

Onslow Water & Sewer Authority
Board of Directors' Regular Meeting Jacksonville City Hall
Thursday, March 19, 2020
MINUTES

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

INVOCATION: Chairman Jerry Bittner requested that Jeff Hudson, CEO, provide the invocation. Mr. Hudson led the Board and audience in prayer.

PLEDGE OF ALLEGIANCE: Vice-Chairman Royce Bennett led the board and audience in the Pledge of Allegiance.

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

1. **APPROVAL OF AGENDA** - Vice-Chairman Royce Bennett made a motion to approve the agenda as amended with Item G Communicable Diseases Policy removed and Item I Temporary Suspension of Disconnections of Water Service for Non-Payment and Waiver of Late Fees and Non-Payment Processing Fees added. Director Tim Foster made a second. The motion passed unanimously.
2. **APPROVAL OF ITEMS ON CONSENT AGENDA** – A motion was made by Vice-Chairman Royce Bennett to approve the consent agenda items as presented. A second was made by Director Tim Foster. The motion passed unanimously. Therefore, the January 2020 Financial Report, December 2019 and January 2020 OPS Reports were accepted, the January 16, 2020 Regular Meeting Minutes and the Motion to write-off uncollected accounts in the amount of \$25,239.55 were approved.
3. **SPECIAL PRESENTATION TO DIRECTOR GREGORY HINES** – Chairman Jerry Bittner presented a plaque to immediate past-Chairman Gregory Hines on behalf of the Board of Directors and ONWASA staff. Chairman Bittner stated that Director Hines served as Chairman of the ONWASA Board of Directors from January 15, 2015 until January 15, 2020 with exemplary leadership.
4. **BUSINESS**
 - A. **Ordinance Amending Utility Ordinance**

Chairman Bittner called on ONWASA CEO, Mr. Jeffrey Hudson to present the item to the Board. Mr. Hudson shared the following: 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: Director Tim Foster made 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. A second was made by Vice-Chairman Royce Bennett. The motion carried unanimously.

B. Cummings Family Cemetery

Chairman Bittner asked Authority Attorney, Mr. Chuck Kitchen to present the item to the Board. Mr. Kitchen shared the following: 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. Kitchen asked that the Board consider approving the resolution authorizing the sale of the property in accordance with North Carolina's general statutes. He further explained that if approved, the Authority will enter a bid/upset bid period with the results being brought back to the Board and a subsequent meeting.

Action: Director Michael Lazzara made a motion to approve the Resolution Authorizing the Upset Bid Process. Director Pat Turner made a second. The motion carried unanimously.

C. Hubert Water Treatment Plant Softener Tank Rehabilitation

Chairman Bittner called on ONWASA CFO, Mrs. Tiffany Riggs to present the item to the Board. Mrs. Riggs shared the following:

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.

Director Gregory Hines asked how often this process must be completed. Mrs. Riggs said this was the first time for these tanks. She further stated that the process was just completed for the Dixon tanks and they were brought into service around 2005 as well. Director Hines replied so 10-15 years or when the need arises. Mrs. Riggs responded that was correct.

Action: Director Tim Foster made 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. Vice-Chairman Royce Bennett made a second. The motion passed unanimously.

D. Dixon Wells D10 & D11 Electrical Service Easements

Chairman Jerry Bittner called on ONWASA Chief Operations Officer, Mr. David Mohr to present this item to the Board. Mr. Mohr shared the following:

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.

Chairman Gregory Hines asked if the easements were without cost. Mr. Mohr replied that is correct there is no cost.

Action: Director Gregory Hines made 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. A second was made by Director Michael Lazzara. The motion passed unanimously.

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

Chairman Bittner asked Mr. David Mohr to present this item to the Board. Mr. Mohr shared 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 (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: Director Michael Lazzara made 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. A second was made by Director Tim Foster. The motion carried unanimously.

F. Waterline HDD Interconnects Phase II Construction Contract

Chairman Jerry Bittner asked Mr. David Mohr to present this item to the Board. Mr. Mohr shared the following information:

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.

Chairman Jerry Bittner asked if any of this work would be reimbursed by FEMA. Mr. Mohr replied that the two aerial crossings will be at least partially reimbursed by FEMA. He stated discussions were still ongoing with FEMA to determine what the amount would be.

Action: A motion was made by Director Gregory Hines 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. A second was made by Director Tim Foster. The motion passed unanimously.

G. Communicable Diseases Policy

THIS ITEM WAS REMOVED FROM THE AGENDA WITH THE MOTION TO APPROVE THE AGENDA AS AMENDED.

H. March 2020 Base Sewer Agreement Modification

Chairman Jerry Bittner asked Mrs. Tiffany Riggs, CFO, to present this item to the Board. Ms. Riggs shared the following information:

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: A motion was made by Vice-Chairman Royce Bennett to approve Modification A to the Partnership for Increased Capacity to Process Wastewater with the base (M67358-191113-A018). A second was made by Director Tim Foster. The motion carried unanimously.

I. Temporary Suspension of Disconnections of Water Service For Non-Payment And Waiver Of Late Fees And Non-Payment Processing Fees

Chairman Jerry Bittner called on CEO, Jeffrey Hudson, to present this item to the Board. Mr. Hudson shared the following with the Board: North Carolina is currently in a declared state of emergency in response to the Coronavirus. Proper sanitation, including hand washing is critical to slowing the spread of the Coronavirus. We know the Coronavirus has also caused financial hardship. Anticipating customer need, Mr. Hudson contacted all sitting members of the ONWASA Board of Directors and asked for consensus in suspending the disconnection of water service for non-payment and waiving all late fees and non-payment processing fees until April 15, 2020. The consensus of the board was that these measures should be taken.

Director Michael Lazzara commended the CEO for taking the time to put this together and very thoughtfully crafting it considering the current crisis it was a great step for our community. He further expressed his thanks to Mr. Hudson and his staff.

A motion was made by Director Tim Foster to ratify actions of ONWASA CEO. A second was made by Director Pat Turner. The motion passed unanimously.

5. **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.

6. **CHIEF EXECUTIVE OFFICER'S COMMENTS** – Chairman Jerry Bittner called upon Mr. Hudson to provide any comments. Mr. Hudson began by stating ONWASA water remains safe to drink. He stated ONWASA has a closed system and uses chlorine disinfection and in addition ONWASA processes thousands of water test a year. He then provided an update concerning ONWASA's COVID-19 response which included closing the lobby to the public while remaining available to customers by the main office drive-thru, phone, and internet. Mr. Hudson also provided an overview of a tentative agreement he and City of Jacksonville Manager, Dr. Richard Woodruff, are crafting along with Authority Attorney, Chuck Kitchen, which would allow for the sharing of employee labor should the need arise.

7. **BOARD OF DIRECTOR'S COMMENTS**

Michael Lazzara thanked CEO Jeff Hudson for his proactive approach to the COVID-19 events. He also thanked Gregory Hines for his service and leadership.

Director Tim Foster stated that he appreciates everyone thinking ahead.

Vice-Chairman Royce Bennett thanked immediate past-Chairman Gregory Hines for his service. Vice-Chairman Bennett also noted appreciation for the CEO's many proactive approaches like automatic read meters and aerial stream crossing improvements.

Director Pat Turner congratulated and thanked immediate past-Chairman Gregory Hines for his service. Director Turner also congratulated Director Lazzara (recent primary election win). Director Turner expressed her appreciation to Mr. Hudson and staff for the preparation that goes into the meetings. She stated she is thoroughly amazed at how prepared everyone is when she comes to the meetings.

Director Gregory Hines thanked Mr. Hudson for bringing up that the ONWASA's water is still safe. Director Hines thanked the Board and staff for the plaque. He shared a customer compliment he received for the service provided by a customer service representative.

Chairman Jerry Bittner thanked Gregory Hines for his service. He also thanked Mr. Hudson and staff for their work on the agenda. Chairman Bittner said it is a pleasure to look at an agenda that is staff complete work.

9. **ADJOURNMENT:** A motion was made by Director Tim Foster to adjourn at 6:41 PM. Director Michael Lazzara seconded the motion. All in favor, the motion passed unanimously and the meeting adjourned.

The minutes were approved on May 21, 2020

Onslow Water & Sewer Authority Board of Directors



Jerry A Bittner

Jerry Bittner, Chairman

ATTEST:

Heather Norris

Heather Norris, Clerk