



AGENDA

Board of Directors' Meeting - Jacksonville City Hall
Thursday, May 19, 2022 - 6:00 PM

- CALL TO ORDER -** Chairman Jerry Bittner will call the meeting to order.
- INVOCATION -** Mr. Brian Young with Love Grace & Mercy Church will offer the invocation.
- PLEDGE OF ALLEGIANCE -** Chairman Bittner will lead the board and 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. 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 2022 & April 2022 Financial Reports
March 2022 Operations Reports

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

B. Approval of Minutes

February 10, 2022 Proposed Special Meeting Minutes &
March 17, 2022 Proposed Regular Meeting Minutes

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

C. 2022 ONWASA Board of Directors Amended Schedule of Regular Meetings

Each year Onslow Water and Sewer Authority (ONWASA) 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.

During the September 16, 2021 ONWASA Board of Directors meeting the Board approved the 2022 Schedule of Regular Meetings. It has since been discovered due to the FY23 ONWASA budget schedule an additional meeting is needed. It is recommended that a meeting on June 16, 2022 be added to the schedule. Staff has confirmed the availability of the building and media services with the City of Jacksonville for the proposed meeting.

Action Requested: Consider a “Motion to approve the 2022 Schedule of Regular Meetings of the ONWASA Board of Directors as amended adding June 16, 2022 at 6:00 PM to the schedule.”

D. Audit Contract Fiscal Year 2021-2022

PBMares, LLP has submitted a contract and arrangement letter in the amount of \$54,000 for the annual audit and \$6,000 for a single audit for Fiscal Year 2021-2022.

Action Requested: Consider a “Motion to approve to approve the contract for the Fiscal Year 2021-2022 annual and single audits in the amount of \$60,000 and authorize the Chairman of the Board to execute the contract and to sign any necessary documents.”

E. Release and Abandonment of Easement

Construction is currently underway on new homes located on adjacent lots (#103 and #104) along Bluff View Lane in the Halls Creek North development, Town of Swansboro. After the completion of foundation work on Lot #103, it was determined that the front corner of the house had encroached approximately 1.4 feet into an existing 50-foot wide utility easement that follows the common property line between the two lots. Upon being notified of this situation, ONWASA staff conducted a field review and determined the house does not pose a threat to the continued operation and maintenance of the gravity sewer main that runs through this easement. It would also be impractical at this stage of construction to relocate or alter the house to remove the portion within the easement area.

To address this issue, the attached plat would reduce the width of the utility easement on Lot #103 by two feet (from 25 feet to 23 feet) to eliminate the encroachment. With no changes to the easement on Lot #104, the new total width of 48 feet should be sufficient in the event total replacement of this section of gravity sewer main is required in the future.

Action Requested: Consider a “Motion to authorize the Chairman of the Board to execute the Release and Abandonment of Easement for a portion of Lot #103 in Halls Creek North development, Town of Swansboro.”

F. Oak Island Hunt Club Lease Renewal

ONWASA has a lease agreement with Oak Island Hunt Club for 1227.12 acres of land known as the Camp Davis Tract. The current lease between Oak Island Hunt Club and ONWASA expires on June 30, 2022. Oak Island Hunt Club has expressed interest in renewing the lease. ONWASA has had no problem with the hunting club. Based on research by Staff it is recommended that the lease be renewed at the current rate of \$5.25 per acre (\$6,442.38) with renewal beginning on July 1, 2022 and authorize the Chief Executive Officer to renew the lease for up to four (4) additional terms.

Action Requested: Consider a “Motion to approve the renewal of the Lease between ONWASA and Oak Island Hunt Club in the amount of \$6,442.38 with renewal occurring on July 1, 2022, and authorize the Chief Executive Officer to renew the Lease for Up to four (4) additional terms. and authorize the Chief Executive Officer to sign any documents as may be required by this action.”

G. Holiday Schedule Addition

Juneteenth is the oldest national commemoration of the African American Emancipation Day and the ending of slavery in the United States. After reviewing the current ONWASA holiday schedule as well as the various holiday schedules within Onslow County, it is recommended that Juneteenth (June 19th) be added to the ONWASA holiday schedule.

Action Requested: Consider a “Motion to add Juneteenth as an addition to the holiday observance calendar for the current year, and as a regular observance for future years.”

H. Salary Study and Organizational Assessment

ONWASA CEO, Franky J. Howard, is seeking Board support and approval to conduct a Salary Study and Organizational Assessment of Onslow Water & Sewer Authority (ONWASA). While entering into this type of agreement is within the authority granted by the Board of Directors to the CEO, it is his preference to receive official support from the Board of Directors.

Action Requested: Consider a “Motion to approve the CEO to enter into an agreement with Raftelis for the completion of a Salary Study and Organizational Assessment.”

3. BUSINESS



A. Administrative Service Agreement (3)



Presenting: Mr. Franky J. Howard, CEO

For the convenience of Authority customers located in or near the general vicinity of the Towns it was provided in the Water and Sewer Agreement with the Towns that the Authority shall maintain facilities in the Towns for the purpose of bill payment and telephone communication

from customers. ONWASA currently has agreements with the Towns of Holly Ridge, Richlands, and Swansboro.

Action Requested: Consider a “Motion to approve the Administrative Service Agreement and authorize the Chairman of the Board to execute the agreement and any other document as may be required by this action.”



B. Timber Management Agreement

Presenting: Mr. Franky J. Howard, CEO

In following with the practice of being good stewards of our many assets, ONWASA CEO is seeking Board support to take a proactive approach to timber management on land owned by ONWASA. As the CEO was getting familiar with ONWASA assets, it was discovered that there is an opportunity to actively manage the valuable timber that exist at both the Wachovia Tract and the Northwest WWTP. Together there is nearly 1500 acres of timber in need of a full-scale management plan. Over the past month the CEO has informally accepted proposal to manage the timber for ONWASA. It is the recommendation of the CEO to select and contract with Ashley Faircloth owner of Pine State Forestry. Mr. Faircloth was employed for 9 years as Director of Forestry by NC State Natural Resources and was responsible for managing over 80,000 acres in the Huffman Forest that straddles the Onslow and Jones County lines. Since then, he has started his own private firm providing timber management throughout the area. You can see his resume and proposal for more information. He also manages a large track that is adjacent to land ONWASA owns at the Northwest WWTP site.

One thing that made his proposal unique was the type of forest management plan he will provide ONWASA is one that follows NC Tree Farm Standards. This will allow us to showcase signage along these parcels publicizing that we are a certified NC Tree Farm.

We asked Mr. Faircloth to help us establish a budget estimate for next fiscal year. In summary, we can expect roughly \$175,000 in revenue and \$60,000 in expenses the first years. Much of these expenses the first year are one time in nature such as the forestry management plan (\$12,000), and road improvements. Once a harvest plan is determined for the next 10-15 years, we can easily see a new revenue stream for ONWASA of roughly \$125,000/year.

As with the salary study and organization assessment, the CEO could enter into these agreements within his authority as granted by the Board of Directors, however, when it comes time to sell a track of timber board action will be required. With that, the CEO is seeking Board approval and support upfront.

Action Requested: Consider a “Motion to approve the CEO to enter into a Timber Management Agreement with Pine State Forestry, PLLC.”



C. Letter of Support for Surf City Sewer Needs

Presenting: Mr. Franky J. Howard, CEO

On March 14, 2022, ONWASA CEO and staff met with the Town of Surf City at their request to discuss regional sewer needs. The Town is experiencing unprecedented growth resulting in the need to expand sewer capacity much like ONWASA. They are actively pursuing design and permitting for an effluent discharge to accommodate the expected growth. The Town has requested a non-binding letter of support from ONWASA to the State of North Carolina indicating the potential benefits the project could provide as it relates to the sewer needs of ONWASA.

The letter of request from The Town of Surf City and the Draft Letter of Support has been included in the agenda package. Staff along with Authority Attorney, Chuck Kitchen, reviewed the letter and their edits have been incorporated.

Action Requested: Consider a “Motion to approve the Chairman to sign the non-binding letter of support for the plans of the Town of Surf City for sewer capacity expansion.”



D. Presentation of the Fiscal Year 2022-2023 Proposed Budget

Presenting: Mr. Franky J. Howard, CEO and Ms. Tiffany Riggs, CFO



The Fiscal Year 23 (FY23) budget is a conservative budget which is balanced at \$35.2 million. The utility maintains an unreserved fund balance of \$21 million. User fees are the primary revenue at \$28.9 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 adopted Capital Improvement Program 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 FY23 budget books with this agenda on May 13th. The action requested is to set a public hearing on the FY23 budget.

Action Requested: Consider a “Motion to set the public hearing on the proposed FY23 budget at the Board of Directors meeting in the Jacksonville City Hall Council Chambers on June 16, 2022, 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