



AGENDA

Board of Directors' Meeting - Jacksonville City Hall
Thursday, May 18, 2023 - 6:00 PM

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

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

1. APPROVAL OF AGENDA

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

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

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

CONSENT AGENDA ITEMS

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

A. Acceptance of Monthly Departmental Reports

March & April 2023 Financial Reports
March 2023 Operations Reports

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

B. Approval of Minutes

February 16, 2023 Proposed Special Meeting Minutes
March 16, 2023 Proposed Regular Meeting Minutes

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

3. BUSINESS



A. Strategic Plan Update

Presenting: Catherine Carter, Senior Manager - Raftelis

In January of this year, ONWASA staff along with Raftelis began the process of updating the current Strategic Plan through focus groups, one-on-one interviews with leadership, surveys to solicit input from both staff and Board of Directors. Ms. Catherine Carter, Senior Manager with Raftelis will provide the Board and audience with an overview of the draft Strategic Plan Update and receive any input the Board might have.

Action Requested: No action requested.



B. Sale of Timber – Timber Management Plan

Presenting: Mr. Franky J. Howard, CEO

The Authority's Timber Consultant, Pine State Forestry, has made a recommendation to have two timber sales on the Wachovia Tract located in Holly Ridge. The first is approximately 78 acres and is down the road from the timber sale previously purchased by Weyerhaeuser Co, which they have a timber deed on. A timber cruise was conducted last week and it was determined the true market values could reach over \$300,000. This is more than double the initial estimates you will see in their April letter. It is the recommendation of our consultant to take this to sale this month.

The second recommended sale is for approximately 25 acres and is located on the northeastern boundary of the property. Just like the first recommended sale a timber cruise will be needed to determine true market values but initial estimates show a range of \$35,000 to \$45,000. Pine State Forestry is recommending this go to sale in the fall of 2023.

The Board of Director's are authorized to proceed with selling timber pursuant to NC Gen. Stat. § 162A-6(10). While there is no particular process the Authority is required to follow, the price for timber must be the fair market value. With this in mind, the timber will be bid. Due to time constraints with bidding, it is recommended that the Authority take the highest bid so long as it is reasonable. The approval would properly be delegated to the Chairman of the Authority, and he should additionally be delegated the authority to sign the resulting timber deeds.

Action Requested: Consider a "Motion to approve the sale of timber by bid as recommended by the Timber Consultant and to delegate to the Chairman the authority to accept the high bid as long as it is reasonable in his judgement, and further authorize the Chairman to execute a timber deed for the timber sold."



C. Letter of Intent to Sell a Section of the Wachovia Tract

Presenting: Mr. Franky J. Howard, CEO

Following up on the item that the Board took action on at the last meeting, the Chairman and CEO along with the Attorney met with the JOEDP team to work on a way forward with the option to purchase a section of the Wachovia Tract owned by ONWASA. It was determined in that meeting that the Board needed to approve a letter of intent to sell so that JOEDP can proceed with grant applications for due diligence funding while we finalize the Option to Purchase. The section is approximately 258 acres, the general area is 1600-1800 feet along HWY 50 and then straight to the Pender County line.

Action Requested: Consider a “Motion to authorize the Chairman to sign an official letter of intent to sell a portion of the Wachovia Tract to JOEDP as part of the Camp Davis Industrial Park Phase III Expansion.”

D. Engineering Reports for Pluris Facilities

Presenting: Mr. Franky J. Howard, CEO

Over the past two months, ONWASA staff have worked closely with a team from the engineering consulting firm WithersRavenel of Cary, North Carolina to conduct a technical evaluation of the two wastewater treatment plants (North Topsail and Webb Creek) and associated collection systems now operated by Pluris, LLC. This effort included review of past and current performance, compliance with permitting requirements, and multiple site visits to evaluate plant equipment and operations. Goal of this work was to provide detailed information on system condition and performance that could be used in decision-making on the possible future acquisition of these facilities by ONWASA.

As a result of this effort, attached to this request are copies of the final Engineering Report for each treatment plant and its collection system. Due to the size of these documents, we have only included the main body of the report for review. A full version of each report, including all supporting appendices, are also available tonight in hard-copy format if desired. In summary, both treatment plants were found to be in good condition and compliant with permit requirements, with a projected service life of 30+ years with proper maintenance and appropriate equipment replacements. While some issues were identified in specific areas of both collection systems, these were typical to any collection system of the same age and configuration. We have also verified the estimated O&M costs and capital needs will be addressed in the separate Feasibility Study being prepared by Raftelis.

After a careful and thorough review of the information provided, it is the recommendation of the Chief Executive Officer that ONWASA proceed to the next step of the acquisition process. This includes the preparation of a fully revised and updated Feasibility Study, along with a draft Final Purchase Agreement, that will be presented to the Board of Directors for consideration and possible approval at the June 2023 meeting.

Finally, all such agreements will be subject to final approval from the North Carolina Local Government Commission (LGC). In the event a decision is made to proceed with this acquisition, our financial advisors have recommended seeking LGC approval in late September or early October of this year. As a result, we would need to schedule a Special Meeting of the ONWASA Board of Directors in August to consider/approve the final LGC submittal information.

Actions Requested: Consider a “Motion to proceed with the acquisition of the Pluris Webb Creek and North Topsail Wastewater Treatment Plants and associated collection systems and direct the Authority Attorney and Staff to develop a draft purchase agreement for review and consideration at the next scheduled Board of Directors meeting.”.

E. Presentation of the Fiscal Year 2023-2024 Proposed Budget

Presenting: Mr. Franky J. Howard, CEO

The Fiscal Year 2023-2024 (FY24) Proposed Budget is a conservative budget which is balanced at \$44.3 million. The utility maintains an unreserved fund balance of \$32.4 million. User fees are the primary revenue at \$32.3 million. This year, the utility has once again budgeted a \$1 million disaster contingency fund. The budget has been constructed in accordance with the Board’s accepted Capital improvement Plan and Raftelis Financials’ recommendations for rates and charges necessary to pay for ongoing infrastructure improvements. The budget message provides the Board and the public with important information about the financial health of the Utility, future capital construction, as well as progress toward the goals of the strategic plan.

The Board of Directors received the FY24 budget books with this agenda on May 12th. This action is to set a public hearing on the FY24 budget.

Action Requested: Consider a “Motion to set the public hearing on the proposed FY24 budget at the Board of Directors meeting in the Jacksonville City Hall Council Chambers on June 15, 2023, at 6pm or as soon thereafter as is practicable.”

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