

Onslow Water & Sewer Authority
Board of Directors' Regular Meeting Jacksonville City Hall
Thursday, May 19, 2022
APPROVED MINUTES

CALL TO ORDER: Having a quorum, Chairman Jerry Bittner called the meeting to order at 6:00 pm. Board members present included Chairman Jerry Bittner, Vice Chairman Royce Bennett, Secretary/Treasurer Pat Turner, and Directors Paul Conner, Timothy Foster, Joann McDermon, Robert Warden, and Jeff Wenzel.

INVOCATION: Chairman Jerry Bittner requested that Bishop Kelby Moore with Love Grace & Mercy Church, provide the invocation. Bishop Moore led the Board and audience in prayer.

PLEDGE OF ALLEGIANCE: Chairman Jerry Bittner led the Board and audience in the Pledge of Allegiance.

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

1. APPROVAL OF AGENDA – Director Tim Foster made a motion to approve the agenda as submitted. A second was made by Director Joann McDermon. All were in favor. The agenda was approved.

2. APPROVAL OF CONSENT AGENDA – A motion was made by Director Paul Conner to approve the consent agenda. A second was made by Director Tim Foster. The motion passed unanimously. Therefore, the March & April 2022 Finance Reports, March 2022 Operations Reports were accepted, the February 10, 2022 Special Meeting Minutes and March 17, 2022 Regular Meeting Minutes were approved as presented, the 2022 ONWASA Board of Directors Schedule of Regular Meetings was amended to add June 16, 2022 to the schedule, the Chairman was authorized to execute the contract for the Fiscal Year 2021-2022 annual and single audits in the amount of \$60,000 with PBMares, LLP, the Chairman was authorized to execute the Release and Abandonment of Easement for a portion of Lot 103 in Halls Creek North Development, Town of Swansboro, the Lease between ONWASA and Oak Island Hunt Club in the amount of \$6,442.38 was renewed and the CEO was authorized to renew the lease for up to four additional terms, Juneteenth was added to the ONWASA holiday Observance calendar for the current year, and as a regular observance for future years, and the CEO was authorized to enter into an agreement with Raftelis for the completion of a Salary Study and Organizational Assessment.

3. BUSINESS

A. Administrative Service Agreement (3)

[A COPY OF THE AGREEMENT MAY BE FOUND AT EXHIBIT A AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Bittner called on Mr. Franky Howard, CEO, to present the item. Mr. Howard said it was the time of year again when the Administrative Service Agreements are reviewed. He added normally these agreements would be presented on the consent agenda but this year a clause has been added to allow the host towns to elect for ONWASA to put in a payment kiosk instead of doing in person transactions per the agreement. Mr. Howard went on to say we do appreciate the towns and are very thankful for the town partners and what they provide to ONWASA customers through this agreement and wish to continue that so long as they are able to provide that but in discussions with one of the towns it came up, so he felt it was a good time to add the flexibility to the agreement. Secretary/Treasurer Pat Turner said they do not have to do that, right? Mr. Howard responded no; it would be an option. Director McDermon then

asked it would be at ONWASA's expense, correct? Mr. Howard said yes anything related to the transactions that occur for our benefit is totally at our expense even if the kiosk is put into place, it would be totally our expense. He added we have kiosk throughout the County that we share with Jones Onslow that we pay for. Mr. Howard said if we review and if adding that kiosk cost some additional to the town, we will reimburse the town for that.

A motion was made by Paul Conner to approve the Administrative Service Agreements and authorize the Chairman of the Board to execute the agreement and any other documents as may be required by this action. A second was made by Secretary/Treasurer Pat Turner. All were in favor, the motion carried.

B. Timber Management Agreement

[A COPY OF THE AGREEMENT MAY BE FOUND AT EXHIBIT B AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Bittner called on Mr. Franky Howard, CEO, to present the item. Mr. Howard said this was a concept that he has been briefing the Board on during his weekly updates but was presenting it in this format because if the agreement was approved, he would be bringing timber sales to the Board for approval in the future. Mr. Howard shared that as he 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. He added that altogether there are nearly 1500 acres of timber in need of a full-scale management plan. Mr. Howard went on to say his recommendation to the Board is to select and contract with Ashley Faircloth owner of Pine State Forestry adding that 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 line and since then, he has started his own private firm providing timber management throughout the area and also manages a large tract that is adjacent to land ONWASA owns at the Northwest WWTP site.

Mr. Howard shared 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, and this will allow us to showcase signage along these parcels publicizing that we are a certified NC Tree Farm. Mr. Howard said he asked Mr. Faircloth to help us establish a budget estimate for next fiscal year and in summary, we can expect roughly \$175,000 in revenue and \$60,000 in expenses the first years. Mr. Howard said 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.

A motion was made by Director Tim Foster to approve the CEO to enter into a Timber Management Agreement with Pine State Forestry, PLLC. A second was made by Director Paul Conner. All were in favor, the motion carried.

C. Letter of Support for Surf City Sewer Needs

[A COPY OF THE LETTER MAY BE FOUND AT EXHIBIT C AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Bitter called on CEO, Franky Howard to present the item. Mr. Howard began by saying ONWASA was approached by the Town of Surf City to express support of their sewer capacity expansion plans. Mr. Howard added we have a major demand for sewer in that area. Mr. Howard shared that both Authority Attorney, Chuck Kitchen, and David Mohr reviewed the letter.

Chairman Bittner asked if aside from the endorsement there was no interconnect with our system. Mr. Howard replied correct and added but it will come through parts of Onslow County because their current treatment plant is in Onslow County. Mr. Mohr added there is a certain level of capacity available for discharge and they will not need it all but if they indicate there would be interest from other parties it helps with securing that and the State weighs heavily in on regionalization projects so they may be able to leverage more grant or outside funding if they show there is regional interest.

A motion was made by Director Paul Conner 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. A second was made by Director Tim Foster. All were in favor, the motion carried.

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

[A COPY OF THE PRESENTATION MAY BE FOUND AT EXHIBIT D AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Bittner called on Mr. Franky Howard, CEO and CFO, Ms. Tiffany Riggs to present the item. Mr. Howard added that COO, Mr. David Mohr would also be assisting with the presentation. Mr. Howard began by providing an overview of the ONWASA Budget Process and ONWASA metrics. [EXHIBIT D SLIDES 1-3] Ms. Riggs provided the Budget Details and Budget Drivers including an overview of the revenue and expenditures. [EXHIBIT D SLIDES 4-8].

Director Joann McDermon stated she understood the cost-of-living increase was included and inquired if budgeted merit increases were included in the proposed budget as well? Ms. Riggs responded yes, we have a reserve fund for that.

Mr. David Mohr provided an overview of the Capital Improvement Program [EXHIBIT D SLIDE 9].

Mr. Howard summarized the budget presentation by adding revenues are strong and that helps support the increased cost we are experiencing and see on the horizon. He also commended the staff for holding expenditures to a minimum and added they have not requested anything unreasonable within their budgets. He explained ONWASA is in the middle of a multiyear rate study that has increases laid out so this year we are one more year into that process and it is mainly driven by the long-term capital improvement plan. Mr. Howard said that there are six additional positions requested in the proposed budget that were prioritized from the nineteen requested originally. He said we will now be working on a salary study and organizational assessment to see where the others might fit in later in the budget adding that money is set aside for that. He went on to say that while the CPI for our region was at 9.1 percent, a 5 percent COLA was put into the proposed budget and that can be adjusted based on Board feedback.

Chairman Bittner asked if ONWASA was facing an unusual number of vacancies. Mr. Howard replied we have been steady at around 11 or 12 positions adding we will fill one and another vacancy pops up the next week adding he hoped to be in single digits but two more put in their notices because they have received better employment offers.

Director Foster requested discussion in regard to the COLA. He went on to say the surrounding areas feedback we've gotten has been much more than the minimum 5 percent and the way inflation is going he would like to see us do better than the five percent. Mr. Howard replied that that number would be at the discretion of the Board adding staff has done surveys amongst the member governments and counties around

us and it ranges from five on up to ten in some jurisdictions. Director Foster said he would be interested in at least eight percent.

Director Joann McDermon said she would be interested in seeing the numbers [COLA SURVEY] because she has heard numbers that were lower and higher both so the information would be very helpful for the Board to take a look at and digest.

Chairman Bittner asked what one percent would cost. Ms. Riggs replied not quite \$84,000.

Secretary/Treasurer Pat Turner shared that the federal government was only 2.42 percent this year. She added if you are doing a salary study and not keeping people is there starting pay is not where it should be maybe we need to consider the starting rates going up in lieu of a real high percent COLA adding she wasn't sure what the salary study would prove. Mr. Howard said that is a good point and we are going to provide the best information we can and they are going to look at all the organizations that we compare to as peers.

Chairman Bittner asked how long would it be before the salary study would be available. Mr. Howard responded it would take several months to get through the process from what they are telling us. He added if we were to get started tomorrow, we would be probably looking at a September timeframe.

Mr. Howard said we could look at adjusting the starting salary but one thing that comes to mind is we do have some long-term employees that we don't want to lose track of and have it get out of balance and that will come out in the salary study.

Secretary/Treasurer Pat Turner added if you give a higher starting salary you could end up giving compression money too to fix some things. She shared when the President increased the federal wages to a minimum of \$15 some employees saw an \$8 increase per hour and we have no problem getting people now.

Director Joann McDermon said that is why she does not want to lose sight of the merit increases as well adding she didn't want to only talk about COLA. Mr. Howard reiterated what Ms. Riggs shared in saying we do money set aside for merit increases and we will work together as a team to figure out what is the best approach whether it's performance evaluations with merit.

Vice Chairman Royce Bennett shared what is important to him is if we are paying a fair rate that retains employees and if we have a big turn over then maybe it's salary and added he would want to see the market study if we need to adjust it again in September then we will do that. He went on to say his suggestion would be to leave it at 5 now and see what the market study says with eleven vacancies it doesn't sound like we have an emergency with people just fleeing.

Director Tim Foster stated he didn't want to encourage the opportunity for them to jump ship either. Director Pat Turner shared the only problem with COLA is you give it to your best and worst employee whereas with merit you increase the percentage that you give to your best employees.

Director Paul Conner said he would agree adding that \$240,000 for three percent is stout and we are doing an eight percent rate increase so if we do a COLA increase of three percent it is a snowball effect that has a lasting impact, and it is something to think about. He went on to express we have really good people, and he wants to pay them.

Chairman Bittner asked what the max was for providing merit increases. Mr. Howard responded it was not established in the budget. Ms. Riggs added in past years it has been a one-time bonus not adding to the base salary. Secretary/Treasurer Pat Turner suggested this year looking into a merit with an increase in salary adding the salary study is going to be a big help in determining that. Director Joann McDermon expressed her interest in a model that increases the salary and added she does have a concern about waiting until September to make adjustments saying it is a big deal to have to go back and adjust the budget after already starting the year. Mr. Howard responded we would have it in reserves for that purpose.

Chairman Bittner said he believes what he is hearing from the Board is that we would like that salary study done not in haste but certainly as quickly as possible to get a professional result so we can act on the information. Mr. Howard said internally we have begun preparing the information and are prepared to turn that over to the consultant.

Mr. Howard said he would provide as requested the survey results and get some more feedback.

Vice Chairman Royce Bennett inquired about fuel. Mr. Howard said we budgeted \$5 and that in the same reserve line set aside for salaries there are funds set aside for cost increases that we may see throughout the year. Chairman Bittner said right now we are purchasing from individual service stations and requested Mr. Howard share about his plan for bulk buying. Mr. Howard said he was approached when he was talking with county personnel about a bulk station they are putting in next door to our property on Georgetown so there is an opportunity that we can explore if it works out for our operational procedures to partner with the County. He added we have not officially gone to the County for that request but there are some savings when it comes to buying bulk fuel and obviously not just savings but the resiliency of having your own fuel supply when disaster strikes. Mr. Howard said that was the main reason they did it when he was with Jones County.

Vice Chairman Royce Bennett made 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. A second was made by Director Joann McDermon. All were in favor.

4. PUBLIC COMMENT

There were no members of the public wishing to comment.

5. CHIEF EXECUTIVE OFFICERS COMMENTS

Chairman Bittner called on CEO, Franky Howard, to provide comments. Mr. Howard introduced his leadership team who were in attendance. He shared that after the last meeting of the Board he has been having meetings with ONWASA partners and member governments including North Topsail Beach to talk about the planned booster pump station, and Holly Ridge to discuss the status of the Southeast wastewater treatment plant. Mr. Howard provided an overview of the grant application ONWASA submitted. He shared that he was recently appointed to serve on the Military Affairs Committee representing ONWASA. Mr. Howard stated with hurricane season beginning next month he wanted to share that the ONWASA team works year-round to be prepared for when disaster strikes doing things such as increasing generator capacity and employee training. Chairman Bittner thanked Mr. Howard for the report and added in the budget there is a section about a customer survey, and he encourages anyone who hasn't read it to do so.

He went on to say it was very complimentary of the management and the employees in terms of the job they are doing. Mr. Howard said he was glad Chairman Bittner mentioned that because he also wanted to share that he received a compliment about an employee, Alex Avery, in metering who helped a customer change a tire. Mr. Howard went on to say while participating in a job interview the day before an applicant was very complimentary of how a customer service representative was handling a situation with a customer.

BOARD OF DIRECTOR'S COMMENTS

Chairman Bittner noted Mr. Howard has been with ONWASA two months now and he is impressed with the comprehensiveness of his reports and it seems like he has become fully immersed in the operations and all the projects that are going on. He went on to say he gives him and he is sure the rest of the Board a feeling of confidence in his administration.

Vice Chairman Royce Bennett said Mr. Howard mentioned hurricanes and resilience and we've been working on the stream crossing projects for a while is there an update on how many of those are left? Mr. Howard asked Mr. Mohr to provide the information. Mr. Mohr said we have not completed any more recently but we have three that will be done when we complete the water line project between Swansboro and Piney Green. He added we haven't had a lot of lucky securing funding but WK Dickson who did the grants for us is looking at other opportunities potentially there is some funding through the military for resiliency that we may very well fit right into. Ms. Riggs added there are three in the small projects budget. Mr. Howard reiterated that we could possibly go after some grant money through the federal program as Mr. Mohr mentioned resiliency is the theme this year. Vice Chairman Royce Bennett thanked the employees and Mr. Howard for the work.

Secretary/Treasurer Pat Turner said she would like to echo what Chairman Bittner said as to the thoroughness of the reports adding she sometimes feels like she is reading a book and she said she knows what it takes to put together a budget and expressed thanks to Tiffany and group for their work.

Director Joann McDermon said she would echo what everyone else said and she knows what a difficult year it is to put together a budget when you have no idea what your expenses are going to skyrocket to and she expressed appreciation for all of the thought that went into it and we will hope for the best and hopefully they will come down.

Chairman Bittner added congratulations to Royce, Tim, and Bob saying we look forward to your continued participation and leadership.

Director Paul Conner made a motion to adjourn the meeting. A second was made by Secretary/Treasurer Pat Turner. All were in favor.

The meeting was adjourned at 6:55 PM.

The minutes were approved on June 16, 2022.

Onslow Water & Sewer Authority Board of Directors

Jerry A Bittner

Jerry Bittner, Chairman

ATTEST:

Heather W. Norris

Heather Norris, Clerk



EXHIBIT A

ADMINISTRATIVE SERVICE AGREEMENT

AGREEMENT made this ____ day of _____, 2022, by and between **ONSLow WATER AND SEWER AUTHORITY** (the "Authority") a body politic and corporate of the State of North Carolina, and the **TOWN of _____** (the "TOWN"), a municipal corporation of the State of North Carolina;

WITNESSETH:

WHEREAS, the County of Onslow (the "County") the City of Jacksonville, and the Towns of Swansboro, Richlands, North Topsail Beach and Holly Ridge, acting through their respective governing bodies, pursuant to the provisions of Article 1, Chapter 162A of the General Statutes of North Carolina, organized and incorporated the Authority as a vehicle to assist in providing a satisfactory supply of potable water and sewer collection/treatment for citizens of the member governments of the Authority; and,

WHEREAS, in furtherance of the purposes for which the Authority was created, the County and above referenced municipalities, with the exception of Jacksonville, leased to the Authority their water and sewer systems pursuant to long term Capital Lease Agreements and the Authority pursuant to Water and Sewer Service Agreements having terms concurrent with the Capital Lease Agreements, agreed with each such member government to meet the water and sewer needs of their citizens within the limitations of available supply; and

WHEREAS, the Authority's main offices are on Georgetown Road in the City of Jacksonville; and

WHEREAS, for the convenience of customers of the Authority located in or in the general vicinity of the Town, it was provided in the Water and Sewer Service Agreement with the Town that the Authority shall maintain facilities in the Town for the purpose of the bill payment and telephone communication from customers; and

WHEREAS, pursuant to N.C. Gen. Stat. § 162A-6 the Authority is authorized to enter into agreements with units of government relating to the operation of the Authority's utility systems; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

1. The Town shall, at its sole cost and expense, perform certain duties on behalf of the Authority, such as collecting payment for services provided by the Authority. The exact functions to be performed by the Town are described on **EXHIBIT A** attached hereto and made a part hereof. The Town shall prominently display ONWASA's name on office doors and in other suitable locations on the exterior of the Town Hall premises as is reasonably necessary to advise the public that Authority administrative services are available at the Town Hall. The Authority shall be responsible for providing the Town with such computer, internet, technical support and supplies as necessary at the discretion of the Authority for the Town to perform its duties under this Agreement.
2. The Authority shall pay to the Town for services performed pursuant to this Agreement the sum of \$2,916.67 per month, payable on or before the 10th day of each month; provided, however the Authority may deduct from any monthly payment an amount equal to \$16.83 (35,000/2,080) for each hour in the previous month worked by Authority personnel in

performing any administrative services which the Town was obligated to perform pursuant to this Agreement.

3. In lieu of providing the services to the Authority set forth in paragraph 1 above, the Town may at time during the term of this Agreement request the Authority to set up a kiosk in the Town to provide services to the citizens. Should this request be made, the Authority shall, as soon as practicable, establish a kiosk in the Town to provide services. Beginning at the end of the month in which a kiosk is established in the Town, all payments provided in paragraph 2 above shall cease, and the Town shall have no further obligation to provide those services set forth in paragraph 1 above.
4. This Agreement shall continue in effect through June 2023. Either party may terminate this Agreement as of the end of any month by giving the other party at least 60 days notice in advance of the termination date. If a Town is providing services as set forth in paragraph 1 above, a decision to reduce operating hours would be at the discretion of the Authority's Member Governments hosting these satellite offices if Town Facilities are being utilized.
5. The Authority agrees on behalf of the Town to bill to any Authority customers any solid waste fees which such customers may also owe the Town. The Authority will collect such fees in the routine course and remit all payments to the Town. The Authority shall not be responsible for bringing any legal action or taking any extraordinary steps to collect amounts due the Town, other than billing for such charges and remitting any collections to the Town. All claims on account of the Authority billing for and collecting sewer and solid waste fees on behalf of the Town shall be made against the Town, and shall be the sole liability of the Town.
6. The Town and the Authority, in the performance of this Agreement, will be acting in an individual capacity and not as the employee, partner, joint venture, agent or associate of one another, except as may be expressly otherwise provided herein.
7. This Agreement may be modified only by a written agreement executed by both parties hereto.
8. This Agreement is not assignable by either party, by operation of law or otherwise.
9. This Agreement sets forth the entire agreement between the Authority and the Town and supersedes any and all other agreements on this subject between the parties.
10. In the event of any noncompliance of any term or terms of this Agreement by the Town, the Authority may, at its sole option, declare the Town in default and immediately terminate this Agreement.
11. The laws of the State of North Carolina shall control and govern this Agreement.
12. Any claims, disputes, or other controversies arising out of, and between parties to this Agreement which may ensue shall be subject to and decided by the appropriate division of the General Court of Justice in Onslow County, North Carolina.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this instrument to be executed as of the day and year first above written.

ONWASA WATER & SEWER AUTHORITY

TOWN OF _____

By: _____
(PRINT NAME/TITLE)

By: _____
(PRINT NAME/TITLE)

(SIGNATURE)

(SIGNATURE)

ATTEST:

ONWASA Clerk to the Board

ATTEST:

Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Chief Financial Officer

Exhibit A

DUTIES

- Collection of payments from customers
- Post payments to customers' accounts
- Process payments received in drop box
- Balance cash and make bank deposit daily
- Process applications for service at existing properties which includes collecting deposit and associated fees
- Process payments for reconnection of service terminated for non-payment and generate adjustment journal
- Generate service orders for termination of service requested by customer

Pine State Forestry, PLLC

6180 Gum Branch Road Jacksonville NC 28540
akfaircloth62@gmail.com



Proposal for Potential Client

Onslow Water and Sewer Authority (ONWASA)

228 Georgetown Road, Jacksonville, NC 28540

Pine State Forestry, PLLC has been asked to submit a proposal of services for ONWASA to help with forest management of its forestland assets found in Onslow County, North Carolina. These services include, but are not limited to creation/implementation of forest management plans, active forest health monitoring, forest protection, boundary-line maintenance, facilitation/administration of timber sales, oversight of road maintenance/improvements, creation/implementation of reforestation plans, and other services as needed for land management purposes. The employment and administration of the forest management activities aforementioned will primarily be realized on two ONWASA land holdings found in the Holly Ridge and Richlands communities. Pine State Forestry, PLLC proposes the following fees associated with the forest management needs for these two tracts:

Timber Sales

All timber sales will be assessed at **6.80%** of the gross timber revenues. The timber sales commission will cover the advertising, timber sale delineation, and solicitation of bids from the area timber buyers. This fee also includes a pre-sale timber cruise and evaluation of the timber resources being sold, along with the establishment of a fair-market-value minimum for the tract. This is a figure that will be created with the approval of the CEO of ONWASA or his designated representative prior to the advertisement of the timber sale. The commission fee also includes administration and supervision of all harvesting activities that will be conducted by the successful timber buyer including: compliance with the terms of the timber contract (recorded instrument) and compliance with state and federal guidelines/regulations related to timber harvesting. The timber will be offered for purchase based on both lump-sum and unit-pricing/stumpage methods of sale where appropriate or customary.

Ashley K. Faircloth
Justin K. Faircloth

NC Registered Forester #677
Operations Manager

(910) 376-0462 cell
(910) 581-6581 cell

Pine State Forestry, PLLC

6180 Gum Branch Road Jacksonville NC 28540
akfaircloth62@gmail.com



Reforestation

Reforestation supervision will be billed at **\$20.00 per acre**. This service will include a submitted reforestation plan to the appropriate government entity, recruitment of reforestation contractors, supervision of said reforestation contractors, and selection of the appropriate tree species to be planted according to site or stand. Tree species will be recommended in the reforestation plan and will include suggestions based upon ONWASA's management desires. The forest management plans will be submitted to either state or federal programs which may provide some cost share opportunities.

Forest Management Plans

Forest management plans will be written and submitted for each property ownership and assessed at **\$10.00 per acre**. These plans will include a landowner objective, which will be developed with input from ONWASA and its governing board. The forest management plans will be written in compliance with the American Tree Farm Standards which will allow the tracts to be submitted to the American Tree Farm System, and the North Carolina Tree Farm Program for membership. This designation presents ONWASA with a superb opportunity for public relations, while simultaneously demonstrating that the forestland is being managed on a sustainable basis. This membership will include all of the benefits of membership (benefits overview available at www.nctreefarm.org) and advertisement for being a part of the American Tree Farm Program. Forest management plans are created on a 10-year horizon, and updated every 5 years, which meets the American Tree Farm standard. The forest management plans will require a reasonable amount time to create; a comprehensive plan necessitates a boots-on-the-ground evaluation of the condition of the forest assets. In the meantime, a quick and temporary, working-forest management plan will be developed to take advantage of the exceptional timber sale market that currently exists. Any forest health and/or protection concerns/opportunities for improvement will be addressed during the creation of the working-forest management plan.

Hunting Club Management

Where ONWASA currently has hunting leases in effect, Pine State Forestry, PLLC can assist with management/oversight, and be the point of contact for the hunting club if desired. This creates a buffer between ONWASA and the club in regard to issues that may arise related to forest management, hunting liability insurance, and any other compliance issues. All proceeds for the hunting lease will still be made payable to ONWASA, and Pine State Forestry, PLLC will charge ONWASA for services based upon an hourly rate or otherwise agreed upon contractual fee.

Ashley K. Faircloth
Justin K. Faircloth

NC Registered Forester #677
Operations Manager

(910) 376-0462 cell
(910) 581-6581 cell

Pine State Forestry, PLLC

6180 Gum Branch Road Jacksonville NC 28540
akfaircloth62@gmail.com



Other Services

All other services will be billed at **\$55.00 per hour** which includes: boundary line maintenance, periodic forest health assessment(s), road maintenance oversight/recommendations*, pest (beaver) control, storm damage assessment(s), and any other forestry activity required or requested.

**Note: At the time of writing, we are unsure if road maintenance can be done in-house or if finding roadwork contractors to conduct any need will be necessary, but in either case supervision, planning, and coordination will be available.*

Summary

All activities conducted and supervised by Pine State Forestry, PLLC will be done in compliance with state and federal guidelines and regulations pertaining to water quality, and the accepted Forest Practice Guidelines for the state of North Carolina. These Forest Practice Guidelines are monitored by the North Carolina Forest Service. Pine State Forestry, PLLC will represent ONWASA as its agent, if needed, in any meetings that may occur with other state agencies, and/or federal regulatory agencies such as the Army Corps of Engineers or the Environmental Protection Agency (EPA) in regard to proposed or implemented forest management activities. All conducted forest management activities and relationships with ONWASA will be performed to the standards and accepted practices in adherence to the State Board of Registration for Foresters for the state of North Carolina. Any cost of materials or items needed to conduct forest management will be pre-approved by ONWASA before purchase.

Additionally, Pine State Forestry, PLLC will correspond with ONWASA's neighboring landowner in Holly Ridge, which is the Camp Lejeune Marine Corps Base, to ensure that any forest management activity conducted on ONWASA's property does not interfere with their military mission. This will include notifying the appropriate base entity or department when needed to inform and mediate any potential impact of forest management. Pine State Forestry, PLLC will be available as requested for any other forestry need or assistance.

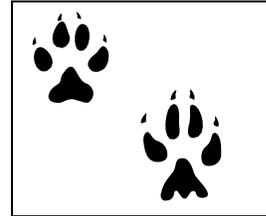
Thank you for the opportunity and consideration of this proposal for forestry services. Please let us know if we can answer any questions or if assistance is required in regards to items found within the proposal.

Ashley K. Faircloth
Justin K. Faircloth

NC Registered Forester #677
Operations Manager

(910) 376-0462 cell
(910) 581-6581 cell

Ashley Keith Faircloth
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Jacksonville, North Carolina 28540
(910) 324-7272 Home
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akfaircloth62@gmail.com



Highlights of Qualifications

- Over 35 years' experience in Forest Products Industry, which includes forest management, wood procurement, personnel management, logistics management, mill supply management, and public relations management.
- Worked as a landowner outreach forester during tenure with Georgia-Pacific Corporation.
- Strengths include analyzing, leadership, problem solving, consensus building, facilitating, people management, and asset management.
- Reliable, self-motivating and hardworking; thorough in completing projects; thrives on the challenges of identifying and meeting goals.
- Forest management experience managing the Hofmann Forest (~80,000 acres) for the NC State Natural Resources Foundation, Inc. and NCSU-CNR.
- Experienced and familiar with legislative affairs in two states.
- Proficient with Microsoft Office Programs.

Education

Louisburg College. 1980-1982. Transferred to NC State.

NC State University. BS in Forestry, 1985.

Natural Resources Leadership Institute. 1996 Graduating Fellow (NC State)

Certifications

North Carolina Registered Forester #677
 SC TOP Logger Trained

Work History

- 2019 to Present **Pine State Forestry** – (owner) consulting firm working with forest landowners and forest industry clients. Services include reforestation plans, timber sale management, timber stand improvement, and forest management plans. Industry client services include procurement and market strategic analysis along with logistical management of green wood flow.
- 2016 to 2018 **Northeast Regional Manager- Claybourn Walters Logging Company**
 Responsible for developing timber markets, acquiring timber stumpage, and contracting area loggers to harvest acquired timber. Develop working business area units to be filled by new timber procurement personnel. Creating a regional procurement force in a new area for the company.
- 2007 to 2016 **Director of Forestry Operations – NC State Natural Resources Foundation, Inc.**
 Responsible for all forest management operations on 5 endowment forests.
 Manage 7 employees and interact with two non-profit boards.
 Coordinate and support on-going research on endowment forests.
 Manage public relations related to the endowment and Foundation forests.
 Preparing annual budgets and managing an annual budget of +/- \$5 million.
 Protecting and enhancing endowment forest assets of \$175 million. Over 10% of annual tree planting budget was dedicated to longleaf pine establishment.

- 1990-2006 **Georgia-Pacific Corporation**
SC Wood Procurement Manager 1998-2006
 Manage an annual wood procurement budget of + \$100 million along with managing and leading 30 employees. Procurement activities provided over 2 million green tons of raw wood products to 5 plywood plants, 5 lumber mills, 1 OSB mill, and 1 LVL mill in states of SC, NC, VA, WV, FL, and GA annually. Mill relations, corporate relations, and public relations were additional duties of the job.
- Wood Procurement Forester 1990-1998**
 Performed the duties of a wood procurement forester in three states (NC, SC, & VA). These duties included purchasing standing timber, outside purchase wood, and woodyard management. Logging supervision was an essential part of the job.
- 1989-1990 **Faircloth Forestry Investments**
 Self-employed Forestry Consultant. Largest contract job was for M.C. Sanders Logging - helping manage and coordinate the movement of salvage wood to NC Mills from SC Hurricane Hugo damage. Most of the work was conducted in and around the Francis Marion National Forest. At its peak we shipped over 100 truckloads/day to NC.
- 1983-1989 **Canal Wood Corporation**
 Procurement Forester and Office Manager for the south's largest wood dealership. I was primarily based in New Bern, NC after graduation, but I worked out of the Jacksonville and Kinston Offices. Started working for the company as an intern in 1983 at both Moncure and Hayne Offices. Duties included the purchasing of standing timber, supervision of logging, and marketing of timber products to area mills.

Professional Affiliations

NC Forestry Association – member since 1990
 Board of Directors 2008-2016
 Executive Committee 2010-2013
 Chairman 2013
 President 2012
 Vice President/Treasurer 2011
 1998 NCFA Educator of the Year Award
 1998 NCFA Communicator of the Year Award
 SC Forestry Association – 1998-2008
 SCFA Board Directors 2003-2006
 SCFA/SFI-SIC 2000-2006
 SC Forester's Council 2000-2003 (Chair 2002)
 SC Chairman of the Governor's Forest Disaster Council 2002-2003
 NCFA Chair of PAC Committee 2016-present
 NC Tree Farm-President Elect 2021
 FRA-Forest Resources Association - member

Georgia-Pacific Corp. Special Projects/Special Awards

GP-GO: Wisconsin Operations Advisor 1993
 1993 Tree Wish Tour
 1994-1997 Wildlife Enhancement Project
 1998 Finalist in GP Corporate Environment Outreach Awards
 2000 nominee for Area Procurement Forester of the Year

Other Special Projects

Jones County Quality of Natural Resources Alliance – Mediator & Facilitator 1996-1997

White Oak River Drainage Advisory Board 1996-1997
Jones County Ducks Unlimited Committee 1996-1997
Onslow County Parks and Recreation Advisory Board 2010 – 2018
Onslow County Museum Advisory Board 2011-2016

Education Honors and Societies

Phi Kappa Theta – Louisburg College 1980-1982 (President, 1982)
Marshall - Louisburg College 1981
Xi Sigma Phi – Biltmore School of Forestry

Personal Data

DOB: September 8, 1962
Status: married, Kathryn
Children: two boys Justin and Jacob

References/Clients- Short List

Charles Jones (Brock Motor)
Trenton, NC

Clare Lynn Brock
Trenton, NC

Leon Ward Sylvester III
Piggly Wiggly Stores and Farm
Richlands, NC

James M. Day
Day Farms
Richlands, NC

William Bryan Hargett III
Ayden Stockyard and Cattleman
Hargett's Crossroads, NC

Jere Pelletier and Family
Forest Landowner-Belgrade Area
Jacksonville, NC

Big Brother USA LLC
Log Exporter
Fairmont, NC

Forest Resources Association
Southern Region Consultant
Washington, DC

Alum Springs Tract
Davis Family Tree Farm
Richlands, NC

Simmons Family Tree Farm
Kinston, NC

Bell Brothers Farm
Tree Farm
Pollocksville, NC



O: 910.455.0722

F: 910.347.0793

onwasa.com

228 Georgetown Rd
Jacksonville, NC 28540

May 19, 2022

To Whom It May Concern:

The Onslow County Water and Sewer Authority (ONWASA) has recently completed planning for a capital improvement project to increase wastewater treatment capacity in its Southeast Service Area, which includes the Town of Holly Ridge and nearby housing developments. The goal of this work is the construction of a new treatment facility that will meet a projected demand of 1.0 million gallons per day (MGD) by 2040, with the ability to easily expand to 1.5 MGD if required to meet future needs.

In recent discussions with the nearby Town of Surf City on areas of mutual interest, ONWASA was briefed on their Wastewater Master Plan and an alternative that includes a direct wastewater effluent discharge into the Northeast Cape Fear River. It is our understanding that previous studies have shown this portion of the river can support at least 3.0 MGD of wastewater effluent disposal, and that the Town is seeking 2.32 MGD a day for said disposal. Given the difficulties in locating suitable surface discharge sites in the coastal region, ONWASA is providing this letter in support of the effluent discharge line alternative as a regional asset and to request that the potential future capacity needs of ONWASA be considered when evaluating and permitting this project.

If you need more information regarding this matter or ONWASA, please contact Chief Executive Officer, Franky J. Howard, at (910) 937-7532. Please also note that this letter does not establish or imply any fiduciary responsibility on the part of ONWASA towards the effluent discharge line project.

Sincerely

Jerry A. Bittner, Chairman
ONWASA Board of Directors



Town of Surf City

Douglas C. Medlin, Mayor
William J. (Buddy) Fowler, Mayor Pro-Tem
John Koloski, Councilman

Donald R. Helms, Councilman
Teresa B. Batts, Councilwoman
Jeremy Shugarts, Councilman

May 3, 2022

Franky J. Howard, CEO
Onslow Water and Sewer Authority
228 Georgetown Road
Jacksonville, NC 28540

Dear Mr. Howard,

I want to thank you for your time taken to meet with myself and Surf City Utilities Director, David Price, to talk about future capacity needs and effluent challenges. Surf City and ONWASA have always been able to openly communicate about plans and I am sincerely appreciative of that.

As we discussed, the Town is actively pursuing design and permitting for an effluent discharge to accommodate the growth expected in our region. To further define our need, we are reaching out to potential partners in this project that may have future capacity desires to show the State of North Carolina that this project may be able to provide benefit to others in our region.

I would ask that ONWASA consider preparing a non-binding letter to Surf City showing your support, and if the opportunity presents itself in the future, potentially be able to tap into another resource for your operations.

Should you have any questions or need clarification, please let me know.

Regards,

Kyle M. Breuer, Town Manager



FY23 Proposed Budget

Franky Howard
Chief Executive Officer

The Process

1. Budget team reviews Board directives (CIP, financial plans, board goals) as well as environmental pressures and revenue projections
2. Budget team develops guidelines for departments
3. Departments research cost increases, equipment repairs/replacements and create budget requests
4. Budget Team and Departments work together to craft a proposed budget
5. Delivered to the Board for your consideration

ONWASA

“By-the-Numbers”

- 3,446,389,792 Gallons of Water Pumped Annually
- 372,330,433 Gallons of Wastewater Treated Annually
- 898,984 Miles Driven Annually
- 659,100 Meter Readings Annually
- 289,561 Transactions Processed Annually
- 154,659 Main Office - Phone Calls Handled Annually
- 74,851 Lab Analysis' Processed Annually
- 56,616 Work and Service Orders Processed Annually
- 1,233 Miles of Water Mains
- 152 Facilities to Maintain
- 10 10th Largest Public Water Provider in NC
- 3 3rd Largest Water Authority in NC



ONWASA

Budget Details

Tiffany Riggs
Chief Financial Officer

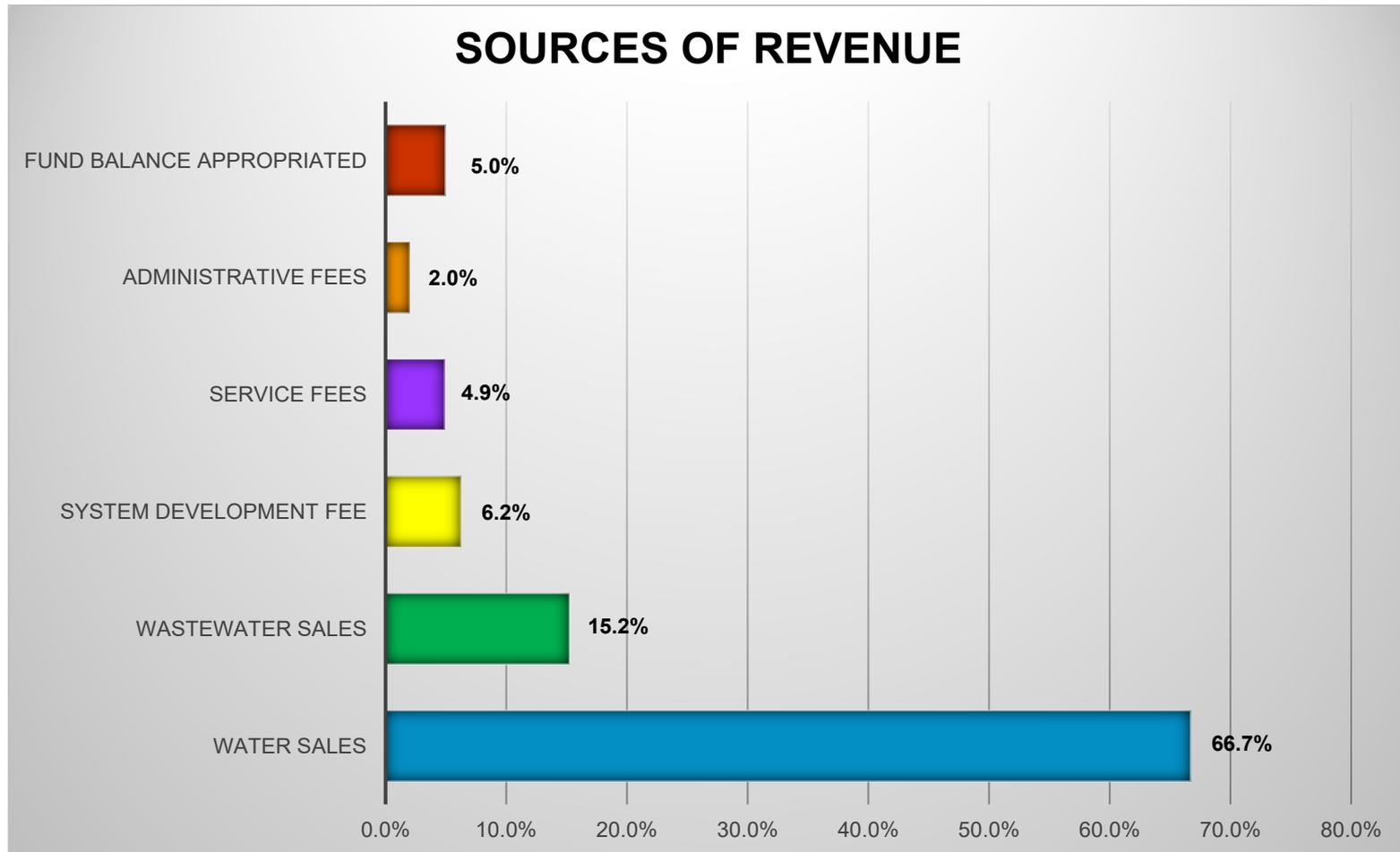
Budget Drivers

- Current revenues must equal current expenses
- Increased Customer Demand
- Increased Operational Costs
- 2020 Capital Improvement Program
- 2020 Raftelis Rate Study requirements
- ONWASA Strategic Plan

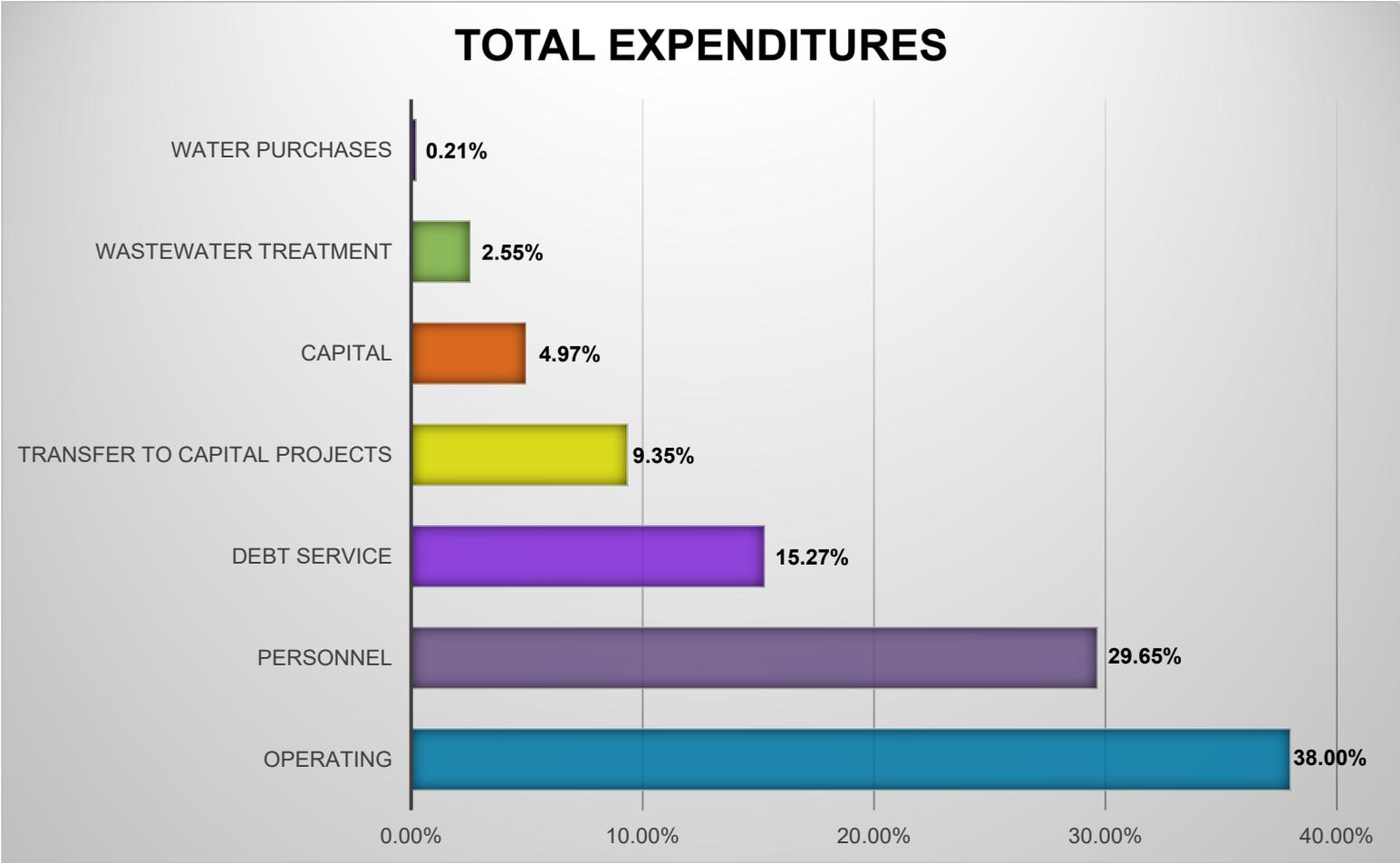
FY23 Budget – At a Glance

- Operational Budget balanced at \$35.2M
- Unreserved Fund balance less pay-go projects - \$21M
- User Fees are the primary revenue at \$28.9M
- \$1M Disaster Contingency
- Fund balance of \$1,750,000 appropriated for 1-time capital requests
- 5% COLA increase budgeted
- 6 new positions

Sources of Revenue



Total Expenditures



Capital Improvement Program Highlights

- ✓ **Design & Construct Swansboro Wastewater Force Main**
- ✓ **Design & Construct Southeast Wastewater Treatment Plant**
- ✓ **Design & Permitting of Interim Capacity Improvements at Summerhouse Wastewater Plant**
- ✓ **Design & Permitting Highway 24 Regional Trunk Main Replacement**
- ✓ **Complete Laboratory building addition**
- ✓ **Design, Permitting and Bidding for Topsail Island Booster Pumping Station**

Public Information & Feedback

- Proposed budget is online at www.onwasa.com
- Both written and emailed comments from the public are invited.

budgetcomment@onwasa.com

Budget Comment

c/o ONWASA Administration

228 Georgetown Road

Jacksonville, NC 28540



Board Action Requested

Franky Howard
Chief Executive Officer

Request to set the public hearing.

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.