



AGENDA
Regular Meeting
Thursday, May 17, 2018
6:00 PM

CALL TO ORDER - Chairman Gregory Hines

INVOCATION – Pastor Luke Varvell of Crossroads Christian Fellowship will provide the invocation.

PLEDGE OF ALLEGIANCE – Chairman Gregory Hines will lead the Board and the audience in the Pledge of Allegiance.

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.

1. APPROVAL OF AGENDA

Action Requested: 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 Board Member may remove items from the Consent Agenda for separate discussion and consideration later in the Agenda.

Action Requested: Motion to approve Consent Agenda.

CONSENT AGENDA

- A. Audit Contract Fiscal Year 2017-2018** –McGladrey & Pullen has submitted a contract and arrangement letter in the amount of \$40,500 for the annual audit for Fiscal Year 2017-2018.

Action Requested: Consider a "Motion to proceed with a contract for the Fiscal Year 2017-2018 audit in the amount of \$40,500, and authorize Mr. Jeffrey L. Hudson, CEO to execute this contract plus other documents as may be required in connection with this action."

- B. Chemical Products Bid** - On April 12, 2018 an invitation for bids was posted on the ONWASA website for Various Chemicals or Materials RFB 2018-19C. On April 30, 2018 the bids were opened. Vendors that submitted bids were; Water Guard Inc., Amerochem Inc., Morton Salt, Cargill, Carus Corporation, Chemrite Inc., Jetstream Fuel, United Mineral & Chemical Corporation, Univar and Shannon Chemicals.

This contract includes an allowance for yearly renewals, upon mutual agreement, for up to 4 consecutive years. Chemical contracts will be awarded to the following vendors for FY 2018-19:

Water Guard Inc. - Chlorine Sticks \$2.35 per pound, Liquid Sodium Hypochlorite 12.5% 55 gallon drum \$0.885 per gallon, Liquefied Hydro-Fluro-Silic Acid \$2.72 per gallon, Citric Acid 50% 55 gallon drum \$5.85 per gallon, Carbon/Glycerin 55 gallon drum \$3.82 per gallon, Carbon/Glycerin 330 gallon totes \$3.82 per gallon, Sodium Hydroxide 50% bulk \$3.93 per gallon and Sodium Bisulfite 38% \$1.89 per gallon.

Amerochem Inc. - Granulated Chlorine HTH \$1.09 per pound, Liquid Sodium Hypochlorite 15% in bulk \$0.774 per gallon, Liquid Sodium Hypochlorite 15% in mini-bulk \$0.869 per gallon, Liquid Lime 20% \$0.91 per gallon, and Orthophosphate \$5.46 per gallon.

Morton Salt - Bulk Salt \$131.00 per ton.

Action Requested: Consider a "Motion to award RFP 2018-19C to lowest responsible bidders for the period of one year beginning July 1, 2018 and authorize the Executive Director/CEO to execute purchase contracts plus any other documents as may be required in connection with these purchase contracts."

- C. Acceptance of Monthly Departmental Reports**
March & April 2018 Financial Report
March & April 2018 OPS Report

Action Requested: Consider a "Motion to accept the Monthly Departmental Reports."

D. NCDOT Drainage Easement on Gum Branch Road - As part of a planned project to construct roadway improvements along State Route 1308 (Gum Branch Road), the NC Department of Transportation has requested both temporary and permanent drainage easements on the parcel of land upon which the Northwest Regional Water Reclamation Facility is located. These easements, as shown on the attached mapping, are located on the opposite side of Gum Branch Road from the plant and are in an area of the parcel not associated with plant operations. A six-inch ONWASA water main does run through this location, however after review of the design documents NCDOT does not believe there will be any conflicts between our line and the proposed improvements.

Based on the fair market value of the parcel, a contingent offer of \$125.00 has been made for these easements and a copy is attached.

Action Requested: Approve the granting of temporary and permanent easements to NCDOT at this location for the value of \$125.00, and authorize the Chairman of the Board of Directors to execute the easement agreements and any other documents as may be required in association with this action.

E. Approval of Minutes

March 15, 2018 Workshop Minutes
March 15, 2018 Regular Meeting Minutes
March 26, 2018 Special Meeting Minutes

Action Requested: Consider a “Motion to approve the Minutes of the March 15, 2018 Workshop, March 15, 2018 Regular Meeting, and March 26, 2018 Meeting.”

3. PUBLIC HEARING

A. Public Hearing on the System Development Fee Analysis

House Bill 436 signed into law on July 20, 2017 sets forth the process for establishing system development fees and requires compliance by July 1, 2018. During the March 26, 2018 Board meeting staff was directed to publish the System Development Fee Analysis on the website and solicit public comment.

Action Requested: It is requested that the Chairman conduct the required Public Hearing. Each member of the public is granted a 3 minute time to address the Board.

- a. Chairman opens the public hearing
- b. Public – The Board of Directors will take comments from the public. The Chairman shall call upon those signed up to speak.
- c. Chairman will close the public hearing.
- d. Consider a “Motion to adopt the system development fee calculations as of July 1, 2018.”

4. BUSINESS

A. Modification of Construction Contract with A.C. Schultes of Carolina, Inc. for the Union Chapel Well Sites UC-1 and UC-2 Project

ONWASA currently has a project to construct (4) raw water supply wells adjacent to the Martin Marietta Aggregates quarry located along Richlands Highway. This project is the first of several phases of construction that will, when combined with existing wells and a future treatment facility, result in the creation of additional potable water supply for the ONWASA system. There were substantial delays in securing State approval for the proposed well design, a decision to not proceed with construction of one well (due to insufficient production capacity), and changes requested by ONWASA to the motor control systems and other components for the remaining three wells. The Board of Directors previously approved the execution of contract change orders in March 2017 and January 2018 that extended the final contract completion date for this project to April 15, 2018.

As part of this project the contractor, design engineer and ONWASA personnel have been coordinating with the local electric providers (Duke Progress at UC-1 and Jones-Onslow Electric at UC-2) to secure the approvals/easements necessary to extend primary electrical service to each site. This work has been accomplished at the UC-1 site, however the extension of primary power to the UC-2 site has been significantly delayed due to issues involving the easement between ONWASA and Martin Marietta for access to that site. ONWASA continues to work with the parties involved to resolve any concerns and allow completion of the primary electric work.

While this delay does not prevent the contractor from progressing the work at the UC-2 site, primary power must be in place before the contractor can make the final connection and fully test the well motor and all electrical equipment.

After discussions with the contractor and the design engineer about this situation, we believe it is in the best interest of all parties to extend the final contract completion date until the primary electric is installed. Approval of this request will result in the execution of the proposed Change Order (attached) to extend the contract final completion date to June 29, 2018 (75 days) at no change in contract cost.

The proposed change in completion date will not impact current water production capability, as the new wells will not be put into use until design for a second phase of construction (raw water piping and a blending/treatment facility) is completed later this year and constructed in 2019 under separate competitively bid contracts.

Presenter: Seth Brown, Utilities Superintendent - Water

Action Requested: Approve the proposed contract time extension and authorize the Chief Executive Officer to execute the change order and any other documents as may be required in connection with this action.

B. Holly Ridge Wastewater Treatment Plant, Treatment Lagoon Aeration Equipment

Staff is seeking a way to increase the efficiency of the existing treatment lagoon by better controlling sludge accumulation. After results experienced by the City of Jacksonville with their own treatment lagoons, this project will consist of the purchase and installation of floating aeration units similar to those currently in use by the City. The proposed aeration system, based on calculations provided by Absolute Aeration, LLC of Greeley, Colorado is more efficient than the existing lagoon aerators while utilizing a much smaller motor. This results in a significant estimated annual energy savings, as well as increasing the ability of the lagoon to digest sludge and reducing the frequency of manual sludge removal (via excavation or dredging).

In accordance with purchasing requirements, a Request for Bids to purchase the aeration equipment was advertised on the ONWASA website beginning April 17, 2018 and notifications issued via email to companies on our vendor contact list. A single bid was received by the May 2, 2018 bid opening date. Due to this limited response, the Request for Bids was re-advertised for an additional seven (7) days and additional companies solicited. Following the re-bid period, a total of two (2) bids were received and opened on May 10, 2018. The lowest responsive and responsible bidder was Consolidated Pipe and Supply Company, Inc. of Greenville, NC in the amount of \$331,250.00.

It should be noted that this request is only for the purchasing and delivery of the aeration equipment to the Holly Ridge WWTP. Staff will install the units, based on the manufacturer's recommendations and with on-site supervision by a manufacturer's representative, with electrical service modifications/connections to be performed by an electrical contractor under a separate contract.

Action Requested: Approve the proposed equipment purchase in the amount of \$331,250.00 from Consolidated Pipe and Supply Company, Inc. and authorize the Chief Executive Officer to execute a purchase order and any other documents as may be required in connection with this action.

Presenter: Eddie Caron, Utilities Superintendent - Wastewater

5. Presentation of the 2018-2019 Proposed Budget

Mr. Jeffrey Hudson, CEO, will present the proposed 2018-2019 budget.

Action Requested: Consider “A motion to set the FY19 Budget Public Hearing to Thursday, June 21, 2018 at 6:00 PM or as soon thereafter as may be reasonably possible at Jacksonville City Hall Council Chambers.”

6. PUBLIC COMMENT

Citizens have the opportunity to address the Board for no more than three (3) minutes per speaker.

7. CHIEF EXECUTIVE OFFICER’S COMMENTS

8. BOARD OF DIRECTOR’S COMMENTS

9. ADJOURN