



AGENDA
Board of Directors' Meeting
Jacksonville City Hall
Thursday, March 19, 2020
6:00 PM

CALL TO ORDER - Chairman Jerry Bittner will call the meeting to order.

INVOCATION – Pastor Brian Young with Love, Grace and Mercy Church in Jacksonville will provide 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

A. Acceptance of Monthly Departmental Reports

January 2020 Financial Report
December 2019 & January 2020 OPS Reports

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

B. Approval of Minutes

January 16, 2020 Regular Meeting Minutes

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



C. **Uncollectable Water and Sewer Accounts Write-off**

Each year inactive water and sewer accounts that are deemed uncollectable must be written off of the accounts receivable against the allowance for doubtful accounts. The amount of this year's uncollectible water and sewer accounts is \$25,239.55. This amount is less than 0.5% of the total water and sewer fees billed in the last twelve months. Prior to deeming an inactive account uncollectable, staff attempts to collect the outstanding account balances through Online Utility Exchange and the North Carolina Debt Setoff Program.

Action Requested: Consider a "Motion to write-off uncollectable accounts in the amount of \$25,239.55."

3. **SPECIAL PRESENTATION TO DIRECTOR GREGORY HINES**

4. **BUSINESS**



A. **Ordinance Amending Utility Ordinance**

Presenter: Jeffrey L. Hudson, CEO

ONWASA staff worked with Authority Attorney, Mr. Chuck Kitchen to craft recommended amendments to the existing utility ordinance that would either clarify or correct existing ordinance language, or would help provide a better customer experience. This was originally presented to the Board on December 12, 2019. During that regular meeting the Board adopted a Declaration of Intent to Amend the Utility Ordinance. The required notices and time for review has been given and the item is now available for Board action.

Action Requested: Consider a "Motion to approve the Ordinance Amending the Utility Ordinance which would enact changes to Section 1.5 Application for New Service, Section 1.7 Initial Fees, Section 1.15 Water Turn-on, Section 1.17 High Usage, Section 2.3 Tests, Section 4.2 Deposits, First Paragraph, and Section 5.2 Payments."



B. **Cummings Family Cemetery**

Presenter: Mr. Chuck Kitchen, Authority Attorney

In 2008 ONWASA acquired large tracts of land in the Richlands area for the construction of the Northwest Regional Water Reclamation Facility. Among the hundreds of acres acquired was a 0.46-acre parcel which is the location of a family cemetery.

ONWASA is not using the property for any public purpose and has no need for the property in the future. North Carolina General Statutes permit ONWASA to sell the property by upset bid, after receipt of an offer for the property.

ONWASA has received an offer to purchase the property from the family whose relatives are buried in the cemetery. Ms. Gwendolyn Cummings has paid the required 5% deposit on her offer of \$3,000 to purchase her family's cemetery.

Mr. Chuck Kitchen, ONWASA's Attorney has prepared a resolution for consideration by the Board of Directors to authorize the sale of the property in accordance with North Carolina's general statutes. If approved, the Authority will enter a bid/upset bid period, with results being brought back to the Board at the next meeting of the Board.

Action Requested: Consider a "Motion to approve the Resolution Authorizing the Upset Bid Process."



C. Hubert Water Treatment Plant Softener Tank Rehabilitation

Presenter: Mrs. Tiffany Riggs, CFO

This request is for repairs needed to two large steel (2) softener tanks that were placed in service in 2005 to aid with the softening of water. Currently, both softener tanks have leaks that need to be repaired.

The scope of work for this proposed project includes:

- 1) the removing and disposing of the old existing synthetic resin inside the tank
- 2) performing an inspection of the interior of the tanks and repairing deteriorated areas as needed
- 3) preparing and painting interior surfaces; and,
- 4) installing new Amberlite-brand resin in the two tanks. This resin removes calcium and magnesium in the water which causes hardness.

All work is to be completed within 90 days from the issuance of a Notice to Proceed.

Action Requested: Consider a "Motion to proceed with a contract with Utilitech Inc. in the amount of \$150,000.00 for the Hubert Water Treatment Plant Softener Tank Rehabilitation Project and authorize the Chief Executive Officer to execute this contract plus other documents as may be required in connection with this action."



D. Dixon Wells D10 & D11 Electrical Service Easements

Presenter: Mr. David M. Mohr, PE – Chief Operations Officer

Construction is now underway on a capital improvement project (CIP-012) to install pumps, motors, and control systems at two new raw water production well sites (D-10 and D-11) located along Highway 50 northwest of the Town of Holly Ridge. This project, along with a recently completed construction contract to install a transmission main pipeline connecting the well sites to the Dixon Water Treatment Plant, will provide additional flow to support long-term operation of the reverse osmosis treatment system at that facility.

In order to extend service to both well sites, the electrical utility serving this area (Jones-Onslow Electric Membership Corporation) has requested the creation of easements for installation and maintenance of the new overhead electric poles, transmission lines, and underground service drops at each site. Jones-Onslow EMC has provided ONWASA with their standard easement document.

Action Requested: Consider a "Motion to proceed with execution of the proposed Right-of-Way Easement agreement for the Dixon Well Sites D-10 & D-11, and authorize the Chief Executive Officer to execute this document and any additional documents as required in connection with this action."



E. **Dixon Wells D10 & D11 Construction Contract Change Order #3**

Presenter: Mr. David M. Mohr, PE – Chief Operations Officer

Construction is now underway on a capital improvement project to install pumps, motors, and control systems at two new raw water production well sites (D-10 and D-11) located along Highway 50 northwest of the Town of Holly Ridge. This work, along with a now-completed project to install a transmission main pipeline connecting the well sites to the Dixon Water Treatment Plant, will provide additional flow to support long-term operation of the reverse osmosis treatment system at that facility.

The contractor on this project (A.C. Schultes of Carolina, Inc.) was issued a Notice to Proceed in March 2019; the original final completion date was January 11, 2020 and an additional seven (7) days was added under a previous Change Order approved by the Board of Directors in January 2020. While substantial progress has been made at each site, including the setting of well pumps and motors, on-site piping, well pad backfill, the emergency generator and control structure, the contractor did not finish work by the completion date. It has been determined the project has been delayed primarily by three critical path items considered outside the direct control of the contractor.

- 1) an unanticipated and extremely long lead time for manufacture and delivery of customized variable frequency drives to control pump motor operation
- 2) difficulty in identifying a suitable remote telemetry system necessary for the well sites to communicate back to the Dixon Water Treatment Plant; and,
- 3) the securing of easements necessary for the installation of commercial power at each location.

As a result of meetings with contractors and a review of project documentation, staff recommends the execution of a Change Order to establish a new final completion date of June 30, 2020 (an additional 164 days) at no change in contract cost. This should provide sufficient time to address all delay items, finalize construction and have the well sites ready for production use.

Action Requested: Consider a "Motion to proceed with execution of Change Order #3 to the construction contract with A.C. Schultes of Carolina, Inc. for the Dixon Well Sites D10 & D11 Project, and authorize the Chief Executive Officer to execute this Change Order and any additional documents as required in connection with this action."



F. Waterline HDD Interconnects Phase II Construction Contract

Presenter: Mr. David M. Mohr, PE – Chief Operations Officer

This request is for approval of a construction contract to complete the second phase of water distribution system improvements that have been focused on re-connection of mains that were severed during older culvert or bridge replacement projects performed by NCDOT. Phase I, completed in mid-2019, restored main connectivity at four separate locations that were determined by ONWASA staff as first priorities for this work. The second phase (CIP-003) includes one additional culvert installation site, on Kellum Loop Road, as well as the replacement of water main aerial crossings on Ramsey Road and Highway 17 that were damaged during Hurricane Florence. Aerial crossings, where the water main crosses over a stream or other water body on pile supports, are common in the ONWASA system (50 have been identified) but leave the main vulnerable to damage during storm events or from vehicle impact. The partial failure at the Ramsey Road site, a 12-inch diameter main, resulted in more than a million-gallon water loss until it could be accessed, isolated and repaired. The Highway 17 site did not leak but one of the wood piling pipe supports literally disappeared during the hurricane, making this site much more likely to fail in a future storm event.

The scope of work for this project includes: installation of replacement water mains at each site with new piping installed underground via horizontal directional drill technology; tying the new mains into the existing distribution system with appropriate valves and fittings; and, removal of existing piping and wood piling supports at the two aerial crossing sites. All work is to be completed within 180 days from the issuance of a Notice to Proceed.

Action Requested: Consider a "Motion to proceed with a construction contract with Herring-Rivenbark, Inc. of Kinston, NC in the amount of \$221,645.00 for the Waterline HDD Interconnects Phase II project, and to authorize the Chief Executive Officer to execute this contract and any additional documents as required in connection with this action."



G. Communicable Diseases Policy

Presenter: Jeffrey L. Hudson, CEO

As an essential utility for the community, ONWASA must protect its workforce from the COVID-19 virus to the extent possible. To limit exposure to the workforce from exposed or infected employees the creation of a Communicable Disease Policy is warranted.

ONWASA has educated employees on the COVID-19 prevention and has taken steps to increase disinfection of the workplace as well as limiting exposure through cancellation of any discretionary travel and training events. Furthermore, ONWASA is working on the ability of employees in certain categories to telecommute as necessary.

Ensuring that ONWASA employees have paid leave during any time of quarantine would reduce employee incentive to hide symptoms. ONWASA currently offers paid sick leave, but new

employees or employees that have had other health concerns do not have enough accumulated leave to cover mandated time off due to an illness such as COVID-19.

Two Communicable Diseases Policy Options are presented to the Board of Directors for consideration. They are identical in all respects save in the type of sick leave granted for a COVID-19 exposure.

ADVANCE SICK LEAVE OPTION: If they have accumulated sick leave they use that. If they do not have enough the employer “advances” them sick leave. They do not have to use vacation leave. So they go into a negative sick leave balance until they work long enough to earn it back.

ADMINISTRATIVE LEAVE OPTION: IF the employee tests positive for the coronavirus or has a verified exposure and they are ordered into quarantine by a health official or the employer, the employer grants 14 days (80 hours) special leave to cover the quarantine. This is not sick leave, but rather special leave for the coronavirus, somewhat like an administrative leave.

Action Requested: Possible “Motion to adopt the Communicable Diseases Policy which contains Advance of Sick Leave.” **OR** Possible “Motion to adopt the Communicable Diseases Policy which contains Use of Administrative Leave.”



H. **March 2020 Base Sewer Agreement Modification**

Presenter: Tiffany Riggs, CFO

On Wednesday, March 11th, following the printing of the agenda books we received an email from Mr. Richard T. Cole, Support Agreements Specialist with MCI-East/MCBCL. Mr. Cole quoted a Department of Defense regulation that requires payments for services be made in advance.

You may recall that we had recently negotiated and signed an Intergovernmental Service Agreement for Wastewater that allowed ONWASA to pay the base for wastewater treated on the basis of actual flows sent to the base from ONWASA. This method allowed ONWASA to move away from the previous agreement which required payment to the base based on estimated flow which had a “true-up” at some point in the year.

Base contracting does not agree with this and has submitted Modification A to the Intergovernmental Agreement. Modification A basically puts our payment arrangement back to what it was in the previous agreement.

ONWASA staff believes that payment based on actuals is strongly preferred but does not see a choice in the matter. The Authority Attorney and Finance have reviewed this agreement modification.

Action Requested: Possible “Motion to approve Modification A to the Partnership for Increased Capacity to Process Wastewater with the base (M67358-191113-A018).”

5. PUBLIC COMMENT

Citizens are invited to address any comments or concerns to the Board of Directors. Each speaker is granted three (3) minutes.

6. CHIEF EXECUTIVE OFFICER'S COMMENTS

7. BOARD OF DIRECTOR'S COMMENTS

9. 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