

**Onslow Water & Sewer Authority
Board of Directors' Regular Meeting
Jacksonville City Hall
Thursday, January 16, 2020
MINUTES**

CALL TO ORDER: Having a quorum, Chairman Gregory Hines called the meeting to order at 6:00pm. Board members present included Chairman Hines, Vice-Chairman Bittner, Secretary/Treasurer Conner, and Directors Royce Bennett, Michael Lazzara, Timothy Foster, and Pat Turner. Absent was Director Daniel Tuman.

INVOCATION: Chairman Hines requested that Pastor Joel D. Churchwell of Sandy Run Missionary Baptist Church provide the invocation. Pastor Churchwell led the Board and audience in prayer.

PLEDGE OF ALLEGIANCE: Chairman Hines led the board and audience in the Pledge of Allegiance.

ELECTION OF OFFICERS: Authority Attorney Chuck Kitchen provided the board with a brief overview of how nominations and the election of officers would be conducted. He indicated that no second was necessary for the nomination of officers and that the board would vote on each officer following the close of nominations. Mr. Kitchen then conducted the election of the Chairman, Vice-Chairman, and Secretary/Treasurer for the 2020 term in that order.

Upon opening the floor for nominations for Chairman, Director Hines nominated Director Bittner. The Board of Directors unanimously approved Director Bittner as Chairman of the Board for the 2020 term. Mr. Kitchen then opened the floor for the position of Vice-Chairman. Director Conner nominated Director Bennett for the position of Vice-Chairman. Chairman Bittner then made a motion that the nominations be closed, and that Director Bennett be appointed to the position of Vice-Chairman by Acclamation. Director Lazzara seconded the motion. All in favor, the motion of appointment by Acclamation passed unanimously. Mr. Kitchen then opened the floor for nominations for Secretary/Treasurer. Vice-Chairman Royce Bennett nominated Director Paul Conner for the position. The Board of Directors were unanimous in their approval of Director Conner for the position of Secretary/Treasurer.

Following the conclusion of elections, Director Hines passed the gavel to Chairman Bittner. Chairman Bittner thanked Director Hines for his faithful service to the Board of Directors as immediate past Chairman, noting that ONWASA had been through very difficult times and had benefited from Director Hines' leadership.

Director Hines thanked the Board for their faith in him and allowing him to serve five years as Chairman. Five years is the maximum term allowed for ONWASA Chairman by the Authority's formation documents. Director Hines went on to say that he would continue to be an active member of the Board of Directors and looked forward to the future.

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

- 1. APPROVAL OF AGENDA:** Director Pat Turner made a motion to approve agenda as amended/submitted. The motion was seconded by Vice-Chairman Bennett. The motion passed unanimously.

2. APPROVAL OF ITEMS ON CONSENT AGENDA: Secretary/Treasurer Conner made a motion to approve the consent agenda. The motion was seconded by Director Foster. The motion passed unanimously. Therefore, the December 2019 Financial Report and November 2019 Operations Report were accepted and the minutes of the December 12, 2019 special meeting of the board was approved.

3. SPECIAL PRESENTATIONS

A. Employee Retirement Recognition

Mr. Edward Caron, retired Utility Superintendent for Wastewater, was present to receive recognition for his 33 years of loyal service to this utility, as well as its predecessor, the Onslow County Water Department. Mr. Caron retired December 31, 2019. Chairman Bittner requested that Director Hines, as the immediate past Chairman who had worked with Mr. Caron, present a commemorative clock to Mr. Caron. Director Hines presented the token of appreciation to Mr. Caron and thanked him for his service. Mr. Caron received the appreciation of the board and the audience and thanked the Board.

B. Government Finance Officers Association Certificate of Achievement Award

Chairman Bittner requested that Mr. Jeffrey Hudson present information regarding the Government Finance Officers Association award won by the ONWASA Finance Department. The Certificate of Achievement for Excellence in Financial Reporting was awarded to ONWASA by Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The CAFR was been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential user groups to read the CAFR. This is the 13th consecutive year ONWASA's finance team has received this award. CEO Hudson presented CFO Riggs with the award and thanked her and the Finance Department for their hard work.

C. Northwest Plant Disaster Recovery and Resilience Project Award

Immediately following Hurricane Florence ONWASA staff contacted the W.K. Dickson & Company engineering firm and requested an emergency deployment to the Northwest Regional Water Reclamation Facility (Northwest Plant). The plant had been flooded by the hurricane. ONWASA staff worked day and night with W.K. Dickson's engineers to bring the plant back to operating conditions. Later, W.K. Dickson wrote up the account of the teamwork and planning that moved the flooded plant into operation and will result (at completion of construction) in a robust, flood-resistant facility. The project description was entitled the "Northwest Plant Disaster Recovery and Resilience Project" and was submitted to the American Council of Engineering Companies of North Carolina for their consideration.

The American Council of Engineering Companies of North Carolina (ACEC/NC) Engineering Excellence Awards (EEA) is an annual competition that honors and recognizes engineering and surveying firms for projects which demonstrate the highest degree of achievement, value and ingenuity. Awards are given at three levels (Honors Awards, Grand Awards, and Grand Conceptor) with the highest level being the Grand Conceptor given to one firm/project per year. The ONWASA project submitted was awarded at the 2nd highest level – a Grand Award. Present at the Board meeting to present the award to ONWASA from W.K. Dickson was Mr. Bryan Odom, P.E., Vice President and Director of Water Resources and Mr. Jimmy Holland, P.E., Project Manager. While at the podium, Mr. Odom explained the significance of the award and provided the Board of Directors with information on how ONWASA's staff worked closely with W.K. Dickson and other agencies, such as the Greenville Utilities Commission, to return the flooded Northwest Regional Water Reclamation Facility to operations within 12 days of the disaster. Mr. Odom presented ONWASA with the award trophy. Members of the Board thanked W.K. Dickson and staff for their work following Hurricane Florence. In addition to Mr. Odom and Mr. Holland, Mr. Carter Hubbard, Program Manager for W.K. Dickson also attended the meeting, but did not present to the Board.

D. Update on Northwest Plant Reconstruction: Chairman Bittner called upon Mr. Jimmy Holland, Project Manager and Engineer from W.K. Dickson to give the Board an update on the Northwest Plant (NWRWRF) reconstruction project. The Board received the presentation and had no questions of Mr. Holland at the time.

E. Automated Meter Reading Project Phase III: Chairman Bittner called upon Chief Financial Officer, Tiffany Riggs to present information to the board on this topic. Ms. Riggs reported as follows: Currently, water service meters on the ONWASA system consist of both manual-read meters and Automatic Read Meters (AMR), which can be read remotely by portable equipment. ONWASA currently maintains and reads 46,019 AMR meters and 7,567 manual-read meters. This project is the third and final phase of multiple-year project to complete the transition from manual-read meters to AMR meters across the entire system. This effort will have multiple benefits, including the replacement of aging outdated meters, increased accuracy and efficiency in meter reading efforts at locations where access to the meter box is difficult. The third and final phase of the project replaces approximately 7,149 manual read meters with AMR meters. On December 23, 2019 a total of one (1) bid was received but not opened. The bid was returned to the bidder. The bid was advertised again on December 23, 2019 to solicit more responses. On January 6, 2020 a total of three (3) bids were received and opened for the project. Based on the requirements contained within the bidding documents, Vanguard Utility Service, Inc., was declared the lowest responsive and responsible bidder for the contract. This bidding process satisfied North Carolina purchasing laws.

Action: Secretary/Treasurer Paul Conner made a motion to proceed with a contract for the Automated Meter Reading Phase III Project in the amount of \$1,649,948.98 and authorize the Chief Executive Officer to execute this contract plus other documents as may be required in connection with this action. Vice-Chairman Royce Bennett seconded the motion. All in favor, the motion passed unanimously.

F. Dixon Wells D10 & D11 Construction Contract Change Order #2: Chairman Bittner asked ONWASA Director of Engineering, Mr. David Mohr to present this item to the Board. Mr. Mohr reported the following: Construction is now underway on a capital improvement project to

install pumps, motors, and control systems at two new raw water production well sites located along Highway 50 northwest of the Town of Holly Ridge. When completed this work, along with a separate 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. The overall project was split into two separate contracts for construction due to the specialty nature of well construction and the limited number of contractors capable of that work versus installation of the transmission main pipeline.

As part of the transmission main project, the contractor (Herring-Rivenbark, Inc.) was tasked with installing a new concrete driveway apron at the entrance to the D11 well site. This feature was required by NCDOT under their permit for the project. All other work within their contract is now complete. However the well construction contractor (A.C. Schultes of Carolina, Inc.) will soon be moving heavy loads into the site and it is likely that the new apron would be damaged by heavy equipment if installed now. To avoid keeping the transmission main construction contract open until the site is ready, staff proposes to deduct the driveway apron work from the line construction contract and add it to the well construction contract. The well contract would increase by \$8,775.00 and seven (7) additional days duration to the well construction contract, but the transmission main contract would be reduced by \$12,500.00. ONWASA's net savings would be \$3,725.00.

Action: Vice-Chairman Royce Bennett made a motion to proceed with execution of Change Order #2 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. Director Tim Foster seconded the motion. All in favor, the motion passed unanimously.

G. Comprehensive Annual Financial Report Fiscal Year 2018-2019: Chairman Bittner called upon Ms. Linda Murphy, CPA and Assurance Manager, with the independent accounting firm of RSM US LLP to make a presentation to the Board of Directors on the annual audit for the fiscal year ended June 30, 2019. Ms. Murphy provided a PowerPoint report to the board, attached to these minutes and incorporated fully herein by reference. Following the presentation, Chairman Bittner asked Ms. Murphy if the audit review was what some would refer to as a "clean audit". Ms. Murphy indicated that it was a clean audit with no issues found in ONWASA's financial documents, per her presentation.

Action: Vice-Chairman Royce Bennett made a motion to accept the Comprehensive Annual Financial Report. A second was given by Director Lazzara. All in favor, the motion passed unanimously

- 4. PUBLIC COMMENT:** Chairman Bittner asked Mr. Hudson if any persons had signed up to speak during the public comment period of the meeting. No individuals had signed up to speak. Chairman Bittner asked the audience if any person had arrived late and had not had the opportunity to sign up to speak. No member of the audience indicated that they had arrived late or wished to speak.
- 5. CHIEF EXECUTIVE OFFICER COMMENTS:** Chairman Bittner called upon Mr. Hudson to give any comments. Mr. Hudson congratulated the newly elected officers and thanked immediate past-Chairman Hines for his service as Chairman.

6. BOARD OF DIRECTORS' COMMENTS

Director Tim Foster congratulated Mr. Eddie Caron on his retirement. Director Foster also thanked those who made presentations and noted they did an excellent job.

Director Pat Turner congratulated Mr. Eddie Caron on his retirement with 33 years of service. Director Turner also congratulated Ms. Tiffany Riggs for receiving the Government Finance Officers Association Certificate of Achievement Award.

Vice Chairman Royce Bennett thanked Mr. Caron for his service. He thanked Mr. Hudson and staff for their hard work.

Secretary/Treasurer Paul Conner thanked staff for the work they do daily. Secretary/Treasurer Conner congratulated Mr. Eddie Caron on his retirement.

Director Michael Lazzara thanked Mr. Eddie Caron for his service. Director Lazzara thanked immediate past-Chairman Hines for his service. Director Lazzara thanked the finance department for their work in achieving the Government Finance Officers Association Certificate of Achievement Award.

Director Greg Hines thanked the Board for allowing him to be the Chairman for the last 5 years. Director Hines expressed his gratitude to those who watch the meetings.

Chairman Jerry Bittner thanked immediate past-Chairman Hines for his leadership over the past five years. Chairman Bittner added the other members could be proud to have served on the Board with Director Hines.

- 7. ADJORNMENT:** A motion was made by Secretary/Treasurer Conner to adjourn at 6:39 PM. Director Michael Lazzara seconded the motion. All in favor, the motion passed unanimously and the meeting adjourned.

Approved March 19, 2020

Onslow Water & Sewer Authority Board of Directors



Jerry A. Bittner

Jerry A. Bittner, Chairman

ATTEST:

Heather Norris

Heather Norris, Clerk