
Owner:	Onslow County Water and Sewer Authority	Owner's Contract No.:	
Contractor:	Military & Federal Construction Company, Inc.	Contractor's Project No.:	
Engineer:	HIGHFILL Infrastructure Engineering, P.C.	Engineer's Project No.:	ONW2405
Project:	Wallace Creek HDD Replacement	Contract Name:	N/A

Contractor is directed to proceed promptly with the following change(s):

**Description:**

Extend the horizontal directional drill on the north end of the project from its current location, approximate station 16+82 north no farther than the existing 24-inch 90 degree bend located at approximate station 17+46. Payment will be based upon current contract unit prices and the quantity of each item confirmed to be installed.

**Attachments:** *[List documents supporting change]*

Memorandum describing the agreed upon proposed change, work sequence and limits of work area.  
Bore log of existing pilot bore and proposed revision to pilot bore including sketch on profile drawing.

**Purpose for Work Change Directive:**

Directive to proceed promptly with the Work described herein, prior to agreeing to changes on Contract Price and Contract Time, is issued due to: *[check one or both of the following]*

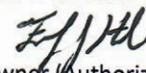
- Non-agreement on pricing of proposed change.
- Necessity to proceed for schedule or other Project reasons.

**Estimated Change in Contract Price and Contract Times (non-binding, preliminary):**

Contract Price	\$ 63,342.30	[increase] [ <del>decrease</del> ].
Contract Time	0 days	[increase]-[ <del>decrease</del> ].

**Basis of estimated change in Contract Price:**

- Lump Sum
- Unit Price
- Cost of the Work
- Other

<b>RECOMMENDED:</b>	<b>AUTHORIZED BY:</b>	<b>RECEIVED:</b>
By:  Engineer (Authorized Signature)	By:  Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Title: Project Manager	Title: Chief Executive Officer	Title: _____
Date: 4/4/2025	Date: 4/10/2025	Date: _____

Approved by Funding Agency (if applicable)

By: N/A Date: \_\_\_\_\_  
Title: \_\_\_\_\_