

Onslow Water & Sewer Authority
Board of Directors' Regular Meeting Jacksonville City Hall
Thursday, November 16, 2023
APPROVED MINUTES

CALL TO ORDER: Having a quorum, Chairman Royce Bennett called the meeting to order at 6:00 pm. Board members present included Chairman Royce Bennett, Vice Chairman Paul Conner, Secretary/Treasurer Pat Turner and Directors Jerry Bittner, Tim Foster, Richard Grant, and Jeff Wenzel. Absent was Director Bob Warden

PLEDGE OF ALLEGIANCE: Secretary/Treasurer Pat Turner led the Board and audience in the Pledge of Allegiance.

INVOCATION: Chairman Royce Bennett provided the invocation.

CHAIRMAN'S REMARKS –Chairman Royce Bennett provided general guidance to the audience regarding the meeting.

1. APPROVAL OF AGENDA – Vice Chairman Paul Conner made a motion to approve the agenda as presented. Director Tim Foster made a second. All were in favor. The agenda was approved as presented.

2. APPROVAL OF CONSENT AGENDA

[A COPY OF THE FARM LEASE WITH MAP AND BID TAB, COUNTRYWOOD ESTATES ALLOCATION REQUEST LETTER, AMENDMENT #1 TO INTERLOCAL AGREEMENT WITH INTERLOCAL AGREEMENT, RFB#2023BH BID TAB, RFB#2023EX BID TAB, RFB#2023VAC BID TAB MAY BE FOUND AT EXHIBIT A AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

A motion was made by Director Tim Foster to approve the consent agenda. A second was made by Vice Chairman Paul Conner. The motion passed unanimously. Therefore, August & September 2023 Finance Reports and August & September 2023 Operations Reports were accepted, the September 21, 2023 Regular Meeting Minutes were approved as presented, the offer from Belgrade Farms, LLC for the amount of \$204.00 per acre to farm the Northwest Regional Water Reclamation Facility for a period of three years was accepted and the CEO was authorized to execute the agreement plus other documents as may be required in connection with this lease; Draft Amendment #1 to the Interlocal Agreement for Wastewater Service to Springdale Acres was approved and the CEO was authorized to execute this Amendment and any documents as required in connection with this action upon approval and execution by the City of Jacksonville; RFB#2023BH was awarded to the lowest responsive bidder Premier Equipment Company and the CEO was authorized to execute purchase contracts plus any other documents as may be required in connection with these contracts, RFB#2023EX was awarded to the lowest responsive bidder Ditch Witch Sales of North Carolina and the CEO was authorized to execute purchase contracts plus any other documents as may be required in connection with these contracts; and RFB#2023VAC was awarded to the lowest responsive bidder Ditch Witch Sales of North Carolina and the CEO was authorized to execute purchase contracts plus any other documents as may be required in connection with these contracts.

3. BUSINESS

A. North Topsail Beach Booster Pumping Station (CIP-032) Construction Contract

[A COPY OF THE RECOMMENDATION OF AWARD AND AMENDED PROJECT ORDINANCE AND BUDGET AMENDMENT MAY BE FOUND AT EXHIBIT B AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Royce Bennett called on Mr. David Mohr, COO to present the item. Mr. Mohr explained the item consists of a single prime contract to construct a new potable water booster pumping station and supporting infrastructure adjacent to the North Topsail Beach Town Hall adding once completed the facility will be used on an as-needed basis to help maintain system operating pressure within the Topsail Island distribution system during periods of seasonal high demand. Mr. Mohr said main items of work include a 392 square foot elevated pump house on piling supports, a package booster pumping system with dual pumps, 10 inch diameter water main connecting the pumping station to the island distribution system and a new check valve and meter vault on a secondary water main at the North end of the island. He explained it includes electrically actuated motors and controls that can be operated remotely from the ONWASA system control center at the main office. Mr. Mohr said final completion of the work is anticipated to be June 2024. He explained the project was competitively bid twice due to a lack of response on the first bid with the second round of bidding open on November 2nd with the apparent low bidder for the project being Carolina Utilities Company of Jacksonville North Carolina in the amount of \$2,397,513.00. He informed the Board the bid submittal has been reviewed by the Design Engineer, W K Dickson, and determined responsive and responsible saying he is recommending execution of the contract with the firm.

Director Richard Grant noted the June 24th completion date precedes the July 4th holiday that we had issues with last year adding he is assuming that we are going to have some kind of plan in place in case that does not go forward on that date. Mr. Mohr replied we ran a different operating scheme through the rest of the Summer, and we did not have any issues after the fourth and we will implement that same plan in the Spring and in the event the pump station is not done we will carry that through the holiday weekends. Director Grant asked if we have water trucks and if there had been any thought about them. He stated this is a peaking thing and it is around where St Regis is as you know because of complaints and a presentation was made to them. Director Grant went on to express his concern over the likely issues over the July 4th weekend. Director Grant inquired about the million-dollar difference in the two bids. Mr. Mohr said he has not talked to the contractor directly, but the second bidder was the only bidder the first time and may have anticipated being the only bidder this time. Director Grant asked if it was standard practice that when we allow the CEO to sign off on something we put a caveat in there that the attorney has signed off and give them the ability to make additions to the contract as long as he signs off on it. Mr. Chuck Kitchen, Authority Attorney, answered that it is not and the reason is that we have standard contracts and as long as we are using the standard contract there is nothing for him to review adding if we come in with something strange it is different but normally with construction we are using the same contract.

Director Wenzel asked if the June date was a completion date. Mr. Mohr replied yes completed and ready to operate. Director Wenzel said a lot of people are having problems getting things completed on time for multiple reasons and one thing he felt like the NCDOT did well when they built the new Surf City high rise bridge is they put an actual completion date in the contract and wrote it as an incentive/disincentive contract with a bonus or penalty from each date up to a certain amount and that motivated the contractor. Mr. Mohr answered that the ONWASA contracts do have a liquidated damages clause if ONWASA does not extend it adding on large projects it is like \$1,000 a day. He said he has personally used incentive clauses in previous contracts and sometimes they work but he found in several instances the contractor will basically get into a big argument with you at the end where they say well there was weather, and this happened so they should be entitled to that money adding it could be worth some discussion. Mr. Kitchen said while the State has the authority to do incentive in contracts under State law, he does not believe we do and as Mr. Mohr said there are issues when

you do that and what we have tried to do in the contract is we do not allow weather to be a reason for an extension on the contract it is built in adding the whole idea is to cut down on the amount of litigation.

A motion was made by Vice Chairman Paul Conner to approve the Amended Project Ordinance with corresponding budget amendment and proceed with a construction contract in the amount of \$2,397,513.00 with Carolina Utilities, LLC for the North Topsail Beach Booster Pumping Station Project and to authorize the Chief Executive Officer to execute this contract and any additional documents as required in connection with this action after plat and deed approval by the Town of North Topsail Beach. The motion was seconded by Director Tim Foster. All were in favor, the motion passed unanimously.

B. Pluris Acquisition Update

Chairman Royce Bennett called on Mr. Eric Adams, CFO and Mr. David Mohr, COO to present the item. Mr. Adams provided an overview on the recent Bond Sale. He began by explaining on October 26th ONWASA entered into a challenging bond market as a result of a 10 year high on bond yields. Mr. Adams said he was happy to report we set a goal to stay under 5% and we kept that with a total true interest cost of 4.97% adding that the morning of the bond sale underwriters indicated we might want to increase our coupon by a quarter percent and we did not do that so we were happy when orders began coming in and we received four and a half times the number of orders to bond issuances.

Director Richard Grant asked if the 4.97% is the effective rate after all the expenses. Mr. Adams indicated that was correct. Director Grant asked if the real rate was something like 4.7% then and Mr. Adams said it was 4.73%. Director Grant commented that was a real good deal.

Mr. Mohr said on November 9th we took full ownership of the two wastewater treatment plants, Webb Creek and North Topsail and associated collection systems formerly run by Pluris LLC in Onslow County. He explained that Webb Creek serves selected developments in the Bear Creek and Hubert areas and North Topsail and Sneads Ferry region. Mr. Mohr said eight Pluris personnel transitioned to employment with ONWASA on the 9th of November and they have been through employee training and are now part of staff. Mr. Mohr explained that the primary focus has been a crash course on plant operations on the collection system infrastructure which includes a wide variety of activities from the critical to the mundane including verifying primary and back up equipment is operating properly to changing locks and signature on nearly 950 pumping stations. He said a week into it we are training ONWASA staff on plant operations and identifying any remedial work required at the treatment plants to bring them to operational standards or address deficiencies that we found, visiting the collection systems pumping stations to verify operations and obtain information necessary for insurance purposes adding we are still working with the League of Municipalities on insurance for the pumping stations. Mr. Mohr said we are currently reviewing records on private developments that are planned to connect to the collection system and identifying projects with prior commitments from Pluris for inspections, equipment installations, and connection fees paid in advance of the transfer. Mr. Mohr explained we are ensuring a smooth transition to customer billing through ONWASA adding information will be mailed to customers in the near future and a FAQ page is posted on the website.

Chairman Bennett asked if the employees who transferred over were primarily operational, so you have some historical reference for all of these pump stations and

everything. Mr. Mohr said one of the Plant Operators stayed with Pluris but we had an internal employee to step up and fill that roll and the North Topsail Plant Operator transitioned over and that has worked out well.

Secretary/Treasurer Pat Turner asked how many more positions do you have to fill. Ms. Joetta Guist, CHRO, answered 24 total and that does include for the Pluris side as well. Mr. Mohr said 25 positions were authorized. Ms. Guist added of those we have 11 to fill and we are interviewing constantly.

Director Jeff Wenzel asked if there was a plan to connect to the Holly Ridge area. Mr. Mohr replied we do have a contract for design of a force main system and pump stations that goes from Holly Ridge to Summerhouse and then all the way to the North Topsail Plant.

Director Jerry Bittner asked if the League of Municipalities handles our insurance, correct and did they accept the valuation for the Webb Creek Pluris Plant or is that still being negotiated. Mr. Adams said we have submitted our valuations and they are actually to be on site at both facilities tomorrow afternoon to do their final assessment.

4. SPECIAL PRESENTATION

Chairman Royce Bennett recognized Swansboro Commissioners Larry Philpot and Jeff Conaway who joined the meeting to support Secretary/Treasurer Pat Turner as she was recognized for her service to the ONWASA Board of Directors with a plaque presentation.

5. PUBLIC COMMENT

There were no members of the public wishing to comment.

6. CHIEF EXECUTIVE OFFICER COMMENTS

Chairman Bennett called on Mr. David Mohr, COO, to provide comments. Mr. Mohr provided an update on the watermain project from the Hubert Water Treatment Plant to the Piney Green area. He said ONWASA has been trying to get an easement from MCBCL for nearly two and a half years and we received a communication two weeks ago that they are going to accept our request and move forward with working out an easement adding they also sent an invoice for almost \$18,000 for administrative fees. Mr. Mohr went on to give a shout out to staff saying people were busy before and it is just even more now and personally he is extremely proud of how the operating group has dealt with it this week in trying to make progress and move forward.

6 BOARD OF DIRECTOR'S COMMENTS

Director Tim Foster thanked Director Turner and wished her luck saying he knows she will enjoy a little extra time and it is well deserved.

Director Jerry Bittner expressed thanks to staff particularly the Director and Engineer and our Finance Officer for concluding an excellent transition of Pluris facilities and for a successful bond sale.

Director Jeff Wenzel thanked Director Turner for her service to the ONWASA Board of Directors adding he likely would not have met her had the Board not brought them together. He said to the COO and Staff when the Board first entertained the offer to purchase Pluris we knew that we would be buying different technology than we currently use and we are very glad to see that you came on board and accepted the new technology that is already there and knowing there is additional training so good job with that and thank you for all you do.

Director Richard Grant said he would second the comment about the staff and everybody and said congratulations on getting that interest rate saying it is pretty amazing given what is going on now. He wished everyone a Happy Thanksgiving and Merry Christmas.

Director Pat Turner thanked staff for everything they do.

Vice Chairman Paul Conner thanked Director Turner for her time on the Board. He added her citizens have been well represented by her. He also expressed appreciation to Staff.

Chairman Bennett thanked the Board and Director Turner for her service. He said he appreciates the employees for getting through the Pluris transition adding he knows it is still going to be a learning curve for a while but we will get through it and it is going to be good for the County.

A motion was made by Director Tim Foster to adjourn the meeting. The motion was seconded by Vice Chairman Paul Conner. All were in favor.

The meeting was adjourned at 6:31 pm.
The minutes were approved on January 18, 2024.

Onslow Water & Sewer Authority Board of Directors



A handwritten signature in black ink, appearing to read "M. Royce Bennett", written over a horizontal line.

Michael Royce Bennett, Chairman

ATTEST:

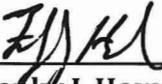
A handwritten signature in blue ink, appearing to read "Heather Norris", written over a horizontal line.

Heather Norris, Clerk

BID TABULATION
2023 Property Lease of Boggs Farm - Request for Offers
Onslow Water and Sewer Authority
BID DATE: October 10, 2023 TIME: 2:00 pm

	Offer Price - per acre
Belgrade Farms, LLC	\$204.00
Double R Farm Service, LLC	\$126.50
Richlands Farms, Inc	\$125.00

I hereby certify that the above is true and correct (to the best of my knowledge),
tabulation of bids received on October 10, 2023.



Frankly J. Howard, Chief Executive Officer
Onslow Water and Sewer Authority



onwasa.com

228 Georgetown Rd
Jacksonville, NC 28540

September 8, 2023

Wally Hansen, Public Services Director
City of Jacksonville
815 New Bridge Street
Jacksonville, NC 28540

Re: Countrywood Estates - Sewer Allocation Request

Mr. Hansen,

The Countrywood Estates Homeowners Association has requested sewer allocation from ONWASA in the amount of 38,800 gallons per day (GPD) as part of a project to abandon their existing private wastewater system and install a metered connection to an existing 6" ONWASA force main along Highway 53. This force main discharges into the Springdale Acres sewer collection system, which flows to the City of Jacksonville's Southwest Pump Station and is subsequently treated at the Land Application Facility.

In accordance with the May 20, 2010, Interlocal Agreement between ONWASA and the City of Jacksonville for wastewater service to the Springdale Acres area, the City must approve any future customers that would connect to this system and are not within the Springdale Acres subdivision.

By way of this letter, ONWASA is hereby requesting City consideration and approval of the proposed connection to the Springdale Acres sewer system to accommodate the new metered sewer connection for Countrywood Estates. This request also includes the modification of Section 5.2 *Authorized Gallons Per Day* in the existing agreement from 110,000 GPD to 150,000 GPD to reflect the additional estimated sewer flow.

Upon approval of this request, a flow tracking form required to accompany the NCDEQ Division of Water Resources, Fast Track Sewer System Extension Application for the proposed project will be prepared and submitted to the City for signature. If you have any questions regarding this project or the attached form, please contact Wynne Ray, Development Services Supervisor at (910) 937-7526.

Respectfully submitted,

David M. Mohr, PE
Chief Operations Officer

Encl.

Cc: Franky J. Howard, Chief Executive Officer
Wynne Ray, Development Services Supervisor

Attachment

A

**STATE OF NORTH CAROLINA
COUNTY OF ONSLOW**

FARM LEASE AGREEMENT

THIS FARM LEASE AGREEMENT made and entered into this _____ day of _____, _____, by and between **ONSLow WATER AND SEWER AUTHORITY**, a body politic and corporate of the State of North Carolina (hereinafter referred to as "Lessor") and **BELGRADE FARMS, LLC**, of Onslow County, North Carolina (hereinafter referred to as "Lessee").

WITNESSETH:

In consideration of the mutual agreements herein set forth, Lessor hereby leases to Lessee, and Lessee hereby accepts for lease from Lessor, upon and subject to the terms and conditions herein set forth, the lands and all improvements now located thereon situation in Onslow County, North Carolina, and more particularly described as Tracts A-F, Boggs Farm, Farm No. 5024, together with ingress and egress thereto. Total cultivated land in the six tracts is approximately 232.5 acres, shown on the attached map as Exhibit A, hereinafter called the "Premises."

The terms and conditions of the Lease are as follows:

1. Term. The term of this Lease shall commence as of **January 1, 2024**, and unless sooner terminated as hereinafter provided, shall continue thereafter and expire at midnight on **December 31, 2026**, at which time this Lease and all of Lessee's rights hereunder shall automatically terminate and cease without prior notice. Notwithstanding the foregoing, Lessor shall have the right to terminate this Lease for its sole convenience as to any or all of Tracts A & B during *December 2024* upon giving 60 days written notice to Lessee of such termination.

2. Use of the Premises by Lessee. Lessee shall, during the term of this Lease and any renewals or extensions thereof, occupy and use the Premises for the purpose of farming cotton, tobacco, wheat, soybeans, and corn. The Lessee shall have all applicable farm allotment benefits paid by the U.S. Government under the FSA program. In this connection, Lessee is authorized to execute all necessary documents with the FSA Office of the U.S. Government for the purpose of entering such farm support programs as they may deem necessary. Lessee may utilize, for farming purposes, reclaimed water available at the site with the prior approval of Lessor unless otherwise prohibited.

3. Rental. Lessee shall pay Lessor as rental for the use and possession of the Premises at a rate of **\$204.00** per acre for the sum of **Forty-Seven Thousand, Four-Hundred and Thirty and No Cents (\$47,430.00)** per year, on or before **December 1st of each year.**

4. Best Course of Husbandry. In performing any activity on the Premises required or permitted by this Lease, Lessee shall act in accordance with the best course of husbandry practiced in the geographical vicinity of the Premises. Lessee shall not apply human or animal waste of any type, including sludge, to the land as fertilizer. Chemical fertilizer, if used, shall be applied at no greater than agronomic rates. Lessee further covenants that, to the extent applicable, it will cooperate fully with all farm and crop programs sponsored by the United States Department of Agriculture and subordinate agencies of the State of North Carolina and the United States to keep and preserve for the Premises the best benefits that are available under such government-sponsored programs. Lessee shall not, without the express prior written consent of Lessor, transfer even temporarily any crop allotments applicable to the Premises to any other lands whatsoever.

5. Expenses of Lessee. During the terms of this Lease and any and all renewals or extensions thereof, Lessee shall, at his own cost and expense:
 - (a) Furnish all labor and equipment necessary to properly plant, cultivate, grow, and harvest on the Premises in a good and husband-like manner; the crops that the parties may hereafter mutually agree shall be grown on the Premises by Lessee.
 - (b) Furnish all seeds, fertilizers, and other supplies needed to properly plant, cultivate, grow, and harvest on the Premises in a good and husband-like manner; the crops that the parties may hereafter mutually agree shall be grown on the Premises by Lessee.

6. Waste. Lessee shall not commit or permit the commission by others of any waste on the Premises. In that connection, Lessee agrees they will not cut live trees for sale or personal use. Lessee also agrees that no turf farming of any description shall be permitted on the Premises. No material or topsoil shall be removed from the Premises.

7. Cleanup/Storage. Lessee is responsible for removing all trash and debris generated by his farming operations (including past and present lease periods), including, but not limited to, herbicide and chemical containers, fuel and oil containers, salvage equipment or parts, seed bags, and fertilizer bags. Bulk storage of herbicide, fertilizer, fuel and oil, seed, and equipment at the premises by the Lessee is prohibited.

8. Insurance Hazards. Lessee will not commit or permit the commission of any acts on the Premises or the use or permit the use of the Premises in any manner that would increase or cause the cancellation of any fire, liability, or other insurance policy maintained by Lessor and insuring the Premises or any improvements on the Premises. Lessee shall, at their own cost and expense, comply with any and all reasonable requirements of Lessor's insurance carriers necessary for the continued maintenance at reasonable rates, policies for fire and liability insurance on the Premises, and the improvements now on or hereafter erected on the Premises.

9. Alterations and Liens. Lessee shall not make or permit any other person to make any alterations to the premises or to any improvement thereon or facility appurtenant thereto without the prior written consent of the Lessor. Lessee shall be responsible for maintaining all roads in good condition within the leased Property, which Lessee uses in any way in connection with his activities on the Premises. Lessee will preserve the areas on the attached map where plant facilities are constructed and where historic sites are located. Lessee shall keep the Premises free and clear of any and all liens, claims, and demands for work performed, materials furnished, or operations conducted thereon by or at the instance or request of Lessee.

10. Hold Harmless. Lessee shall indemnify and hold Lessor and the property of the Lessor, including the Premises, free and harmless from any and all claims, liability, loss, damage, or expenses resulting from Lessee's occupation or use of the Premises, including any claim, liability, loss or damage arising by reason of the injury to or death of any person or persons or by reason of damage to any property caused by the condition of the Premises, the condition of any improvements or personal property in or on the Premises, or the acts or omissions of Lessee or any person in or on the Premises with the express or implied consent of Lessee. Such indemnity shall extend to any claim, liability, fine, civil penalty, loss, or damage occasioned by reason of Lessee's failure to perform any provision of this Lease or to comply with any requirement or environmental regulation imposed upon him or on the Premises by any duly authorized governmental agency or political subdivision, or by reason of Lessee's failure or inability to pay as they become due any obligations incurred by them in the operations to be conducted by them on the Premises. Lessee further agrees that any cost of remediation due to environmental damage or contamination resulting from farming operations shall be solely the responsibility of Lessee. Lessee stipulates that the Premises, all improvements on the Premises, and all facilities appurtenant thereto are now, on the date of this Lease, in good order and repair and safe and tenantable condition. Lessee further stipulates that he has independently investigated all facts material to him in connection with this Lease and that the Premises are being leased by Lessee as a result of their own inspections and investigations and not as a result of any representation made by or on behalf of Lessor.

11. Workers Compensation and Liability Insurance. Lessee shall, at his own cost and expense, procure and maintain during the term of this Lease and any renewals or extensions thereof, insurance policies issued by insurance companies acceptable to Lessor in amounts satisfactory to Lessor, insuring Lessor and Lessee against any and all possible liability for injuries to or death of any employees or employee of Lessee injured or killed at any time in, on, or about the Premises, whether such injury or death is covered by Worker's Compensation laws of the State of North Carolina or not. Lessee shall procure an insurance policy of General Liability coverage of \$1,000,000 with an insurance company licensed to do business in the State of North Carolina. Lessor shall be named as an additional insured on the General Liability policy. Lessee shall provide an insurance certificate showing compliance with this section on an annual basis.

12. Subleasing and Assigning. Lessee shall not encumber, assign, or otherwise transfer this lease or any right or interest of Lessee therein or thereunder, or except as above provided any right or interest of Lessee in the Premises or any of the improvements that are now or hereafter be constructed, installed, or planted on the Premises, without the prior written consent of Lessor. Neither shall Lessee sublet the Premises or any part thereof allow any other persons to occupy or use the Premises or any part thereof except for Lessee's agents, employees, and independent contractors when engaged in the performance of Lessee's duties hereunder, without the prior written consent of the Lessor. The consent by Lessor to any one assignment, subletting, occupancy, or use by another person shall not be deemed consent to any subsequent assignment, subletting, occupation, or use. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Lessor shall be null and void and shall, at the option of Lessor, terminate this Lease.

13. Holding Over. Any holding over after the expiration of the term of this Lease shall be construed to be a tenancy month to month only on the same terms and conditions herein specified so far as applicable.

14. Lessor's Liability. The term "Lessor," as used in the Lease, means only the owner for the time being of the Premises. Lessor shall be under no personal liability with respect to any of the provisions of the Lease. If Lessor shall default with respect to any of its obligations under this Lease, Lessee shall look solely to the equity of Lessor in the Premises for the satisfaction of Lessee's remedies.

15. No Partnership. Nothing contained in this Lease shall create or be construed as creating a partnership, joint venture, or employment relationship between Lessor and Lessee. Neither Lessor nor Lessee shall be liable for any obligations or liabilities incurred by the other. Lessee expressly agrees to indemnify and hold Lessor and the property of Lessor, including the Premises, free and harmless from any and all obligations and liabilities incurred by Lessee in conducting farming or other operations, whether conducted pursuant to this Lease or otherwise on the Premises.

16. Default by Lessee. All covenants and agreements on the part of the Lessee contained in their Lease are declared to be conditions to this Lease and to the term hereby demised to the Lessee. Should the Lessee default in the performance of any covenant, condition, or agreement contained in this Lease, the Lessor may terminate this Lease and reenter and regain exclusive possession of the entire Premises, all with reservation of and without prejudice to such other rights and remedies to which Lessor may be entitled as a result of Lessee's default. On termination of this Lease, all rights of Lessee in and to the Premises shall also terminate. Pursuit by Lessor of any particular right or remedy shall not preclude pursuit of any other right or remedy available to Lessor. No waiver by Lessor of any breach by Lessee of any one or more of the covenants, conditions, or agreements contained in this Lease shall bar the enforcement of any rights or remedies of Lessor for any subsequent breach of such or any other covenant, condition, or agreement.

17. Notices. Whenever it may be required or permitted that notice or demand be given or served by either party to this Lease, such notice, demand, or other communication shall be given in writing by registered or certified mail, return receipt requested, addressed as follows:

If to Lessor:

ONWASA
Attn: Chief Executive Officer
228 Georgetown Road
Jacksonville, NC 28540

If to Lessee:

Belgrade Farms, LLC
Larry Riggs and Bryan Salmons
2894 Belgrade-Swansboro Rd
Maysville, NC 28555

Such notices will be effective when given if so given, whether or not accepted or received. Such addresses may be changed from time to time by either party by serving notices as provided above.

18. Heirs and Successors. This Lease shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing herein shall be construed as consent by the Lessor to any assignment of this Lease or any interest therein by Lessee.

19. Governing Law. This Lease shall be governed by the laws of the State of North Carolina. Any disputes arising from this lease shall be tried in the General Court of Justice in Onslow County, North Carolina.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

LESSOR:
ON SLOW WATER AND SEWER AUTHORITY

ATTEST:

By: _____
Franky J. Howard/CEO

Heather Norris/Clerk to the Board

(SEAL)

LESSEE:
BELGRADE FARMS, LLC

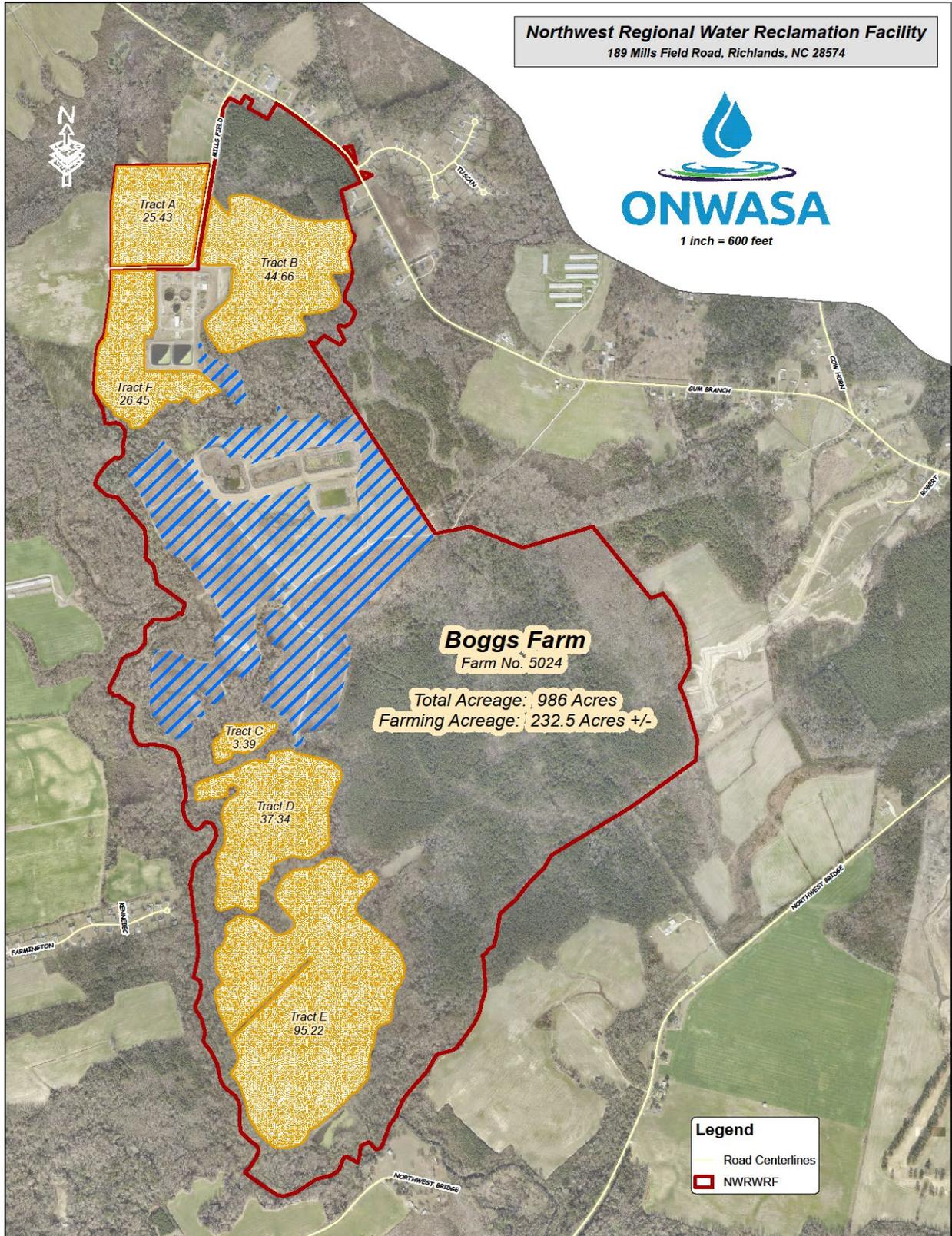
By: _____
Larry Riggs/Owner

By: _____
Bryan Salmons/Owner

Witness: _____

EXHIBIT A

MAP



AMENDMENT #1 TO INTERLOCAL AGREEMENT
(For Wastewater Service to Springdale Acres)

This Amendment is made an entered into this 20th day of December, 2023, by and between the **ONslow WATER AND SEWER AUTHORITY** (the "Authority"), a body politic and corporate of the State of North Carolina, and the **CITY OF JACKSONVILLE** (the "City"), a municipal corporation of the State of North Carolina;

RECITALS

The Authority and the City entered into an Interlocal Agreement for Wastewater Service to Springdale Acres dated May 20th, 2010 (hereinafter the "Original Agreement").

The Authority and the City desire to amend the Original Agreement while keeping in effect all terms and conditions of the Original Agreement not inconsistent with the terms and conditions set forth below.

The Authority has requested consideration and approval of a proposed connection to the City's Southwest Pump Station via the Springdale Acres sewer system to accommodate a new metered sewer connection for Countrywood Estates. Countrywood Estates is an existing residential development that currently has a failing community septic system. This request is to amend the Original Agreement to increase the Authorized Gallons per Day from 110,000 GPD to 150,000 GPD.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions herein contained, it is agreed to amend the Original Agreement as follows:

- A. By amending Section 5.2 Authorized Gallons per Day of said agreement to read:
"The Authority shall be billed at the Service Rate established in Section 5.1 up to a maximum of 150,000 gallons per day based on the monthly average. If the flow exceeds this capacity, the Authority will be billed at one and a half times the sewer rate for the entire amount of gallons that exceed the authorized monthly amount."
- B. Except for the changes made herein, the Original Agreement shall remain in full force and effect to the extent not inconsistent with this Amendment. In the event

there is a conflict between the Original Agreement and this Amendment, this Amendment shall control.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this Amendment to be executed as of the day and year first above written.

CITY OF JACKSONVILLE

By: 
Sammy Phillips, Mayor



ATTEST:


Rose Marshburn, City Clerk

(CORPORATE SEAL)

ONWASA

By: 
Franky J. Howard, CEO

ATTEST:


Heather Norris, Clerk to the Board



(CORPORATE SEAL)

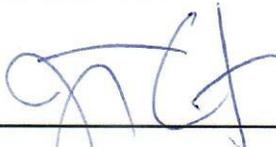
CITY OF JACKSONVILLE

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



Sabrina Adams, Finance Director

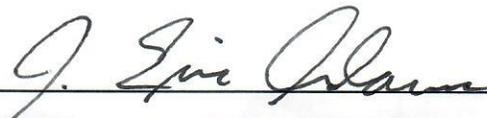
Approved as to Form:

 12/15/2023

John T. Carter, City Attorney

ONWASA

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



J. Eric Adams, CFO

BACKHOE BID TABULATION RFB# 2023BH

BIDDER	UNIT PRICE
Premier Equipment Company	\$112,985.00
Company Wrench	\$119,960.15
James River Equipment	\$188,405.22

Present:

Eric Adams, Chief Financial Officer
Matt Padgett, Field Operations Administrator
Jason Gray, Distribution Field Foreman
Blake Huff, Company Wrench

EXCAVATOR BID TABULATION RFB# 2023EX

BIDDER	UNIT PRICE
Ditch Witch of NC	\$114,409.78
Company Wrench	\$112,591.41*
Company Wrench	\$124,740.00
James River Equipment	\$132,908.32
Sound Heavy Equipment	\$116,000.00

* The proposal did not include 48" clean-out bucket as requested

Present:

- Eric Adams, Chief Financial Officer
- Matt Padgett, Field Operations Administrator
- Jason Gray, Distribution Field Foreman
- Blake Huff, Company Wrench

(3) VACUUM EXCAVATORS BID TABULATION RFB# 2023VAC
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BIDDER	UNIT PRICE
Ditch Witch Sales of NC (VT14)	\$62,159.56
Ditch Witch Sales of NC (VT9)	\$60,282.00 *
Vermeer All Roads	\$62,508.00
Jet-Vac Equipment Company LLC	\$74,254.00
Southern Vac	\$71,450.00

Present:

Eric Adams, Chief Financial Officer
Matt Padgett, Field Operations Administrator
Jason Gray, Distribution Field Foreman

* The proposal did not meet the required delivery date and was quoted with a smaller water tank.



November 6, 2023

Sent via email to JLohr@onwasa.com

Mr. Jeffrey T. Lohr, PE
 Engineering Manager
 Onslow Water and Sewer Authority
 228 Georgetown Road
 Jacksonville, NC 28540

**RE: Recommendation of Award
 North Topsail Beach Booster Pump Station
 WKD Project No. 20200435.00.WL**

Dear Mr. Lohr:

W. K. Dickson & Co., Inc. (WK Dickson) is pleased to provide this letter with the results of the bid and recommendation of award for the North Topsail Beach Booster Pump Station project.

Onslow Water and Sewer Authority (ONWASA) advertised the project initially for bid receipt on October 24, 2023 and a rebid on November 6, 2023. The original bid was canceled as there was only one bid received. Two bids were received on Thursday, November 2, 2023. The two bidders were Carolina Utilities Company, LLC and A. C. Schultes of Carolina, Inc.

The two bids contained the required Bid Form Supplements and 5% bid security, and both bidders acknowledged receipt of all issued addenda, of which there were four. However, Carolina Utilities Company, LLC did not include evidence of their bid signer's authority to sign as required of limited liability companies in the Instructions to Bidders at time of bid. We asked for this information be submitted and it is included in the attachments.

The attached Certified Bid Tabulation reflects the record of bids received with the following base bid totals. No mathematical errors were noted:

Contractor	NC General Contractors License Number	Base Bid
Carolina Utilities Company, LLC	83261	\$2,397,513.00
A. C. Schultes of Carolina, Inc.	48474	\$3,401,102.00

We checked a reference on utility work that Carolina Utilities Company has done in Farmville and Ayden, North Carolina. The reference was positive with no reservations of Carolina Utilities Company ability to perform.

300 N. Third Street, Suite 301
 Wilmington, NC 28401
 Tel. 910.762.4200
www.wkdickson.com

Mr. Lohr
November 6, 2023
Page 2

We recommend that ONWASA consider the omission of the bid signer authority for determination of whether this constitutes a bid irregularity. If Carolina Utilities Company, LLC bid is determined to be responsive, we recommend proceeding with presenting the low bid of Carolina Utilities Company, LLC to the board for approval.

We appreciate the opportunity to provide our services for this project. Should you have any questions or require further clarification, please do not hesitate to contact me.

Sincerely,

W. K. Dickson & Co., Inc.

A handwritten signature in black ink, appearing to read "T. Carter Hubbard". The signature is written in a cursive style with a large initial "T" and "H".

T. Carter Hubbard, PE
Vice President

BID TABULATION SHEET

OWNER: Onslow Water and Sewer Authority
PROJECT: North Topsail Beach Booster Pump Station
LOCATION: 228 Georgetown Rd, Jacksonville, NC 28540
DATE: Thursday, November 2, 2023 at 2:00 PM

I certify that this is a true and corrected record of bids received.
 T. Carter Hubbard, PE
 W.K. Dickson & Co., Inc. - Wilmington, NC
 NC License No. F-0374



Note: Yellow indicates a correction for discrepancy in bid form to calculated amount from unit prices and total.

ITEM NO.	SPECIFICATION REFERENCE	ITEM DESCRIPTION	EST QTY	UNIT	NC Contractor's License No.		Firm:		Address:		UNIT PRICE		TOTAL PRICE	
					UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE		
General Work														
1	N/A	Mobilization, Bonds & Insurance (3% MAX)	1	LS										
2	N/A	Allowance for Relocating Existing Private Utilities	1	LS										
3	01 40 00	Allowance for Materials Testing	1	LS										
Booster Pump Station														
4	33 32 20	Elevated 14'x28' Booster Pump Station Building and Stairs (Complete, Incl. Floor Hatch and 3/4 Ton Monorail Hoist)	1	LS										
5	33 32 20	Packaged Duplex Booster Pumping System (Incl. Integrated VFDs, Flow Meter, 4" Surge Valve, etc.)	1	LS										
6	33 32 20	Electrical - Booster Pump Station Site (Incl. Electrical Service, Panels, Wiring and Conduits, Connection to Pump Control System Portable Generator Connection, etc.)	1	LS										
7	33 32 20	4-Inch Surge Relief Discharge Piping (Approx. 20 LF) and 2'x2' Concrete Splash Pad (Incl. Connection to Packaged Pumping System)	1	LS										
8	33 32 20	10-Inch DFP Suction and Discharge Kiser Pipe (Incl. Flanged Connection to Packaged Pumping System and MJ Connection to Suction/Discharge Water Main 90 Degree Bend)	34	LF										
Suction/Discharge Water Main														
9	33 11 00	10-Inch PVC C900 Water Main by Open-Cut	260	LF										
10	33 11 00	10-Inch RIDIP Water Main by Open-Cut (Incl. DIP Bends, Fittings, Restraint)	470	LF										
11	33 11 00	10-Inch DI Gate Valve	3	EA										
12	40 05 64	10-Inch DI Butterfly Valve with Pedestal Mounted Motorized Actuator	1	EA										
13	40 05 623	10-Inch DI Swing Check Valve Assembly	1	EA										
14	40 05 06	10-Inch Restrained Flange Coupling Adapter	2	EA										
15	33 05 13	4'x4' Concrete Valve Vault with 3'x3' Flood Proof Aluminum Access Hatch	1	EA										
16	33 05 13	4'x6' Concrete Valve Vault with 3'x3' Flood Proof Aluminum Access Hatch	1	EA										
17	22 14 29 16	1/2" HP Sump Pump (Incl. 1-1/2" Sch. 40 PVC Discharge Piping, Ball Valve, Check Valve)	2	EA										
18	33 11 00	Cut-In 10-Inch RIDIP Gate Valve on Existing Water Main (NC 210) (Incl. Temporary Shoring in NCDOT Right-of-Way)	1	EA										

ITEM NO.		SPECIFICATION REFERENCE	ITEM DESCRIPTION	EST QTY	UNIT	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
						NC Contractor's License No.		Firm Address:	
						Carolina Utilities Company, LLC 121 Garnet Ln Jacksonville, NC 28546 83261		A. C. Schultes of Carolina, Inc. 354 Sawdust Rd Rocky Point, NC 28457 48474	
19		33 11 00	Cut-In Connection to 10-Inch Water Main with 10-Inch RJDI Tee (NC210) (Incl. Temporary Shoring in NCDOT Right-of-Way)	2	EA	\$ 52,000.00	\$ 104,000.00	\$ 175,000.00	\$ 350,000.00
Marina Way Valve Vault									
20		N/A	Electrical - Marina Way (Incl. Electrical Service, Panels, Wiring and Conduits, Motorized Valve Actuators and Sump Pump Connection, etc.)	1	LS	\$ 190,000.00	\$ 190,000.00	\$ 50,000.00	\$ 50,000.00
21		33 11 00	12-Inch RJDI Water Main by Open-Cut (Incl. DIP Bands, Fittings, Restraint)	35	LF	\$ 340.00	\$ 11,900.00	\$ 1,000.00	\$ 35,000.00
22		33 11 00	12-Inch DI Gate Valve	1	EA	\$ 5,300.00	\$ 5,300.00	\$ 15,000.00	\$ 15,000.00
23		40 05 64	12-Inch DI Gate Valve with Pedestal Mounted Motorized Actuator	2	EA	\$ 34,000.00	\$ 68,000.00	\$ 40,000.00	\$ 80,000.00
24		40 05 65.23	12-Inch DI Swing Check Valve Assembly	1	EA	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
25		40 05 06	12-Inch Restrained Flange Coupling Adapter (Plain-End to Plain-End Pipe)	3	EA	\$ 2,400.00	\$ 7,200.00	\$ 7,500.00	\$ 22,500.00
26		40 05 06	12-Inch Restrained Coupling Adapter (Plain-End to Plain-End Pipe)	1	EA	\$ 2,700.00	\$ 2,700.00	\$ 7,500.00	\$ 7,500.00
27		33 05 13	8x8' Concrete Valve Vault with 3x5' Flood Proof Aluminum Access Hatch	1	EA	\$ 245,000.00	\$ 245,000.00	\$ 100,000.00	\$ 100,000.00
28		22 14 29.16	1/2 HP Sump Pump - Marina Way (Incl. 1-1/2" Sch. 40 PVC Discharge Piping, Ball Valve, Check Valve)	1	EA	\$ 1,600.00	\$ 1,600.00	\$ 2,000.00	\$ 2,000.00
29		33 11 00	Cut-In Connection to 12-Inch Water Main with 12-Inch DI Tee - Marina Way	2	EA	\$ 6,000.00	\$ 12,000.00	\$ 150,000.00	\$ 300,000.00
Excavations and Repairs									
30		31 13 13	Concrete Driveway	26	SY	\$ 130.00	\$ 3,380.00	\$ 750.00	\$ 19,500.00
31		N/A	Gravel Restoration (#57 Stone)	195	SY	\$ 28.00	\$ 5,460.00	\$ 35.00	\$ 6,825.00
32		N/A	Unsuitable Soil Removal & Replacement	5	CY	\$ 120.00	\$ 600.00	\$ 250.00	\$ 1,250.00
33		31 12 16	Asphalt Pavement Repair	431	SY	\$ 125.00	\$ 53,875.00	\$ 100.00	\$ 43,100.00
34		31 12 16	Asphalt Mill and Overlay	710	SY	\$ 65.00	\$ 46,150.00	\$ 75.00	\$ 53,250.00
Traffic Control									
35		N/A	Traffic Control (NCDOT Right-of-Way)	1	LS	\$ 12,000.00	\$ 12,000.00	\$ 30,000.00	\$ 30,000.00
Erosion Control									
36		31 25 13	Compost Filter Sock	266	LF	\$ 12.00	\$ 3,192.00	\$ 20.00	\$ 5,220.00
37		31 25 13	Silt Fence	275	LF	\$ 10.00	\$ 2,750.00	\$ 20.00	\$ 5,500.00
38		31 25 13	Temporary Construction Entrance	1	EA	\$ 12,000.00	\$ 12,000.00	\$ 10,000.00	\$ 10,000.00
39		31 25 13	Site Stabilization - Seeding, Straw with Net	622	SY	\$ 8.00	\$ 4,976.00	\$ 20.00	\$ 12,440.00
						BASE BID TOTAL	\$ 2,397,513.00		\$ 3,401,102.00

**ONSLow WATER & SEWER AUTHORITY
TOPSAIL ISLAND BOOSTER PUMPING STATION
PROJECT NUMBER CIP-032**

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 Topsail Island Booster Pumping Station Project is hereby adopted:

Section I.

The Topsail Island Booster Pumping Station Project shall consist of the design, permitting and construction services necessary to create a new potable water pumping station adjacent to the North Topsail Beach Town Hall that will be connected to the primary transmission main serving Topsail Island. The purpose of this project is to help maintain adequate pressure within the water distribution system on the island during periods of high demand.

Section II.

The officers of Onslow Water & Sewer Authority are hereby directed to proceed with the Topsail Island Booster Pumping Station Project, Project Number CIP-032.

Section III.

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

Fund Balance	\$ 2,752,513
Total	<u>\$ 2,752,513</u>

Section IV.

The following amounts are appropriated for the project:

Professional Services	\$ 305,000
Construction	\$ 2,447,513
Total	<u>\$ 2,752,513</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 on the total revenues received.

Section VII.

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

Section VIII.

Copies of this Topsail Island Booster Pumping Station Project Ordinance shall be made available to the Budget Officer for direction in carrying out these projects.

Adopted this 16th day of November 2023.

ONslow WATER & SEWER AUTHORITY
BOARD OF DIRECTORS



A handwritten signature in black ink, appearing to read "M.R. Bennett", written over a horizontal line.

Michael Royce Bennett, Chairman

A handwritten signature in blue ink, appearing to read "Heather W. Norris", written over a horizontal line.

Heather Norris, Clerk to the Board

Amended Project Ordinance
Topsail Island Booster Pumping Station Project
Project Number CIP-032
Budget Amendment
November 16, 2023

Budget Amendment – Fund 61 and Fund 40

Department Number	General Ledger Name	General Ledger Number	Amount
	Revenue – Fund Balance Appropriation	3919940	\$547,513
9910	Expenditure – Transfer to Capital Projects	8000040	\$547,513
	Revenue – Transfer from Operating	3709991	\$547,513
8788	Expenditure – Construction	8885800	\$547,513