

**Onslow Water & Sewer Authority**  
**Board of Directors' Regular Meeting Jacksonville City Hall**  
**Thursday, June 18, 2025**  
**APPROVED MINUTES**

**CALL TO ORDER:** Having a quorum, Chairman Royce Bennett called the meeting to order at 6:10 pm. Board members present included Chairman Royce Bennett, Vice Chairman Paul Conner, Secretary/Treasurer Richard Grant, and Directors Jerry Bittner, Joe Brown, Greg Hines, Tony Padgett, and Robert Warden.

**PLEDGE OF ALLEGIANCE:** Chairman Royce Bennett led the Board and audience in the Pledge of Allegiance.

**INVOCATION:** Chairman Royce Bennett provided the invocation.

**CHAIRMAN'S REMARKS** –Chairman Royce Bennett provided general guidance to the audience regarding the meeting.

**1. APPROVAL OF AGENDA –**

Vice Chairman Paul Conner made a motion to amend the agenda to add Item J CEO Contract. Director Tony Padgett made a second. All were in favor. The agenda was amended to add Item J CEO Contract.

Secretary/Treasurer Richard Grant made a motion to approve the agenda as amended and Director Greg Hines made a second. All were in favor. The agenda was approved as amended adding Item J CEO Contract.

**2. APPROVAL OF CONSENT AGENDA**

**[A COPY OF THE ADMINISTRATIVE SERVICE AGREEMENTS (3) MAY BE FOUND AT EXHIBIT A, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

A motion was made by Vice Chairman Paul Conner to approve the Consent Agenda as presented. A second was made by Director Tony Padgett. The motion passed unanimously. Therefore, the May 2025 Finance Reports and April 2025 Operations Reports were accepted, the April 10, 2025 Special Meeting Minutes and the May 15, 2025 Regular Meeting Minutes were approved as presented, and the Administrative Service Agreements were approved.

**3. BUSINESS**

**A. Discussion of the FY2025-2026 Proposed ONWASA Budget**

Chairman Bennett called on CEO, Franky Howard to present the item. Mr. Howard began by thanking staff and Leadership Team who have been working on this budget since January. He emphasized that with this Budget as it is every year we are 100% funded by rate payer fees that we set through our fee schedule adding we are not funded by the County or any other municipality in Onslow County to offset our budget so we have to generate our revenue based on our fee schedule or with the occasional grant that we may receive from the State and fortunately most recently we have had some alternative revenues that help balance the budget.

Chairman Bennett said he assumes the budget has been published. Mr. Howard replied that it had been published, and no comments were received.

Director Hines said he had to be at the Holly Ridge Town Budget meeting and wasn't able to make the budget presentation meeting adding he understands why we are going up on rates but he is not crazy about it. Chairman Bennett stated the rate study kind of ties our hands on

those. Director Hines replied it was kind of our fault over the years we were proud about not going up on rates and now it has come back to bite us and our old infrastructure we are having to take care of that so I can understand it and he hopes the rate payers understand it.

No action was taken.

#### **B. Public Hearing – FY 2025 – 2026 Budget**

Chairman Royce Bennett stated on Thursday, May 15, 2025, the Board held a meeting and set the date, time, and location of the public hearing on the proposed 2025-2026 ONWASA Budget that is tonight, the public hearing has been advertised as required by State law, a full copy of the budget with all supporting documents has been posted on the ONWASA website and made available in the lobby of the main office. Chairman Bennett opened the Public Hearing on the FY 2025 – 2026 Budget and called on members of the audience who wished to speak.

Ms. Taren Carranza expressed concern about the pace and prioritization of infrastructure expansion, particularly in relation to water and sewer projects that are enabling large-scale development before it's needed by existing residents. She emphasized that this infrastructure is often planned and budgeted far in advance, primarily to support future growth, rather than addressing current community needs.

Ms. Carranza stressed that this approach is contributing to imbalanced growth, placing significant strain on overcrowded schools, congested roads, and essential services. She argued that while economic development is important, unchecked growth without coordination among infrastructure, schools, and roads is unsustainable.

She urged the Authority and local governments to reconsider who is paying for infrastructure. Specifically, she advocated for developers—whose projects benefit from this infrastructure—to shoulder more of the financial burden. She also noted that public utility rate increases are disproportionately affecting current residents, creating affordability challenges for both present and future generations.

Ms. Carranza called for greater transparency when ratepayers fund infrastructure that supports private development, and for a more holistic planning approach—one that emphasizes long-term sustainability, school capacity, road safety, and overall community well-being, not just the expansion of utility lines.

She closed by thanking the Authority Board for their service and asked them to prioritize infrastructure that benefits the entire community, not just development interests.

There were no other citizens signed up to make comments. Chairman Bennett closed the Public Hearing.

#### **C. Consideration of the Proposed 2025-2026 Budget**

**[A COPY OF THE 2025 UPDATED CIP, BUDGET ORDINANCE FOR FY 2025-2026, AND RATE & FEE SCHEDULE FOR FY 2025-2026 MAY BE FOUND AT EXHIBIT B, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Secretary/Treasurer Richard Grant asked that next year he would like to examine the rate structure adding he fully supports the budget but in terms of the impact on existing people versus large users that are coming into the system.

Mr. Howard shared that we do have a tiered rate structure so the more you do use the higher the rate is. Secretary/Treasurer Grant said so the unit is. Mr. Howard replied yes

the per gallon amount so there is some built in structure to help promote conservation. Mr. Howard also added that we do have system development fees as far as developers or anyone that has a new connection to our system pays those fees. He explained that we have a study that is required by the State to be completed every five years for the system development fee rates with the last study completed last year. He said that we bring in close to five million in system development fees annually that help offset these capital improvements that are necessary for meeting the needs of the development. Mr. Howard said we are looking at updating our rate study for our future bond sales so we are looking at different scenarios and will mention that as well. Secretary/Treasurer Grant replied I know we had the issue with the trailer park and you did a good job on recognizing that there was an issue there. Chairman Bennett said there seems to be a misconception adding that most future development is paid for by system development fees not the current ratepayers and we are very careful to try and make sure that developers are paying for what their additional usage is. From the audience Ms. Carranza inquired about the pipes at new development sites. Vice Chairman Paul Conner explained they put their own pipes in for the most part. He went on to say when we are putting pipes in the ground we are repairing existing lines. Mr. Howard added that one example is a camp ground in Swansboro where they turned over to ONWASA over a million dollars in assets after they built their development for the lines within that development and they paid system development fees on top of that. Ms. Carranza from the audience added that it isn't just about the money but also about the balance of overall growth and how we can keep up. Vice Chairman Paul Conner explained that with schools they are a separate entity. Chairman Bennett added that Onslow County has a \$400 million capital improvement program for the schools over the next ten years so we are planning for the growth in the schools but what we don't want to do as a County is build a whole bunch of schools and have them sit there vacant because we don't have enough kids to put in them so we try to keep up with growth and it is always a balancing act you got to have more kids to build more schools and then you get more kids and then you have to have more schools. He shared that one more thing to note is we are not the only act in town either explaining people can do developments and not use our sewer they have other options and if they want to use well water and septic tanks then they can make a development without ONWASA. Vice Chairman Conner added there are a lot of developments we do not serve sewer wise. Chairman Bennett said we appreciate your comments, and it is a concern of all of us. He shared that just last year the county did a new comprehensive land use plan where we are trying to direct the development to the places, we think is most economical and ecological. He went on to explain we do not have control over roads that is the State. Secretary/Treasurer Richard Grant said the good news bad news thing is they have discovered Onslow County. He shared that he is in North Topsail Beach and it is insane the people are coming down and the stuff they are building; nobody is building a beach house in North Topsail anymore they are building mini hotels 12 bedrooms 15 baths. He went on to say we can not deny them a building permit but now you have someone who uses four times as much water for that same property.

Secretary/Treasurer Richard Grant made a motion to adopt the 2025 Updated CIP. Director Greg Hines made a second. All were in favor; the 2025 Updated CIP was adopted.

Director Jerry Bittner made a motion to approve the ONWASA budget ordinance for fiscal year 2025-2026 along with the proposed rate schedule as presented. Director Greg Hines made a second. All were in favor, the motion passed unanimously.

**D. Patriot Park Three Party Agreement**

**[A COPY OF THE PATRIOT PARK THREE PARTY AGREEMENT MAY BE FOUND AT EXHIBIT C, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on CEO Franky J. Howard to present the item. Mr. Howard shared that the City of Jacksonville reached out to ONWASA requesting consideration of this three party agreement because the ONWASA water infrastructure is closer to this particular project. He said they have worked on this agreement for a few months, it has been reviewed by Authority Attorney, Brett DeSelms, and the Jacksonville City Council has approved it at a recent meeting. He explained that under the agreement ONWASA would provide water service and the City of Jacksonville will provide sewer and once the project is built out to phase two the City of Jacksonville will be requesting the developer connect to their water infrastructure and ONWASA will sever the connection to its system.

Chairman Royce Bennett said he really appreciates our cooperation and opportunities to work with the City of Jacksonville. Director Joe Brown said in the terms of the agreement the City of Jacksonville will manage customer billing and remit payment to ONWASA, is that something we are doing until we can take it over or is that going to be a permanent thing. Mr. Howard answered it is because they prefer, and we do too that the customer have one bill rather than we send them a water bill and they send them a sewer bill and they basically do a third-party billing for us at our rates. Secretary/Treasurer Rick Grant asked who pays the cost of connection. Mr. Howard replied the developer. Secretary/Treasurer Grant followed up and asked if we would keep the connection available comparing it to our connection to Surf City. Mr. Howard replied yes and in fact they asked to make our connection and emergency backup connection. Director Warden clarified that by law we [City of Jacksonville] can't charge those customers any more than we would charge any other Jacksonville City residents so if ONWASA rates are higher then the City of Jacksonville subsidizes those fees.

Director Bob Warden made a motion to approve the Patriot Park Subdivision Three-Party Water Service Agreement with the City of Jacksonville and Ellis Development Group, and to authorize the CEO to execute this agreement and any related documents necessary in connection with this action. A second was made by Director Tony Padgett. All were in favor, the motioned passed unanimously.

**E. Audit Contract Renewal**

**[A COPY OF THE AUDIT CONTRACT WITH MAULDIN & JENKINS, LLC MAY BE FOUND AT EXHIBIT D, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Bennett called on Mr. J. Eric Adams, CFO, to present the item. Mr. Adams began by explaining this item is the second of four renewals from the 2023 RFB where Malden and Jenkins was selected. He shared that we have been very satisfied with their service and thoroughness and timeliness of responses. He said we will have a new audit partner in charge this year; they are transferring the engagement to Leanne Bagosola and that will begin at the execution of the contract. He shared that the Local Government Commission did extend audit due dates to December 31st for fiscal year 25 and forward in response to many of the late audits from counties and municipalities throughout the state so they did move that date from October 31<sup>st</sup> to December 31<sup>st</sup>.

Director Tony Padgett made a motion to approve the contract with Mauldin & Jenkins, LLC to complete the fiscal year 2025 audit. A second was made by Vice Chairman Paul Conner. All were in favor, the motion passed unanimously.

**F. Truck Chassis with Dump Body Purchase**

**[A COPY OF THE TRANSOURCE PROPOSAL LETTER & PROPOSAL STATE TERM CONTRACT 2518A AND GODWIN QUOTE MAY BE FOUND AT EXHIBIT E, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Mr. Adams explained this item is for the purchase of a new tandem axle truck chassis with dump body. He shared that we worked with the vendor TransSource on the last purchase adding we issued a PO in 22 and received the unit this past March so it took some time working through COVID timeline to receive the item. He said we did want to get a like unit so we have continuity on that equipment. He further explained we worked with the state term contract to get the contract in place and shared that the price increase is only \$4,600 more than the unit purchased in 2022. He said the total cost for all options and delivery is \$180,288.00. Director Tony Padgett asked if that is the state contract price. Mr. Adams replied yes.

Secretary/Treasurer Richard Grant made a motion to approve the purchase of one Mack Truck Chassis (GR64FR) with Godwin Dump Body from TranSource, Inc., and authorize the CEO to execute purchase contracts and any other documents required in connection with this action. A second was made by Director Tony Padgett. All were in favor, the motion carried.

**G. 92HP Compact Track Loader Purchase**

**[A COPY OF THE 2024-2025 92HP SKID STEER BID TAB MAY BE FOUND AT EXHIBIT F, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on CFO, Eric Adams to present the item. Mr. Adams stated this is for the purchase contract of a compact track loader purchase. He shared that the competitive bid procedures were followed with the initial advertisement for bid was on May 20<sup>th</sup> adding fewer than three bids were received. He went on to explain the bid was re-advertised for seven additional days at which time three bids were received with the lowest responsible bidder being a local vendor for Doosan Bobcat , Bobcat of Jacksonville. Mr. Adams explained that the primary function of the equipment will be to bring in the right a way clearing and forestry mulching that we currently outsource to a third party adding current year to date we have spent about \$38,000 plus on right a way clearing so the facilities maintenance staff will take on that in-house and that represents a significant cost savings on those contracts. Director Tony Padgett asked if this loader has the mulching package on it. Mr. Adams said it does not adding it was bid as the loader as well as the forestry applications kit which includes a drum mulching head and all the requirements that go along with that adding he did not know before this process that bullet proof glass was required so that was interesting. Director Padgett added the forestry package is well worth the money it protects the employee. Director Joe Brown asked how this cost of this equipment compares to the cost of the contract we have been using to do this work. Mr. Adams replied to year to date we have spent \$38,000 in right a way mowing and that is not complete with everything adding that the fence line around the North Topsail Plant isn't included in that total. Director Padgett said it is better than the 3 year pay back because things come up and trying to get a contractor out there when you need them means it will pay for itself several times over. Chairman Royce Bennett asked with he life of the equipment is. Mr. Adams said we put it on a five year depreciation and the life expectancy would be determined by upkeep and care. Director Joe Brown asked if we are buying a maintenance contract. Mr. Adams said we did require a 2 year or 2,000 hours whichever comes first warranty. Director Tony Padgett said the machine will last 7-10 years if it is maintained properly and it is a good price.

Director Jerry Bittner made a motion to approve the purchase of one Bobcat T770 Compact Track Loader from Doosan Bobcat North America, Inc. DBA Bobcat of Jacksonville, and authorize the CEO to execute purchase contracts and any other documents required in connection with this action. A second was made by Director Joe Brown. All were in favor, the motion passed unanimously.

**H. Water Supply Master Plan Amended Project Ordinance**

**[A COPY OF CIP-039 AMENDED PROJECT ORDINANCE AND BUDGET AMENDMENT MAY BE FOUND AT EXHIBIT G, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on Mr. Eric Adams, CFO to present the item. Mr. Adams reminded the Board in 2023, ONWASA received a State grant of \$150,000 to develop a Water Master Plan. He said the work has been completed by Hazen and Sawyer and the next step is to use that model for some what some if scenarios to determine the effects on the system from changes and to help continue to develop the Capital Improvement Plan. He went on to explain it will also be used to identify aging infrastructure and develop plans for improvements and replacements throughout the model.

Director Tony Padgett made a motion to adopt the amended project ordinance and associated budget amendment. A second was made by Director Robert Warden. All were in favor, the motion passed unanimously.

**I. Water and Sewer Other Improvements Amended Project Ordinance**

**[A COPY OF CIP-035 AMENDED PROJECT ORDINANCE AND BUDGET AMENDMENT MAY BE FOUND AT EXHIBIT H, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on Mr. Eric Adams, CFO, to present the item. Mr. Adams explained that the requested project ordinance amendment is for an additional appropriation of \$300,000 for the Burns Street Sewer Improvement Project which consists of a directional bore under Highway 17 replacing an existing line that is beginning to have some flow challenges and additionally replacing two manholes on each side of Highway 17. He went on to explain that the Water and Sewer Other Improvements Project Ordinance was put into place several years ago to encompass some of the smaller projects and in the FY26 Budget that was just approved those projects are returned back to the departmental budgets in their other improvements and you see a detail of those in the budget message.

A motion was made by Director Joe Brown to adopt the amended project ordinance and associated budget amendment. A second was made by Director Tony Padgett. All were in favor, the motion passed unanimously.

**J. CEO CONTRACT**

**[A COPY OF THE CEO CONTRACT MAY BE FOUND AT EXHIBIT I, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called for a motion to approve the CEO Contract. Director Tony Padgett made a motion to approve the CEO Contract. Director Jerry Bittner made a second.

Chairman Royce Bennett expressed his appreciation for Mr. Howard and the work he is doing. Director Jerry Bittner added that he thinks Franky has done an excellent job with the needs of the Board and the needs of ONWASA and his admirable work in terms of leading this organization...many kudos. Mr. Howard replied thank you and added he has a good team behind him, good employees and a good Board to work with so it is the

perfect situation. Director Joe Brown said he would like to say publicly that as the newest member here and especially with the wealth of knowledge here he made him feel very comfortable and he appreciates it. Chairman Royce Bennett said these water and sewer projects take years to get into development and he really appreciates how Mr. Howard is forward looking and working toward meeting the needs of the future as well as the current issues that we deal with such as aging infrastructure and replacement costs. Vice Chairman Paul Conner expressed his appreciation for the care Mr. Howard gives customers. Director Tony Padgett said he would like to say that being fairly new on the Board this time that Franky is very personable, and he appreciates him adding that he always makes time for them and provides what they need. He added he has a great staff that does a great job with the customers and to everyone's point here I think you are doing a great job looking out for the future. Director Hines expressed his thanks for what contacts they have had.

All were in favor, the motion passed unanimously.

#### **4. PUBLIC COMMENT**

No members of the public wished to comment.

#### **5. CHIEF EXECUTIVE OFFICER COMMENTS**

Chairman Bennett called on CEO, Franky Howard, to provide comments. Mr. Howard thanked the Board for their confidence in keeping him around for another year. He said it has been a pleasure working with the Board and the Staff saying it takes a big team to get all of the work done. Mr. Howard shared that the current fiscal year closeout is underway and budget planning for next year has already begun with the goal of presenting it to the Board about a month earlier than usual. He provided an update on the AMI Project informing the Board that the pilot project is complete, and all of the meters have now been read for the first time. He shared that budget provisions exist to continue expansion on the island and possibly Sneads Ferry, with long term plans to expand systemwide and depending on the pilot success, project expansion may be accelerated. He shared that the Highway 24 Sewer Force Main project is progressing well although it was slightly delayed due to weather, the North Topsail Booster Station is near completion awaiting warranty replacement of a valve before start up and is expected to be online before July 4<sup>th</sup>, proposals are due on July 3<sup>rd</sup> for a Design Build Project and a Special Board Meeting will be needed on July 24<sup>th</sup> to maintain the schedule for that project, a project to increase the Dixon Water Treatment Plant from 4MGD to 6MGD including developing two more raw water wells for the rapidly growing area, and he shared that the Summerhouse Project is well underway and in the August September timeframe we hope to be complete with contract 1 and we have already ordered equipment for contract two so we will bid that work in the near future. He shared that we have had some conversation with how we can work with Onslow County to share resources that might help us lower cost for maintenance on vehicles to utilize the County Garage and we are in talks to share in the bulk fuel. He provided an update on the County Property transfer to ONWASA sharing there are a few property descriptions we are getting from the surveyor where the property is part of a larger parcel that the County owns so we want to get the ONWASA part carved out. He shared that conversations have begun with the Towns as well to possibly get the properties transferred over adding it makes it easier during things such as issuing debt. He finished by announcing the office will be closed for Juneteenth.

**6 BOARD OF DIRECTOR'S COMMENTS**

Director Tony Padgett thanked Ms. Taren Carranza for coming to the meeting and speaking. He thanked Franky and staff for the work on the budget.

Director Joe Brown thanked Ms. Taren Carranza for her comments adding he hears those concerns down in Swansboro quite a bit too. He said the budget was well organized.

Director Greg Hines said he echos the comments that have already been made and said hello to Mrs. Janette who watches from home.

Vice Chairman Paul Conner expressed his appreciation to staff.

Chairman Royce Bennett said thank you to everyone again. He expressed his appreciation to Director Tony Padgett and Director Greg Hines for agreeing to attend more of the meetings for RFPs and technical meetings adding they both have some technical expertise that will help us have a better handle on some of the contracts that we sign.

Director Greg Hines made a motion to adjourn. Director Jerry Bittner made a second. All were in favor, the meeting adjourned.

The meeting was adjourned at 7:05 PM.

The minutes were approved on September 18, 2025.

Onslow Water & Sewer Authority Board of Directors



A handwritten signature in black ink, appearing to read "M. Royce Bennett", written over a horizontal line.

Michael Royce Bennett, Chairman

ATTEST:

A handwritten signature in black ink, appearing to read "Heather Norris", written over a horizontal line.

Heather Norris, Clerk

## ADMINISTRATIVE SERVICE AGREEMENT

**AGREEMENT** made this 10 day of June, 2025, 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 Holly Ridge** (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 10<sup>th</sup> 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 2026. 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.

ONSLow WATER & SEWER AUTHORITY

TOWN OF HOLLY RIDGE

By: Michael Royce Bennett Chairman

By: Heather Reynolds, Town Manager

(PRINT NAME/TITLE)

(PRINT NAME/TITLE)

[Signature]

[Signature]

(SIGNATURE)

(SIGNATURE)



ATTEST:

[Signature]

ONWASA Clerk to the Board

ATTEST:

[Signature]

Town Clerk

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

[Signature]  
Chief Financial Officer

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

[Signature]  
Finance 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

## ADMINISTRATIVE SERVICE AGREEMENT

**AGREEMENT** made this 18<sup>th</sup> day of June, 2025, 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 RICHLANDS** (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 10<sup>th</sup> 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 2026. 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.

**ONslow WATER & SEWER AUTHORITY**

By: Michael Roye Bennett Chairman

(PRINT NAME/TITLE)

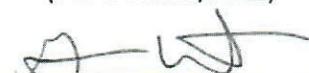


(SIGNATURE)

**TOWN OF RICHLANDS**

By: Gregg Whitehead/Town Administrator

(PRINT NAME/TITLE)



(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

## ADMINISTRATIVE SERVICE AGREEMENT

**AGREEMENT** made this 27th day of May, 2025, 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 Swansboro** (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 10<sup>th</sup> 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 2026. 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.

ONSLOW WATER & SEWER AUTHORITY

TOWN OF SWANSBORO

By: Michael Royce Bennett Chairman  
(PRINT NAME/TITLE)

By: William Justice / Mayor  
(PRINT NAME/TITLE)

[Signature]  
(SIGNATURE)

[Signature]  
(SIGNATURE)



ATTEST:  
[Signature]  
ONWASA Clerk to the Board

ATTEST:  
[Signature]  
Town Clerk

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

[Signature]  
Chief Financial Officer

**Exhibit A**

**DUTIES**

- Collection of payments from customers
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**Onslow Water & Sewer Authority  
Budget Ordinance  
Fiscal Year 2025-2026**

**BE IT ORDAINED** by the Board of Directors of the Onslow Water & Sewer Authority, Jacksonville, North Carolina:

**SECTION I.** The following revenues are estimated to be available for the appropriations made for the Fiscal Year beginning July 1, 2025 and ending June 30, 2026:

<b>Revenue</b>	
Water Revenue	\$33,102,000
Sewer Revenue	15,227,491
System Development Fees - Water	2,000,000
System Development Fees - Wastewater	1,500,000
Operating Fees and Charges	2,601,474
Fund Balance Appropriated	6,795,000
Interest Income	2,000,000
Miscellaneous Income	40,000
<b>Total Revenue</b>	<b><u>\$63,265,965</u></b>
<b>Appropriations</b>	
Administrative Departments	\$14,446,840
Operations Departments	30,463,424
Transfer to Capital Projects	6,795,000
Debt Service	11,560,701
<b>Total Appropriations</b>	<b><u>\$63,265,965</u></b>

**SECTION II.** Pursuant to NCGS 159-13.2, the following appropriations are hereby made. Expenditures authorized by these appropriations may occur over multiple fiscal years. The following revenue is estimated to be available in the fiscal year the expenditures occur.

<b>Revenue</b>	
Fund 40 Capital Projects	\$40,533,062
Fund 42 Capital Projects	192,250,000
<b>Total Revenue</b>	<b><u>\$232,783,062</u></b>
<b>Appropriations</b>	
Advanced Metering Infrastructure	1,060,463
Building Roof Replacements	1,250,000
Camp Davis Wastewater Extension	2,000,000
Disaster Recovery	1,000,000
Dixon WTP Expansion	5,350,000
Emergency Power Systems Upgrades	2,100,000
Hargett Street & Shore Drive Pump Station Rehabilitation	390,000
Holly Ridge & Summerhouse WWTPs Capacity Assessment	31,750,000
HWY 24 Regional Trunk Main Replacement	15,000,000
HWY 24 Utility Improvements – Wastewater Force Main	31,000,000
Kenwood/Bishop's Ridge Sewer Service Extension	2,325,000
Lead Service Line Inventory	1,000,000
Mount Pleasant Rad Pump Station Relocation	175,000
North Topsail WWTP Capacity Improvements	52,000,000
Northwest Regional WRF Hurricane Florence	11,724,839
Pumping Station Assessment/Rehabilitation	850,000

Regional Aquifer Study	175,000
Southeast ARPA	28,375,000
Southwest Service Area Upgrades Project II	3,500,000
Summerhouse WRF Interim Capacity Projects	10,132,000
Swansboro WWTP Renovation or Replacement	19,450,000
Topsail Island Booster Station	2,752,513
Wallace Creek Force Main	900,000
Water and Sewer Operational Improvements	6,085,000
Water Main Interconnections Phase III	300,000
Water Supply Master Plan	150,000
Water Supply Planning and Development	1,988,247
<b>Total Appropriations</b>	<b><u>\$232,783,062</u></b>

**SECTION III.** The CEO/Executive Director (Budget Officer) is hereby authorized to transfer appropriations as contained in the line-item budget accounts under the following conditions:

- A. Budget Officer may transfer funds between line-item expenditures within a division or department as long as the original operating or capital project fund appropriation amount is not changed.
- B. Budget Officer may transfer funds between divisions as long as the original fund appropriation amount is not changed. An official report of any transfers must be made to the Board of Directors at its next regular meeting following any transfers.
- C. Budget Officer may not transfer any amounts between funds, except as approved by the Board of Directors by an amendment to the Budget Ordinance.
- D. Budget Officer shall at each regular Board Meeting provide a line-item Budget Revenue and Summary Expenditure report showing the prior month's fiscal activity and, in a form, so prescribed and accepted by the Board of Directors.
- E. Budget Officer may authorize and execute purchases, contract change orders and contracts for services not to exceed the dollar thresholds for formal bids set forth in the North Carolina Public Contracting Statutes for any one purchase, change order or service contract without the prior approval of the Board of Directors.
- F. Budget Officer shall authorize an ONWASA funded 401K match, not to exceed 3% for each contributing employee.
- G. Budget Officer shall implement a 2.0% COLA to the Pay Plan to include all active employees effective the first full pay period in July 2025.
- H. Budget Officer shall update the ONWASA Pay Plan to include 2.5% steps to continue the employee merit program.

**SECTION IV.** Copies of the Budget Ordinance, the line-item chart of accounts, and the Organizational Chart shall be furnished to the CEO/Executive Director and Finance staff to be kept on file by them for their direction in the disbursement of funds in the name of the Onslow Water and Sewer Authority.

Adopted the 18<sup>th</sup> day of June 2025.

Attest:

  
 Heather Norris, Clerk to the Board



  
 Michael R Bennett, Chairman



## Fiscal Year 2025 - 2026 Rate and Fee Schedule

### Water

#### I. Residential & Commercial Customers

Base Water Charges	
Meter Size	Base Charge
3/4"	\$21.20
1"	\$52.94
1.5"	\$105.80
2"	\$169.19
2.5"	\$253.86
3"	\$338.45
4"	\$528.84
6"	\$1,057.67

*Note - NC GS 2008-143 states all water to an irrigation system must be provided through an individually metered connection unless the requirements are met under NC GS 143-355.4.*

#### II. User Fees

Usage(Gallons)	Water Meters 1,000 Gallons	Irrigation Meters 1,000 Gallons
First 3,000	\$4.90	\$7.33
Next 4,500	\$5.06	\$7.58
Next 7,500	\$6.55	\$9.86
Next 10,000	\$8.56	\$12.87
Over 25,000	\$10.05	\$15.11

**Bulk Meter** \$6.57 per 1,000 gallons

**Master Meter (including Multi Users):** \$6.57 per 1,000 gallons

**Sewer Bulk Fee** By Contract Only

**Volunteer Fire & Rescue Squads Primary Operations Building (water & sewer each):**

0-20,000 gallons \$1.00 Flat Rate

Over 20,000 gallons Follow the applicable rates above

### Sewer

#### III. Residential & Commercial Customers

User Fees*	Base Sewer Charges	
Rate per 1,000 Gallons	Meter Size	Base Charge
\$9.78	3/4"	\$34.44
\$9.78	1"	\$86.34
\$9.78	1.5"	\$172.24
\$9.78	2"	\$275.58
\$9.78	3"	\$549.86
\$9.78	4"	\$857.70

IV. Residential Grinder Pump Fee, monthly \$15.00

\*No sewer charges are billed for meters exclusively used for irrigation.

## Water & Sewer

### V. Tap Installation Fees

Water	
Tap All Sizes	Fee
Water Tap	Cost plus 10%
Irrigation Split-out	
Irrigation Stand-alone	
Sewer	
Tap Size	Fee
4" Residential Only	Cost plus 10%

### VI. System Development Fees

Meter Size	Water	Sewer
3/4"	\$2,063	\$4,460
1"	\$3,438	\$7,432
1.5"	\$6,877	\$14,867
2"	\$11,003	\$23,785
3"	\$22,005	\$47,570
4"	\$34,384	\$74,329
6"	\$68,766	\$148,656
8"	\$110,026	\$237,850
10"	\$165,039	\$356,775

### VII. Water or Sewer Tap Inspection Fees

On site less than 4 hours during a work day	\$150.00 Per Site, Per Customer
On site more than 4 hours during a work day	\$300.00 Per Site, Per Customer

### VIII. Private Utility Billing (Water/Wastewater)

By Contract Only

### IX. Deposits

Meter Size	Deposit for Water	Deposit for Sewer
3/4"	\$100	\$100
1"	\$200	\$200
1.5"	\$340	\$340
2"	\$490	\$490
3"	\$1,080	\$1,080
4"	\$1,370	\$1,370
6"	\$2,740	\$2,740
8"	\$4,925	\$4,925
10"	\$7,685	\$7,685
12"	\$9,680	\$9,680

Standing Deposits(Contractors & Realtors)	\$500.00
3/4" Hydrant Meter Assembly	\$500.00
3" Hydrant Meter Assembly	\$2,000.00

### Water & Sewer - Continued

#### X. Miscellaneous Charges

Administrative Service Fee	\$40.00
Service Call Fee	\$50.00 per account (1st visit per account per year is at no charge - Does not apply to reconnect after disconnection)
Meter Downsize Fee	\$250.00 plus cost of materials
Manual Meter-Read Fee	\$50.00 per manual read
Credit Letters/Property	\$5.00
Connect Fee	\$35.00
Non-Payment Fee	\$60.00
Late Fee	\$6.00 up to \$120.00 balance due \$6.00 plus 5% of balance due >\$120.00 assessed 25th day from statement date
Lock Replacement Fee	\$6.00
Meter Test	\$65.00
After Hours, Monday-Friday (except for Holidays)	
After 4:00 pm until 7:00 pm	\$55.00
After 7:00 pm	\$100.00
After Hours, Weekends and Holidays Service Call	
8:00 am until 7:00 pm	\$55.00
After 7:00 pm	\$100.00
Landlord Transfer Fee	\$20.00
Inspection fee prior to start of service:	
1st Visit	No Charge (Residential & Commercial)
Every visit after the 1st	\$60.00
Plan Review Fee of Developer's Project Plans	
Plans with main extension(s)	\$150.00 more than 100 lots
Plans with main extension(s)	\$100.00 less than 100 lots
Plans with no main extension(s)	\$50.00
Hydrant Flow Test Data	\$75.00 per test
Flush/Fill/Chlorinate	\$3.75 per 1,000 gallons
Plat Review Fee of Developer's Project Plans	
1st Review	No Charge
Every review after the 1st	\$50.00
Backflow Inspection Fee	
1st Visit	No Charge (Residential & Commercial)
Every visit after the 1st	\$60.00 (each time Residential & Commercial)
Hydrant Meter Test for damaged meters	\$100.00 plus cost of replacement parts
Meter Relocation Fee	
No new tap required	\$325.00 plus cost of materials
New tap required	See Tap Fees

### Water & Sewer - Continued

**XI. Administrative Fees**

Returned Payment	\$35.00 each
Copies (8 1/2 x 11)	\$0.10 per page
Transaction Fee(credit card processor)	2.45%

**XII. Administrative Fees - Continued**

## Monthly Fire Connection Charge (Sprinkler Head)

1" sprinkler connection	\$40.00 per month
1 1/2" sprinkler connection	\$45.00 per month
2" sprinkler connection	\$50.00 per month
4" sprinkler connection	\$60.00 per month
6" sprinkler connection	\$80.00 per month
8" sprinkler connection	\$150.00 per month
10" sprinkler connection	\$300.00 per month
12" sprinkler connection	\$450.00 per month

**XIII. Map Fees**

Map File Preparation \$35.00

Size	Color/Ortho	B/W/TOPO	Property Lines
8.5 x 11	\$5.00	\$3.00	\$2.00
11 x 17	\$8.00	\$5.00	\$2.00
24 x 36	\$20.00	\$10.00	\$6.00
36 x 48	\$25.00	\$15.00	\$8.00

**XIV. Service/Repair Fees****Materials:**

Pipe and accessories will be charged out at the cost listed on the most current  
Onslow Water and Sewer Authority Inventory Sheet on file plus a 2% administrative fee

**Equipment Cost Per Hour:**

Excavator	\$39.07
Trailer Equipment	\$16.99
Dump Truck (325 HP) (320HP)	\$73.31
Trencher (>85 HP)	\$29.85
Backhoe (>95 HP)	\$43.91
Line Truck (210 HP)	\$25.53
Pickup (130 HP)	\$11.75
Pump (>60 HP)	\$26.88
Light Tower	\$10.56
Asphalt Roller	\$12.84
Sewer Vac-Tron	\$86.29
Sewer Jetter (>100 HP)	\$60.00
Sewer Jet/Vac Combo Truck	\$88.16
Main Line Camera Equipment	\$14.00 per hour
Sewer Lateral Camera Equipment	\$3.00 per foot

Surface restorations-gravel, soil/erosion control \$200.00

Sewer Boring Charge-based on contract price per foot

Rental charges for additional equipment (if needed) will be charged at the rate ONWASA is  
paying to rent the equipment plus a 2% administrative fee

**Water & Sewer - Continued**

**XV. Service/Repair Fees - Continued**

**Labor and Benefits:**

Hourly Rate  
Average hourly rate + 30%

Overtime Rate  
Average hourly rate by 1.5 + 30%

**Water Loss Charges:**

Water charges are based on the following formula:

$Q(\text{GPM}) \times \text{time} = \text{Total Gallons}$

$\text{TGL} \times \$\text{Bulk Rate}/1,000 = \text{Total Water Loss Charges}$



\_\_\_\_\_  
Michael R. Bennett, Chairman

Adopted the 18<sup>th</sup> day of June 2025.

Attest:

  
\_\_\_\_\_  
Heather Norris, Clerk to the Board



No.	Project Description	Type	Service Area	YEARS 1-5 CAPITAL IMPROVEMENT NEEDS					YEARS 6 - 10	Project Total
				FY26	FY27	FY28	FY29	FY30	FY31-35	
	<b>Buildings/Misc. Operational Projects</b>									
CIP-035	Water & Sewer Operational Improvements (D+C)	R	Various	2,869,000	1,500,000				4,500,000	8,869,000
N/A	Disaster Recovery Response Contracts (C only)	R	Various	1,000,000		1,000,000			3,000,000	5,000,000
CIP-001	Building Roof Replacements (D+C)	R	Various		\$250,000		\$250,000		\$500,000	\$1,000,000
CIP-011	Emergency Power Systems Upgrades (D+C)	R	Various	1,100,000	500,000	500,000	250,000		1,500,000	3,850,000
CIP-043	Advanced Metering Infrastructure (C only)	R	Various	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	27,000,000
	<b>WATER SYSTEM</b>									
	<b>Raw Water and Monitoring Wells</b>									
CIP-010	ORWRG Aquifer Study Monitoring Wells (D+C)	R	Various	175,000		150,000			300,000	625,000
	<b>Southwest WTP</b>									
CIP-025A	Southwest WTP Feasibility and New Well Sites (D+C)	E	Southwest	1,000,000	1,500,000	3,000,000			11,250,000	16,750,000
CIP-025B	Southwest Water Treatment Facility (D+C)	E	Southwest			36,000,000			96,000,000	132,000,000
	<b>Water Distribution System - Renovation</b>									
CIP-032	Topsail Island Booster Pumping Station (D+C)	R	Southeast							-
CIP-040	North Topsail Beach Water Tank (D+C)	R	Southeast	500,000	2,500,000	500,000				3,500,000
CIP-017	Highway 24 Regional Trunk Water Main (D+C)	R	Northeast	10,250,000	10,250,000					20,500,000
CIP-003	Water Main Interconnections, Phases 3 - 7 (D+C)	R	Various	200,000	500,000		500,000		1,500,000	2,700,000
CIP-037	Water Main Aerial Crossing Replacements, Phase 1 (D+C)	R	Various	1,238,741						1,238,741
CIP-004	SW Service Area Upgrades, Project 2 - Hwy 17 Trunk Main (D+C)	R	Southwest	250,000	500,000	5,100,000			16,200,000	22,050,000
CIP-018	Queens Creek Road Water Main Upgrades (D+C)	R	Northeast						5,400,000	5,400,000
CIP-019	Rocky Run Road Water Main Upgrades (D+C)	R	Northeast						6,500,000	6,500,000
CIP-038	Dixon WTP Expansion (D+C)	E	Various	5,000,000	25,000,000	20,000,000				50,000,000
CIP-039	Water Master Plan (D)	E	Various	250,000	250,000	250,000	250,000	250,000	1,250,000	2,500,000
CIP-041	Ocean Road Water Extension (D+C)	R	Southeast	500,000						500,000
	<b>WASTEWATER SYSTEM</b>									
	<b>Northwest Regional Water Reclamation Facility</b>									
N/A	Hurricane Florence Recovery (C only)	R	Northwest	48,942						48,942
	<b>Southeast Regional WWTPs</b>									
CIP-005	Summerhouse Interim Capacity Improvements (D+C)	R	Southeast	6,549,100						6,549,100
CIP-028A	Southeast Transmission System Phase I (D+C)	E	Southeast	18,000,000						18,000,000
CIP-028B	Southeast Transmission System Phase II (D+C)	E	Southeast		20,000,000					20,000,000
CIP-028C	North Topsail WWTP Expansion (D+C)	E	Southeast	10,000,000	42,000,000					52,000,000
	<b>Swansboro WWTP</b>									
CIP-006A	Hwy 24 Utility Improvements - Wastewater Force Main (D+C)	E	Northeast	18,000,000	4,130,000					22,130,000
CIP-046	Northeast WWTP (D+C)	E	Northeast						51,000,000	51,000,000

No.	Project Description	Type	Service Area	YEARS 1-5 CAPITAL IMPROVEMENT NEEDS					YEARS 6 - 10	Project Total
				FY26	FY27	FY28	FY29	FY30	FY31-35	
	<b>WASTEWATER SYSTEM (cont.)</b>									
	<b>Wastewater Collection System - Renovation</b>									
CIP-016	Pumping Station Assessments/Rehabilitation (D+C)	R	Various	1,000,000	1,000,000		1,000,000		3,000,000	6,000,000
CIP-033	Hargett Street & Shore Drive Pump Stations Rehabilitation (D+C)	R	Various	500,000	500,000					1,000,000
CIP-034	Piney Green Sewer Phase 2 - Hickory Grove Closure (C only)	R	Northeast							0
CIP-036	Mount Pleasant Road Pump Station Relocation (D+C)	R	Northeast	1,675,000						1,675,000
CIP-042	Ocean Road/ Jenkins Street Pump Station (D+C)	E	Southeast	3,500,000	250,000					3,750,000
	<b>Wastewater Collection System - Expansion</b>									
CIP-008	NW Plant - Kenwood/Bishops Ridge Service Extension (D+C)	E	Southwest				500,000		5,800,000	6,300,000
CIP-020	NW Plant - Liberty Park Road Service Extension (D+C)	E	Southwest				250,000		2,700,000	2,950,000
CIP-021	NW Plant - Hill Farms Service Extension (D+C)	E	Northwest				460,000		4,600,000	5,060,000
CIP-022	NW Plant - Denise Dr/Greystone Dr Service Extension (D+C)	E	Southwest				400,000		4,000,000	4,400,000
CIP-029	NW Plant - Plum Point Sewer Extension (D+C)	E	Southwest				400,000		4,400,000	4,800,000
CIP-030	Piney Green FM - Birchwood Park Service Extension (D+C)	E	Northeast				150,000		1,400,000	1,550,000
CIP-044	Southeast Regional Wastewater Force Main (D+C)	E	Southeast	3,000,000	17,000,000	15,000,000				35,000,000
			<b>Totals</b>	<b>\$88,605,783</b>	<b>\$132,630,000</b>	<b>\$86,500,000</b>	<b>\$9,410,000</b>	<b>\$5,250,000</b>	<b>\$229,800,000</b>	<b>\$552,195,783</b>
							<b>Total: Years 1-5</b>	<b>\$322,395,783</b>		

Notes:

Chart does not reflect active projects funded in previous budget years.

All cost estimates are based on project information available at the time this report was prepared.

Actual costs for individual projects will not be final until contracts are awarded; estimated costs are for planning purposes only.

Type Codes: E - System Expansion Project R - Repair/Rehabilitation Project

D - Design, C - Construction

**PATRIOT PARK SUBDIVISION  
THREE-PARTY WATER SERVICE AGREEMENT**

This Three-Party Water Service Agreement (the "**AGREEMENT**") is made and entered into this \_\_\_\_ day of \_\_\_\_, 2025, by and among:

1. **Stephen Ellis, Ellis Development Group**, located at 305 Church at North Hills Street, Suite 1110, Raleigh NC 27615 (hereinafter referred to as "**DEVELOPER**"),
2. **Patriot Park**, multiple phase development proposed off Piney Green Road and Halltown Road on parcels 1105-35, 1106-2, 1106-2.6, and 1106-3.1 as identified by Onslow County Tax Records (hereinafter referred to as "**DEVELOPMENT**",
3. **City of Jacksonville**, located at 815 New Bridge Street, Jacksonville, NC 28540 (hereinafter referred to as "**CITY**"), and
4. **ONWASA**, located at 228 Georgetown Road, Jacksonville, NC 28540 (hereinafter referred to as "**ONWASA**").

**RECITALS**

WHEREAS, The **DEVELOPER** is developing the **DEVELOPMENT** in two phases: Phase 1 to be located on Piney Green Road and Phase 2 to be located on Halltown Road, as depicted in **Attachment A**;

WHEREAS, the land for the **DEVELOPMENT** is located in **CITY** Limits and as such the **CITY** desires to be the water and sewer provider for the **DEVELOPMENT**; **however**, in order to support the phasing plan of the **DEVELOPER**, the **CITY** is requesting that **ONWASA** provide water for Phase 1;

WHEREAS, **ONWASA** is capable of providing water service and maintaining the water system for Phase 1 of the **DEVELOPMENT**;

WHEREAS, The **CITY** will handle billing and remitting payments for water service provided by **ONWASA**;

WHEREAS, The **DEVELOPER** is responsible for the initial construction of a connection to **ONWASA's** water system and will be responsible for the future connection to **CITY's** water system through Phase 2 of the **DEVELOPMENT**;

WHEREAS, the parties desire to outline their respective responsibilities and obligations regarding water service, construction, and system transfer.

**NOW, THEREFORE, in consideration of the foregoing and mutual covenants and promises herein contained, the parties agree as follows:**

**1. Provision of Water Service:**

- a. **ONWASA** agrees to provide water service to Phase 1 of the Development via their 24-inch main along Piney Green Road.
- b. **ONWASA** agrees to maintain the water system serving Phase 1 of the **DEVELOPMENT** until such time as connection is made to the **CITY's** system on Halltown Road with Phase 2 of the **DEVELOPMENT**.
- c. **ONWASA** agrees to undertake reasonable efforts to transfer the permit for the **DEVELOPMENT's** water system to the **CITY** for ownership and maintenance once connection is made to the **CITY's** water system.

**2. Billing and Payment Responsibilities:**

- a. The ONWASA rate water system development fee shall be paid at the time of building permit approval to the **CITY**. All water system development fees collected for Phase 1 of this **AGREEMENT** shall be paid to **ONWASA**. If the transfer of the permit envisioned in Paragraph 1(c) occurs within five (5) years of the date of the development fee being collected, then in that event, ONWASA shall to the extent allowed by law, pay to the CITY a reasonable percentage, not to exceed 50%, of the development fee collected.
- b. The **CITY** shall be responsible for billing all water users within Phase 1 of the **DEVELOPMENT** for water services provided by **ONWASA** per **ONWASA's** most recently adopted fee schedule.
- c. The **CITY** shall read all water meters and collect payments from the water users and remit the total collected payments to **ONWASA** on a monthly basis.
- d. Upon request, the **CITY** shall provide a detailed accounting of all meter reads, collections, and remittances to **ONWASA**.

**3. Initial and Future Construction Responsibilities:**

**a. Initial Construction:**

1. The **DEVELOPER** shall bear all expenses and be responsible for the construction of the water system necessary to serve the **DEVELOPMENT** including the connection to **ONWASA's** water system as shown on the approved **DEVELOPMENT** plans.

**b. Future Connection:**

1. The **DEVELOPER** shall be responsible for constructing a connection to the **CITY's** water system as part of the development of Phase 2 of the Development.

2. The **DEVELOPER** shall provide a surety bond or other acceptable financial assurance to ensure the construction of the future connection to the **CITY's** water system.
3. The **DEVELOPER** shall begin construction of the future connection to the **CITY's** water system within 7 years of the final Engineer's certification for Phase 1.
4. The **DEVELOPER** shall be responsible for proper abandonment of the connection to **ONWASA's** system unless the **CITY** and **ONWASA** determine that the connection shall remain.

#### 4. **System Turnover:**

- a. Upon the completion of the Phase 2 water connection, **ONWASA** shall turn over the water system for Phase 1 to the **CITY**, including all assets and responsibilities related to its operation and maintenance as indicated herein.
- b. If the parties wish to extend or modify the terms of this Agreement, they must negotiate and enter into a new written agreement prior to connection to the **CITY's** water system.
- c. Prior to disconnection of Phase 1, the **CITY** and **ONWASA** shall evaluate the Phase 1 connection as a location for an interconnect between the two systems.

#### 5. **Extension and Modification:**

- a. Any extension or modification of this **AGREEMENT** must be made in writing and signed by all parties.
- b. If the parties agree to an extension or modification, such an agreement shall supersede the terms of this **AGREEMENT**.

#### 6. **Termination and Dispute Resolution:**

- a. This Agreement may be terminated by any party upon 60 days' written notice if any party fails to perform its obligations under this Agreement, subject to the cure period specified in the notice.
- b. Any disputes arising out of or relating to this **AGREEMENT** shall be resolved through mediation, and if mediation is unsuccessful, through the Onslow County Court system.

#### 7. **Miscellaneous:**

- a. This **AGREEMENT** constitutes the entire agreement between the parties and supersedes all prior agreements or understandings related to the subject matter hereof.

- b. This **AGREEMENT** shall be recorded with the Onslow County Register of Deeds and run with property and be binding until fully executed, amended, or terminated.
- c. Any amendments to this **AGREEMENT** must be made in writing and signed by all parties.
- d. The **DEVELOPER** may assign its rights and obligations under this **AGREEMENT** to any successor, affiliate, or future party with written notice of the assignment to both the **CITY** and **ONWASA**. The future assignment shall be in writing and recorded with the Onslow County Register of Deeds. The future party to whom the **AGREEMENT** is assigned shall assume all rights, duties, and obligations as outlined in this Agreement.
- e. This **AGREEMENT** shall be governed by and construed in accordance with the laws of the State of North Carolina.

**IN WITNESS WHEREOF**, the parties hereto, acting by and through their duly authorized representatives pursuant their respective governing bodies, have executed this Three-Party Water Service Agreement as of the date first above written.

**ELLIS DEVELOPMENT GROUP**

By: \_\_\_\_\_  
Stephen Ellis, Owner

ATTEST:  
\_\_\_\_\_

**ONWASA**

By: \_\_\_\_\_  
Franky Howard, Chief Executive Officer

ATTEST:  
\_\_\_\_\_  
Heather Norris, Clerk to the Board

**CITY OF JACKSONVILLE**

By: \_\_\_\_\_  
Joshua W. Ray, City Manger

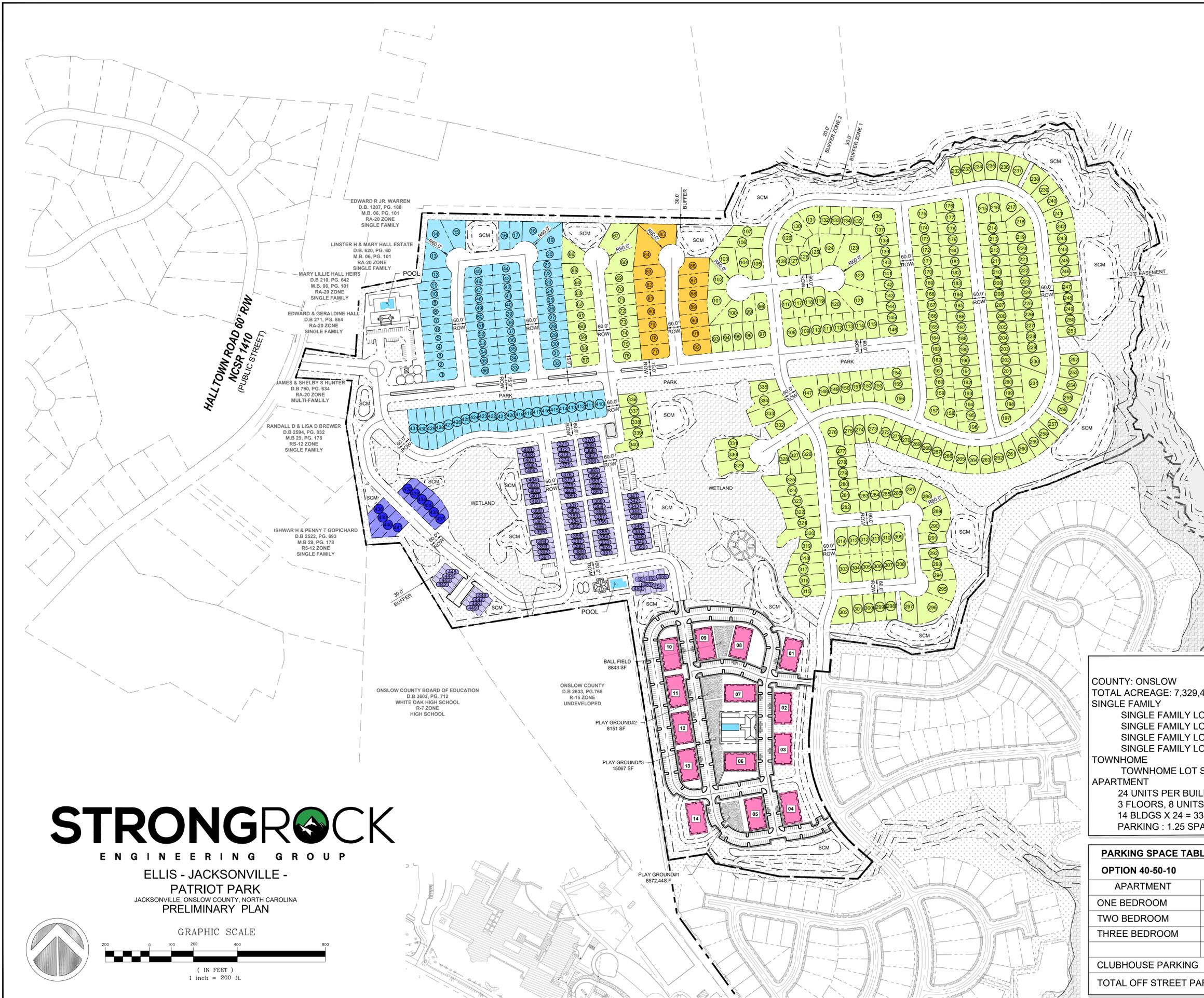
ATTEST:

\_\_\_\_\_  
Rose Marshburn, City Clerk

DRAFT

**LEGEND:**

	OPEN SPACE	
	(1)SINGLE FAMILY 40'X125'	78 LOTS
	(2)SINGLE FAMILY 40' X100'	10 LOTS
	(3)SINGLE FAMILY 50'X125'	268 LOTS
	(4)TOWNHOUSE 60'X125'	16 LOTS
	(5)TOWNHOUSE 24'X100'	83 LOTS
	(6)BUILDING 80'X144'	13 LOTS



**SITE DATA TABLE**

COUNTY: ONSLOW  
 TOTAL ACREAGE: 7,329,469 SF(168.26AC)  
 SINGLE FAMILY  
 SINGLE FAMILY LOT SIZE (40'X100') :10 LOTS  
 SINGLE FAMILY LOT SIZE (40'X125') :78 LOTS  
 SINGLE FAMILY LOT SIZE (50'X125') :268 LOTS  
 SINGLE FAMILY LOT SIZE (60'X125') :16 LOTS  
 TOWNHOME  
 TOWNHOME LOT SIZE (24'X100') :83 LOTS  
 APARTMENT  
 24 UNITS PER BUILDING (80'X144')  
 3 FLOORS, 8 UNITS FER FLOOR  
 14 BLDGS X 24 = 336 UNITS  
 PARKING : 1.25 SPACES PER BED ROOM

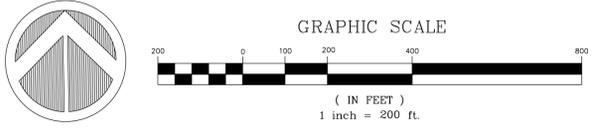
**PARKING SPACE TABLE**

**OPTION 40-50-10**

APARTMENT	UNITS	BEDROOMS	PARKING RATIO	SPACES
ONE BEDROOM	134	134	1.25	168
TWO BEDROOM	168	336	1.25	420
THREE BEDROOM	34	102	1.25	128
	336	572		716
CLUBHOUSE PARKING				10
TOTAL OFF STREET PARKING				726

**STRONGROCK**  
 ENGINEERING GROUP

ELLIS - JACKSONVILLE -  
 PATRIOT PARK  
 JACKSONVILLE, ONSLOW COUNTY, NORTH CAROLINA  
 PRELIMINARY PLAN



Attachment **A**

The of and	Governing Board Board of Directors
	Primary Government Unit Onslow Water & Sewer Authority
	Discretely Presented Component Unit (DPCU) (if applicable) n/a

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Mauldin & Jenkins, LLC
	Auditor Address 4208 Six Forks Road, Suite 1000, Raleigh NC, 27609

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/25	Date Audit Will Be Submitted to LGC 12/31/25
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*Must be within six months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the! Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall besubjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall!be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate!DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic!financial statements shall include budgetary comparison information in a budgetary comparison statement,lrather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* and the State Single Audit Implementation Act. Currently the threshold is \$750,000 for a federal single audit and \$500,000 for a State Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within six months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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**CONTRACT TO AUDIT ACCOUNTS**

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14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.
- All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
  - b) the status of the prior year audit findings;
  - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
  - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

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**CONTRACT TO AUDIT ACCOUNTS**

Rev. 12/2024

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).
31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>
32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.
33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

**CONTRACT TO AUDIT ACCOUNTS**

**FEEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<b>Name:</b> Eric Adams	<b>Title and Unit / Company:</b> CFO, Onslow W&S Authority	<b>Email Address:</b> EAdams@onwasa.com
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OR Not Applicable  (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

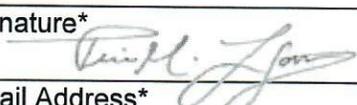
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	Onslow Water & Sewer Authority	
Audit Fee (financial and compliance if applicable)	\$	62,000
Fee per Major Program (if not included above)	\$	
<b>Additional Fees Not Included Above (if applicable):</b>		
Financial Statement Preparation (incl. notes and RSI)	\$	
All Other Non-Attest Services	\$	
<b>TOTAL AMOUNT NOT TO EXCEED</b>	\$	62,000

<b>Discretely Presented Component Unit</b>	n/a	
Audit Fee (financial and compliance if applicable)	\$	
Fee per Major Program (if not included above)	\$	
<b>Additional Fees Not Included Above (if applicable):</b>		
Financial Statement Preparation (incl. notes and RSI)	\$	
All Other Non-Attest Services	\$	
<b>TOTAL AMOUNT NOT TO EXCEED</b>	\$	

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* Mauldin & Jenkins, LLC	
Authorized Firm Representative (typed or printed)* Timothy M. Lyons	Signature* 
Date* 04/16/25	Email Address* tlyons@mjcpa.com

**GOVERNMENTAL UNIT**

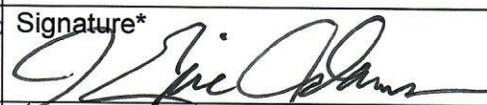
Governmental Unit* Onslow Water & Sewer Authority	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	June 18, 2025
Mayor/Chairperson (typed or printed)* Michael Royce Bennett	Signature* 
Date	Email Address* royce@roycebennett.com

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Sum Obligated by This Transaction:	\$ 62,000
Primary Governmental Unit Finance Officer* (typed or printed) J ERIC ADAMS	Signature* 
Date of Pre-Audit Certificate* 6/23/25	Email Address* eadams@onwasa.com

**CONTRACT TO AUDIT ACCOUNTS**

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU* n/a	
Date DPCU Governing Board Approved Audit Contract* <b>(Enter date in box to right)</b>	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

**PRINT**



April 16, 2025

Board of Directors  
Onslow Water and Sewer Authority  
228 Georgetown Road  
Jacksonville, NC 28540

Attn: Franky Howard, CEO and Eric Adams, CFO

We are pleased to confirm our understanding of the services we are to provide the Onslow Water & Sewer Authority (ONWASA) for the year ended June 30, 2025.

**Audit Scope and Objectives**

We will audit ONWASA's statement of net position as of June 30, 2025 and the related statement of revenues, expenses, and changes in net position and statement of cash flows, including the disclosures, which collectively comprise the basic financial statements, of ONWASA as of and for the year then ended. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement ONWASA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to ONWASA's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis (MD&A).
2. Schedule of ONWASA's Proportionate Share of the Net Pension Liability – Local Governmental Employees' Retirement System (LGERS).
3. Schedule of Contributions – Pension Plan (LGERS).
4. Schedule of Changes in ONWASA's Net OPEB Liability and Related Ratios.

## ONWASA - 2025 Engagement Letter

April 16, 2025

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We have also been engaged to report on supplementary information other than RSI that accompanies ONWASA's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal and state awards.
2. Schedule of revenues and expenditures (budget and actual) – operating fund.
3. Schedule of revenues and expenditures (budget and actual) – capital projects funds.

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report:

1. Introductory section.
2. Statistical section.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on -

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of North Carolina Single Audit Implementation Act (State Single Audit Act).

ONWASA - 2025 Engagement Letter  
April 16, 2025  
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**Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and the State Single Audit Act, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance and State Single Audit Act, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we will exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

ONWASA - 2025 Engagement Letter  
April 16, 2025  
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Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

According to GAAS, significant risks include the risk of management's override of internal controls. Accordingly, we have considered this item as a significant risk.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and State Single Audit Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and State Single Audit Act.



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An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of ONWASA's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and State Single Audit Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina* for the types of compliance requirements that could have a direct and material effect on each of ONWASA's major programs. For federal and/or state programs that are included in the Federal or State Compliance Supplements, our compliance and internal control procedures will relate to the compliance requirements that the Federal or State Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on ONWASA's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and State Single Audit Act.

#### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of ONWASA in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and State Single Audit Act based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal and state awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and state awards; federal award programs; state award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.



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You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance and State Single Audit Act, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review subsequent to the start of fieldwork.

With regard to an exempt offering document with which Mauldin & Jenkins is not involved, you agree to clearly indicate in the exempt offering document that Mauldin & Jenkins is not involved with the contents of such offering document. In the event that Mauldin & Jenkins is requested to be involved with an exempt offering document, you agree that the aforementioned auditor's report or reference to Mauldin & Jenkins will not be included without our prior permission or consent. Furthermore, any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.



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You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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April 16, 2025  
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As an attest client, Mauldin & Jenkins, LLC cannot retain or store documents, data, or records on behalf of ONWASA. This is in accordance with ET section 1.295.143 of the *AICPA Code of Professional Conduct*. ONWASA is solely responsible for maintaining its own data and records.

In that regard, SuraLink is used solely as a method of transferring data to Mauldin & Jenkins, LLC and is not intended for the storage of ONWASA's information. All information you will provide through SuraLink is a copy and you will maintain original documents and data as part of your records.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete our engagement, resulting in an increase in fees over our original estimate. Furthermore, if the information we have requested is not available by the mutually agreed upon deadlines, it may cause delays in the completion of ONWASA's audit.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to ONWASA; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the North Carolina Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.



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The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory body. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit procedures in May 2025 and to issue our reports no later than December 31, 2025. Timothy M. Lyons is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$62,000 for the year ended June 30, 2025. This fee includes the provision for the performance of a single audit on one (1) major federal or state program, and the required reporting thereon. If the composition of ONWASA's federal and/or state awards requires additional programs to be audited as major, each additional program will range from \$7,500 to \$9,000. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. A service charge of 1.5% per month (18% annually) will be added onto any balances not paid within 30 days. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

### **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors for ONWASA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

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The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to ONWASA and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Sincerely,

MAULDIN & JENKINS, LLC



Timothy M. Lyons

RESPONSE:

This letter correctly sets forth the understanding of ONWASA.

By: EJJKL  
Title: CEO



Onslow Water and Sewer Authority  
 228 Georgetown Road  
 Jacksonville, NC 28540

June 10, 2025

Attn: Eric Adams

**RE: NC DOT State contract STC2518A Dump Chassis-50,000 – 70,000 GVWR  
 Mack Truck Chassis**

**Contract Bid Price \$139,895.00 each (tandem automated mDrive chassis only)**

Options and new pricing listed below for purchase of **2026 Mack GR64FR**  
 tandem automated transmission spec for ONWASA dump truck application:

**Spec changes and Options: \$ 13,722.42**

**Engine/Transmission**

Engine MP-7 425HP  
 Granite AF Config. Pkg. 7  
 Mack m-Drive automated 12 speed transmission

**Cab Controls**

Power windows and door locks  
 Bluetooth  
 Engine Brake  
 Exhaust/Emissions  
 DPF Cover painted DEF tank 11.8 gallon

**Clutch/Transmission Equipment**

Meritor MXL Drivelines Extended Lube  
 Inter-axle Driveline-Extended Lube

**Rear Axle Equipment**

Mack S400-40K  
 Rear Axle Ratio 4.80  
 Bogie Spread 55"  
 Transverse Torque Rods

**Wheels/Tires**

11R/22.5 Bridgestone Continental or Goodyear Tires-Front and Rear  
 22.5 x 8.25 Accuride powder coat white-Front and Rear

**Frame Equipment/ Fuel Tanks**

Wheelbase 213"  
 After frame 57"  
 Fuel Tank 88 gallon

**Mack Tariff Fees**

**Revised Contract price with spec changes for Dump Truck application: \$ 153,617.42**

**Options to add:**  
**2025 Godwin Dump body quote** **\$ 26,670.58**  
See attached quote

(Godwin pricing subject to change and/or additional tariffs added based on build timing)

**Total for all options complete and delivered..... \$ 180,288.00 per truck**

If you have any questions, please let me know. Thank you again for the opportunity and we look forward to serving you.

Travis Tart  
Transource, Inc.      919-782-8785

# CUSTOMER PROPOSAL

**MACK®**



**PREPARED FOR**

ONSLow WATER AND SEWER AUTHORITY  
228 GEORGETOWN RD  
JACKSONVILLE  
NC 285404146

**DATE**

6/9/2025

**PREPARED BY**

TRANSOURCE, INC.  
8808 MIDWAY WEST RD  
RALEIGH  
NC 27617-4609

**QUOTE INFORMATION**

BLAN2025000447C626  
GRANITE 64FR MACK SPEC  
Qty: 1



Truck & Trailer Centers



# TECHNICAL SPECIFICATION

## GRANITE 64FR MACK SPEC

EXHIBIT E



MODEL DEFINING		DESCRIPTION
S	PRICE BOOK LEVEL	2026A Pricebook
S	VOLTAGE	ELECTRICAL SYSTEM 12 VOLT

APPLICATION PACKAGES		DESCRIPTION
	CHASSIS CONFIGURATION PACKAGE	ONEBOX EATS, LH BATTERY BOX, 11.8 GALLON (45L) DEF, SINGLE 22" LH FUEL TANK

CUSTOMER/VEHICLE INFO		DESCRIPTION
S	CHASSIS (BASE MODEL)	GRANITE 64FR MACKSPEC
	CUSTOMER FLEET SIZE	REGIONAL FLEET 25 OR MORE VEHICLES IN OWN FLEET OF ANY VEHICLE BRAND
	TYPE OF SERVICE	MUNICIPAL
S	WARRANTY REGISTRATION LOCATION	USA - WARRANTY REGISTRATION LOCATION
	EMISSION WARRANTY CERTIFICATION	EPA (only) for Mack MP7 / MP8 Diesel
	Order Subject to Meeting All Mack Policies, Terms and Conditions,	Including but not Limited to Applicable CARB and/or Section 177 States' Regulation requirements
	INTENDED REGISTRATION LOCATION	NORTH CAROLINA
S	INITIAL REGISTRATION LOCATION	USA REGISTRATION
	BRAND ORNAMENT	BULLDOG, GOLD
S	LANGUAGE-PUBS/DECAL/SIGNS	ENGLISH
S	ROAD CONDITION	WELL MAINTAINED SURFACED ROADS >95% DRIVING DISTANCE
	VEHICLE USE & BODY/TRAILER TYPE	DUMP TRUCK
	TRAILER TYPE	FIXED DRAWBAR TRAILER AND CENTERED AXLES
	GROSS COMBINATION WEIGHT (CA in PC29 only)	80,000 LB (36 TONNES) GROSS COMBINATION WEIGHT
S	BRAKE REGULATION	BRAKE REGULATION, STOPPING DISTANCE 94M (310FT)
	TOPOGRAPHY	GRADES <3% GREATER THAN 98% OF DRIVING DISTANCE MAX GRADE 8%
S	AMBIENT TEMP UPPER LIMIT	AMBIENT TEMPERATURE HOT. WARMER THAN 104 F (40 C) ALLOWED UP TO 25 HOURS PER YEAR
S	OPERATING TERRAIN GRADE CONDITIONS	ON-OFF HIGHWAY, STARTING GRADES<18%
S	LOADING SURFACE FACTOR	CONCRETE LOADING AND / OR UNLOADING SURFACE
	VEHICLE VOCATION	CONSTRUCTION SERVICE

ENGINE/TRANSMISSIONS		DESCRIPTION
	ENGINE / MOTOR	MP7-425C MACK 425HP @ 1500-1800 RPM (PEAK) 2100 RPM (GOV) 1550 LB-FT, US'21
S	GHG APPLICATION, VEHICLE	GREEN HOUSE GAS VOCATIONAL APPLICATION
	TRANSMISSION	MACK TMD12AFO-HD mDRIVE HD 12 SP-(OVERDRIVE)
S	GEARBOX 12TH GEAR LOCK-OUT	WITHOUT 12TH GEARBOX GEAR LOCK-OUT

EXHAUST/EMISSIONS		DESCRIPTION
	NOX LIMITS	CARB LEGACY / EPA (200MG/HP/HR), 50 State Idle Compliance
S	IDLE EMISSION LABEL LOCATION (CA in PC29 only)	IDLE EMISSION LABEL LOCATION, LOWER LH CORNER OF DRIVER DOOR
S	DPF DIESEL PARTICULATE FILTER	CLEARTECH ONE BOX E.A.T.S. RH SIDE UNDER CAB US17 / US21
	CHASSIS MOUNTED EMISSIONS FINISH	PAINTED DEF & DPF COVER
	DIESEL EXHAUST FLUID TANK	11.8 GALLON (45 L) 22" LEFT SIDE FRAME MOUNTED
	DEF TANK VENTILATION FILTER	DEF TANK VENTILATION FILTER
	EXHAUST	SINGLE VERTICAL RIGHT SIDE CAB MOUNTED, LOWER VENTURI DIFFUSER, TURNED END

# TECHNICAL SPECIFICATION *(cont.)*

EXHAUST/EMISSIONS		DESCRIPTION
	EXHAUST STACK HEIGHT	9' 6" FROM GROUND
S	EXHAUST - BRIGHT FINISH	W/O BRIGHT FINISH EXHAUST
	EMISSION ON BOARD DIAG CONTROL	EMISSION OBD, DISPLAY ONLY, USA2025

ENGINE EQUIPMENT		DESCRIPTION
S	AIR CLEANER	UNDER HOOD SINGLE ELEMENT DRY TYPE W/AIR INTAKE FROM BOTH SIDES OF HOOD
S	BUG SCREEN	BLACK ALUMINUM BUG SCREEN MOUNTED BEHIND GRILLE, WITHOUT WINTER FRONT COVER
S	AIR COMPRESSOR/DRYER	WABCO HEATED SS-HP AIR DRYER W/ WABCO 636 (37.4 CFM) AIR COMPRESSOR
S	ALTERNATOR	DELCO 12V 160A (28SI) BRUSH-TYPE
S	BATTERIES	(3) MACK 12V 760/2280 CCA THREADED STUD TYPE
S	BATTERY BOX - MOUNTING (x)	LH RAIL UNDER CAB FORWARD OF FUEL TANK (3 BATTERY MAX)
S	BATTERY BOX COVER	MOLDED PLASTIC
	EMERGENCY START CONNECTIONS	EMERGENCY START STUDS, BATTERY BOX MOUNTED
	BATTERY DISCONNECT SWITCH	FLAMING RIVER BIG SWITCH WIRED TO POSITIVE SIDE
	STARTER MOTOR	12 VOLT MELCO STARTER (MITSUBISHI ELECTRIC)
	ENGINE BRAKE	MACK MP7 POWERLEASH
S	VEHICLE/TRAILER STOP LAMP APPLICATION (CA)	VEHICLE AND TRAILER (IF APPLICABLE) STOP LAMPS ACTIVATE UPON SERVICE BRAKE APPLICATION ONLY(3899000)
S	ENGINE BRAKE ACTIVATION	ENGINE BRAKE ACTIVATION, BASIC
S	FAN DRIVE	BEHR FAN AND ELECTRONIC MODULATING VISCOUS FAN DRIVE
	COOLANT PROTECTION	PROPYLENE GLYCOL FULLY FORMULATED COOLANT (50/50 MIX DYED BLUE) TO -34DEG, W/ FILTER
	HOSES - RADIATOR/HEATER	MACK EPDM RADIATOR & HEATER HOSES, w/ 1/4 TURN BALL VALVE HEATER HOSE
S	FUEL-WATER SEPARATOR	MACK W/MANUAL DRAIN VALVE V2 (INTEGRAL W/ PRIMARY FUEL FILTER)
S	ENGINE HEATERS	120v 1500w BLOCK HEATER ONLY
	PLUG QUANTITY & TYPE	SINGLE (1) 120V-15A PLUG
	OIL SUMP	CORROSION RESISTANT OIL PAN
S	EMERGENCY ENGINE STOP (CA)	WITHOUT ENGINE STOP, EMERGENCY

CLUTCH/TRANS EQUIPMENT		DESCRIPTION
S	GEAR SHIFTER	MACK mDRIVE-PREMIUM SHIFTER
S	CLUTCH	ZF/SACHS SINGLE PLATE 17" (430MM) ORGANIC MATERIAL
S	CLUTCH ACTUATION SYSTEM & PEDAL PAD	WITHOUT CLUTCH CABLE SYSTEM
	DRIVELINE - MAIN	MERITOR RPL25HD W/PERMALUBE U-JOINTS (PROPS-L)
S	DRIVELINE - INTERAXLE	MERITOR RPL25
	DRIVESHAFT MAIN U-JOINT	UNIVERSAL JOINT HALF-ROUND TYPE (where applicable)
S	DRIVESHAFT INTERAXLE U-JOINT	HALF-ROUND UNIVERSAL JOINT
S	TRANSMISSION OUTPUT TORQUE	TRANSMISSION OUTPUT TORQUE BASIC
S	LUBRICANTS, TRANSMISSION	75W - 90 (SYNTHETIC LUBRICANT)
S	TRANSMISSION OIL COOLER	MACK mDRIVE TRANSMISSION OIL COOLER MOUNTED LH SIDE OIL TO WATER COOLER
	GRADE GRIPPER	GRADE GRIPPER

FRONT AXLE EQUIPMENT		DESCRIPTION
S	FRONT AXLE	18000# (8200 KG) MACK FXL18 STRAIGHT SPINDLE/UNITIZED BEARINGS
S	SPRINGS - FRONT	MACK TAPERLEAF 18000# (8200 KG) GROUND LOAD RATING, EQUAL BIAS

# TECHNICAL SPECIFICATION *(cont.)*

FRONT AXLE EQUIPMENT		DESCRIPTION
	BRAKES - FRONT	MERITOR "S" CAM TYPE 16.5" x 6" Q+
	BRAKE DRUMS - FRONT	CENTRIFUSE - OUTBOARD MOUNTED
S	DUST SHIELDS - FRONT	DUST SHIELDS FOR FRONT AXLE
	SLACK ADJUSTERS - FRONT	HALDEX - AUTOMATIC
	BRAKE CHAMBERS - FRONT	FRONT BRAKE CHAMBER MANUFACTURER, MGM
	HUBS - FRONT	FERROUS
S	FRONT AXLE LUBRICANT	FRONT AXLE LUBE, FAG NLGI2 GREASE
S	SHOCK ABSORBERS - FRONT	DOUBLE ACTING TYPE
S	STEERING	SHEPPARD SD110

REAR AXLE EQUIPMENT		DESCRIPTION
	REAR AXLE	40000# (18100kg) MACK S400R FABRICATED STEEL HOUSING
S	DRIVE AXLE LUBRICANT	DRIVE AXLE LUBE, SHELL 75W90 SYNTHETIC OIL
S	CARRIER - REAR AXLE	150/151 SERIES (Tandem Mack Rear Axles up to 150,000lb GCW)
S	POWER DIVIDER LOCKOUT	INTERAXLE POWER DIVIDER LOCKOUT, W/BUZZER & LIGHT
	REAR AXLE RATIO	3.79 RATIO
	REAR SUSPENSION	SS40 MACK CAMELBACK MULTILEAF 40,000 lb, STANDARD DUTY
	BOGIE SPREAD, REAR	55" AXLE SPACING (BOGIE WHEELBASE)
S	AUX.SPRING BRAKE QTY	AUX SPRING BRAKE QTY, 4 CHAMBERS
S	BRAKES - REAR	MERITOR "S" CAM 16.5"x7" Q+ (Total for QTY = 2)
S	BRAKE DRUMS - REAR	BRAKE, DRIVE REAR, DRUM LIGHT WEIGHT TRUTURN
S	SLACK ADJUSTERS - REAR	HALDEX - AUTOMATIC (Total for QTY = 2)
	DUST SHIELDS - REAR BRAKE	DUST SHIELDS FOR REAR AXLE
	REAR BRAKE CHAMBER SIZE	REAR SPRING BRAKE CHAMBERS 30/30 TYPE
	BRAKE ORI REAR-MOST DRIVE AXLE	DRUM BRAKE CHAMBER ORIENTATION: High Mount - Rear of Axle - Chamber Down
	PARKING BRAKE CHAMBER	MGM TR3030LP3THD BRAKE CHAMBERS (Total for QTY = 2)
S	HUBS - REAR	IRON PRESET REAR HUB W/INTEGRATED SPINDLE NUT
	ANTILOCK BRAKE SYSTEM	BENDIX WITH TRACTION CONTROL 4S4M
S	AIR SYSTEM VALVE VENDOR	BENDIX SWITCHES AND VALVES WHERE POSSIBLE

FRAME EQUIPMENT/FUEL TANKS		DESCRIPTION
	WHEELBASE	213"
	AF (OVERHANG)	57"
	FRAME RAILS & LINERS	9.5 x 90 x 300mm - (0.37" x 3.54" x 11.81"); RBM 2,470,000 LB-IN
S	BOLT ON FRONT FRAME EXTENSION	6" BOLT ON FRAME EXTENSION
S	FRONT FRAME LENGTH	FRONT FRAME LENGTH 725MM
S	CROSSMEMBERS	BOC AND INTERMEDIATE(S) STEEL HD BACK-TO-BACK CHANNEL
S	REAR CROSSMEMBER OPTIONS	STEEL CLOSING REAR CROSSMEMBER
S	TAPERED FRAME RAIL ENDS	WITHOUT TAPERED FRAME RAIL ENDS
S	FRONT BUMPER	EXTENDED-SWEPT BACK-STEEL
S	TRUNNION BRACKET	BASIC SOLUTION TRUNNION BRACKET, STD HEIGHT
S	TOWING DEVICE, FRONT	HOOKS
S	FUEL LEVEL SENDER UNIT, LIQUID	BASIC FUEL LEVEL SENDER MOUNTED ON L.H TANK
	FUEL TANK - LH	88 GALLON (335 L) 22" ALUMINUM D-SHAPE
S	FUEL TANK - RH	W/O RH FUEL TANK

FRAME EQUIPMENT/FUEL TANKS		DESCRIPTION
S	FUEL LINE MATERIAL	BRAIDED HOSE
S	FUEL FILLER NECK OPTIONS	WITHOUT FILLER NECK SCREEN, WITH NON-LOCKABLE FUEL TANK CAP
	FUEL SYSTEM - DUAL	W/O FUEL LINE OPTION
S	CAB ACCESS STEPS	STANDARD 2 STEP CAB ACCESS
S	STEPS (BRIGHT) - FUEL TANK	STANDARD FINISH STEPS AND BRIGHT FINISH STRAPS

AIR/BRAKE		DESCRIPTION
S	RELOCATE AIR RESERVOIRS	W/O RELOCATED AIR TANKS
	AIR TANK DRAIN VALVE	MANUAL DRAIN VALVES, WITH LANYARDS ON ALL TANKS
S	AIR TANK MATERIAL & FINISH	STEEL AIR TANK PAINTED CHASSIS COLOR
	PARKING BRAKE VALVE	TWO (2) VALVE DUAL BRAKE SYSTEM - TRAILER SUPPLY AND TRACTOR-TRAILER PARK

ELECTRICAL		DESCRIPTION
	DASH MOUNTED SWITCHES	(4) 15A, IGNITION POWERED, (2) 15A BATTERY POWERED, ALL LATCHING ON/OFF
S	ROOF & SIDE MARKER LIGHTS	(5) TRUCKLITE CHROME BULLET ROOF MARKER & STANDARD MARKER / DIRECTIONAL SIGNAL
	HEADLAMP BULB TYPE	HEADLAMP BULB TYPE, LED
S	DAYTIME RUNNING LIGHTS	W/OVERRIDE SWITCH, PARK BRAKE & ENGINE RUNNING ACTIVATED
S	DRL OVERRIDE SPEED THRESHOLD	DRL OVERRIDE SPEED THRESHOLD 8 KMPH (5 MPH)
S	TAIL LAMPS	INCANDESCENT TAIL LAMPS

TRAILER CONNECTIONS		DESCRIPTION
	HAND CONTROL VALVE	HAND CONTROL VALVE FOR TRAILER BRAKES W/ AIR CONNECTIONS OR SERVICE BRAKES W/O AIR CONNECTIONS
	TRAILER CONNECTIONS	TRAILER AIR BRAKE CONNECTIONS, END OF FRAME
	TRAILER ELECTRICAL RECEPT	SINGLE 7 PINS STD SAE TYPE, END OF FRAME

PTO		DESCRIPTION
S	TRANSMISSION MOUNTED PTO	mDRIVE Without PTO, Removable Block Off Plate
S	AMT/AUTOMATIC TRANS PTO FUNCT.	TRANSMISSION PTO FUNCTIONS BASIC
S	PTO - CONTROL	mDRIVE SINGLE PTO PREP KIT W/ ILLUMINATED DASH MOUNTED SWITCH & PIPING FOR LOCAL INSTALL
	FRONT ENGINE PTO	1350 SERIES FLANGE (DOES NOT INCLUDE FRONT FRAME EXTENSION)
S	BODY BUILDER INTERFACE	BODY LINK III W/CAB PASS-THRU

SPECIALTY EQUIPMENT		DESCRIPTION
S	LANE SUPPORT SYSTEM (LSS)	WITHOUT LANE SUPPORT SYSTEM
S	DATA CAPTURE	WITHOUT DATA CAPTURE
S	SURVEILLANCE CAMERA OPTIONS (CA)	WITHOUT CAMERA

CAB INTERIOR (A THRU G)		DESCRIPTION
S	SPEEDOMETER -&- GAUGES - UNIT(S) OF MEASURE	U.S. UNITS (PREDOMINANT)
	GAUGE - PACKAGE, SECONDARY	2ND GA PKG W/ENG OIL TEMP,TRANS OIL TEMP,PYRO,APP AIR PRESS
	GAUGE OIL TEMP-REAR AXLE	REAR AXLE OIL TEMP GAUGE IN DID (DRIVER INFORMATION DISPLAY)
	AUX.INCAB PNEUMATIC LINE	AUX. INCAB PNEUMATIC LINE CLEANOUT
S	CLIMATE UNIT	ELECTRONIC CONTROLLED CLIMATE CONTROL AIR CONDITION

CAB INTERIOR (A THRU G)		DESCRIPTION
S	CUPHOLDER	CUPHOLDER
S	DOMELAMP, INTERIOR	(4) DOME LAMPS - DOOR AND SWITCH ACTIVATED
S	DASH INDICATOR - LAMP BODY OUT OF POS	DASH MTD, INDICATOR BODY/HOIST UP "BODYBUILDER LAMP"
	FIRE EXTINGUISHER	5LB (ABC RATED) MOUNTED BETWEEN DRIVER SEAT BASE AND DOOR VALVE AIMED REARWARD
S	FLOOR COVERING	POLYURETHANE FLOOR MAT WITHOUT REMOVABLE INSERTS

CAB INTERIOR (H THRU R)		DESCRIPTION
S	INSTRUMENT CLUSTER LANGUAGE	DEFAULT: ENGLISH, SPANISH, FRENCH
S	KEY TYPES FOR DOORS	ALL CHASSIS KEYED AT RANDOM
S	KEYLESS ENTRY	W/O ELECTRONIC KEYLESS ENTRY
S	OVERHEAD CONSOLE	(2) STORAGE COMPARTMENTS AND NET RETAINERS W/CENTER MOUNTING FOR CB PROVISIONS
S	RADIO/RADIO ACCOMMODATION	PREMIUM STEREO, AM/FM, MP3, WEATHER BAND, BLUETOOTH
S	RADIO - ANTENNA	RADIO ANTENNA, CAB MOUNTED BEHIND LH DOOR
S	RADIO - BINDING POSTS FOR CB	POWER LEADS (5-WAY BINDING POSTS FOR CB RADIO) IN HEADER CONSOLE
S	AUDIO SPEAKER LOCATION	SPEAKER LOCATION, IN DOORS, MIDDLE HIGH SIDE PANEL
S	RADIO - CB RADIO MOUNTING	CB RADIO MOUNTING REINFORCEMENT IN HEADER CONSOLE
S	REAR WALL STORAGE COMPARTMENT	STORAGE POUCH REAR
	REFLECTOR KIT	EMERGENCY REFLECTOR KIT MOUNTED PARALLEL & CENTERED AGAINST BOC

CAB INTERIOR (S THRU Z)		DESCRIPTION
S	INTERIOR TRIM LEVELS	COMFORT TRIM PACKAGE, STEEL GRAY (Package 11A)
S	SEAT - DRIVER'S	MACK-AIR, HIGH BACK, 1 CHAMBER AIR LUMBAR
S	SEAT COVERING - DRIVER'S	DRIVER'S SEAT - BLENDED BLACK & GREY VINYL
	SEAT - PASSENGER'S	MACK-AIR, HIGH BACK, 1 CHAMBER AIR LUMBAR
S	SEAT COVERING - PASSENGER'S	PASSENGER'S SEAT - BLENDED BLACK & GREY VINYL
	SEAT ARM REST(S)	INBOARD MOUNTED ARM REST, DRIVER'S SEAT ONLY
S	SEAT BELT(S)	LAP & SHOULDER (BOTH SEATS) CAB MOUNTED SHOULDER BELT ADJUSTMENT
S	SEAT BELT WARNING INDICATOR	SEAT BELT REMINDER IN INSTRUMENT, WITH AUDIO
S	STARTER SWITCH	KEY TYPE
	STEERING WHEEL	2 SPOKE URETHANE GRIP, GUNMETAL SPOKES, W/O SWITCHES
S	WINDSHIELD TYPE	TWO PIECE WINDSHIELD
S	CAB GLASS	TINTED WINDSHIELD & SIDE WINDOWS & REAR WINDOW (IF EQUIPPED)
S	WINDSHIELD WASHER	W/O WINDSHIELD WASHER OPTION
S	WINDSHIELD WIPERS	2 SPEED ELECTRIC MOTOR W/INTERMITTENT FEATURE

CAB EXTERIOR		DESCRIPTION
S	HOOD LATCH TYPE & FINISH	STRAP TYPE HOOD LATCH WITH BLACK FINISH
S	EXTERIOR TRIM FINISH AND PACKAGES	GRANITE BRIGHT AIR INTAKE
S	GRILLE	BLACK FINISH BARS W/BRIGHT FINISH SURROUND GRILL MOUNTED
S	PASSENGER SIDE VISIBILITY OPTIONS	AUXILIARY WINDOW IN RH DOOR
	GRAB HANDLES	BF EXTERIOR CAB GRAB HANDLES, BLACK GRAB HANDLE RH INTERIOR WINDSHIELD POST
S	HORN - AIR	(1) MACK RECTANGULAR SINGLE TRUMPET
S	HORN - ELECTRICAL	DUAL TONE

CAB EXTERIOR		DESCRIPTION
	MIRRORS - EXTERIOR	BULLDOG STYLIZED MIRRORS - LH & RH HEATED & MOTORIZED AND ILLUMINATED W/INTEGRAL CONVEX MIRROR
	MIRROR - CONVEX HOOD & FENDER	8" ROUND BF FENDER MTD W/SS BRACKETS & ADJ. ARMS R.H. & L.H. (Same as 15H2001)
	SUN VISOR - EXTERIOR	SUN VISOR, EXTERIOR, FIBERGLASS (PAINTED)

AERODYNAMIC DEVICES		DESCRIPTION
S	FRONT CHASSIS AERODYNAMIC PACKAGE	WITHOUT FRONT AERODYNAMIC FAIRINGS

WHEELS & TIRES		DESCRIPTION
	TIRES BRAND/TYPE - FRONT	11R22.5 H BRIDGESTONE M863 (13220 lbs) (Total for QTY = 2)
	WHEELS - FRONT	22.5x8.25 ACCURIDE ACCU-LITE 51408x WHITE POWDER COAT STEEL, 6.60" OFFSET, 2 HAND HOLE (Total for QTY = 2)
	TIRES BRAND/TYPE - REAR	11R22.5 H BRIDGESTONE M799 (24020 lbs) (DRIVE ONLY) (Total for QTY = 8)
	WHEELS - REAR	22.5x8.25 ACCURIDE ACCU-LITE 51408x WHITE POWDER COAT STEEL, 6.60" OFFSET, 2 HAND HOLE (Total for QTY = 8)
S	VALVE STEMS & CAPS	STANDARD VALVE STEMS AND CAPS
S	FRONT HUB/WHEEL TRIM	WITHOUT FRONT HUB/WHEEL TRIM
S	REAR HUB/WHEEL TRIM	WITHOUT REAR HUB/WHEEL TRIM (Total for QTY = 2)

COMMUNICATION SYSTEMS		DESCRIPTION
	CO-PILOT - DISPLAY FEATURES ACCESS LEVEL	CO-PILOT DISPLAY, FULL DRIVER ACCESS
S	TELEMATIC GATEWAY	TELEMATICS GATEWAY, 4G/LTE AND WLAN SYSTEM WITH DIAGNOSTIC SERVICES

ENGINE ELECTRONICS		DESCRIPTION
S	SHUTDOWN-ENG.OIL PRESSURE	OIL PRESSURE, ENGINE SHUTDOWN
S	SHUTDOWN-ENG.COOLANT TEMP	COOLANT TEMP, ENGINE SHUTDOWN
S	ENG /OIL TEMP SHUTDOWN	ENGINE PROTECTION (SHUTDOWN)
	LOW IDLE ENGINE RPM	IDLE CONTROL, 650 RPM
S	IDLE RPM UP W/LOW VOLTAGE	INCREASE 10 MINUTE MAXIMUM TIME
	IDLE SHUTDOWN	ENGINE IDLE SHUTDOWN, ENABLE
	ENGINE IDLE SHUTDOWN TIME	IDLE SHUTDOWN TIME 5 MIN.
S	IDLE S/D WARNING TIME	30 SEC IDLE S/D WARNING TIME
S	IDLE S/D IF WARM-UP TEMP	38C DEG (100F), WARM UP TEMP DELAY
S	IDLE S/D WARM-UP TIMER	5 MIN. WARM UP TIME DELAY
S	IDLE S/D IF PTO ACTIVE	ENGINE IDLE SHUTDOWN TIME OVERRIDDEN IF PTO ACTIVE
S	IDLE S/D OVERRIDE %ENGINE LOAD	IDLE SHUTDOWN OVERRIDE UPTO 20% ENGINE LOAD THRESHOLD
S	AMBIENT TEMP MIN TRESHOLD	AMBIENT TEMP MIN TRESHOLD, 16 DEG C, (60 DEG F)
S	AMBIENT TEMP MAX TRESHOLD	AMBIENT TEMP MAX TRESHOLD, 27 DEG C, (80 DEG F)
S	EHT, MAX ROAD SPEED	ELECTRONIC HAND THROTTLE, MAX ROAD SPEED, 16 KMH (10 MPH)
	EHT, MAX ENG SPEED	ELECTRONIC HAND THROTTLE, MAX ENGINE SPEED, 2100 RPM
S	EHT, MIN ENG SPEED	ELECTRONIC HAND THROTTLE, MIN ENGINE SPEED, 700 RPM
S	EHT, SPEED RAMP RATE	ELECTRONIC HAND THROTTLE, SPEED RAMP RATE, 100 RPM/SEC
	EHT HOLD TO NEAREST RPM	ELECTRONIC HAND THROTTLE HOLD TO NEAREST 50RPM
	EHT ACCEL BUMP-UP RPM	ELECTRONIC HAND THROTTLE ACCEL "BUMP-UP" 50RPM
	EHT DECEL BUMP-DOWN RPM	ELECTRONIC HAND THROTTLE DECEL "BUMP-DOWN" 50RPM

# TECHNICAL SPECIFICATION *(cont.)*

TRANSMISSION ELECTRONICS		DESCRIPTION
	TRANSMISSION DRIVE MODE PACKAGES, mDRIVE	mDRIVE- ENHANCED CONSTRUCTION - ECON, PERF, & PERF+ DRIVE MODES, AUTO RETURN (premium)
S	mDRIVE MACKCELLERATOR	MACKCELLERATOR ENABLE
	SHUTDOWN-TRANS. TEMP.	TRANS. PROTECTION, ENGINE SHUT DOWN (HIGH TEMP.)
S	TRANSMISSION ELECTRONICS PACKAGE	W/O ELEC TRANS PACKAGE OPTION (all non-Allison transmissions)
	TRANSM AUTO NEUTRAL ON P-BRAKE	mDRIVE TRANSMISSION PARK BRAKE AUTO NEUTRAL
S	TRANSMISSION ELECTRONIC SHIFTING PROPERTIES	W/O ALLISON FUELSENSE 2.0 PROGRAMMING

VEHICLE ELECTRONICS		DESCRIPTION
S	ROAD SPEED LIMIT (RSL)	105 KM/H ROAD SPEED LIMITER (65MPH)
	PEDAL SPEED LIMITER	105 KM/H PEDAL ROAD SPEED LIMITER (65MPH)
S	CRUISE CONTROL	CRUISE CONTROL
S	CRUISE CONTROL, MAX SPEED	MAX CRUISE, 105 KPH (65 MPH)
	CRUISE CONTROL MIN SPEED	MIN CRUISE, 24 KPH (15 MPH)
S	CRUISE RESUME WITH CLUTCH	CRUISE RESUME WITH CLUTCH
S	ENG BRAKE ENGAGE IN CRUISE	ENG BRK ENGAGE IN CRUISE, 3 MPH, ABOVE SET SPEED
	PDLO ENGAGED VLS	POWER DIVIDER LOCK OUT (PDLO) ROAD SPEED LIMIT 40KMH (25MPH)
	DIFF LOCK SPEED LIMIT	WITHOUT DIFFERENTIAL LOCK ROAD SPEED LIMIT
S	SPEED SENSOR TAMPERING DETECTION	DETECTION OF SPEED SENSOR TAMPERING, ENABLE
S	PWR.LIMIT LVL.-MPH SENSOR	ENG TORQUE LIMITED TO 50%, IF SPEED SENSOR TAMPER DETECTED
S	DRIVER PERFORMANCE & BONUS PARAMETERS	WITHOUT DRIVER PERFORMANCE PARAMETERS
S	DATAMAX ENGINE OVERSPEED-COMPANY	ENGINE OVERSPEED, ALL CONDITIONS, TIME LOG IF ABOVE 2200 RPM
S	DATAMAX ENGINE OVERSPEED-FUEL	ENGINE OVERSPEED, FUELED, TIME LOG IF ABOVE 2100 RPM
S	DATAMAX VEHICLE OVERSPEED-ALL	VEHICLE OVERSPEED,ALL COND, TIME LOG IF ABOVE 75MPH (121KMH)
S	DATAMAX VEHICLE OVERSPEED-FUEL	VEHICLE OVERSPEED, FUELED, TIME LOG IF ABOVE 70MPH (113KMH)
S	DATAMAX IDLE LOG DELAY	ENGINE IDLE DELAY TO START LOG, 2 MIN
	PERIODIC TRIP LOG HOUR OF DAY	PERIODIC TRIP LOG HOUR OF DAY, 24:00 (MID NIGHT)

PTO ELECTRONICS		DESCRIPTION
S	TRANS PTO1 SPLITTER RANGE	PTO1 FOR SPLITTER RANGE - KEYPAD REMOTE CONTROLLED
S	TRANS PTO2 SPLITTER RANGE	PTO2 FOR SPLITTER RANGE - KEYPAD REMOTE CONTROLLED
S	PTO1 SINGLE SPEED CONTROL RPM.	PTO 1ST, SINGLE SPEED SETTING, 1000 RPM
S	PTO 1ST, MAX ROAD SPEED	1ST PTO, MAX ROAD SPEED, 10 MPH (16 KPH)
S	PTO 1ST, SPEED RAMP RATE	PTO 1ST, SPEED RAMP RATE 100 RPM/SEC
S	PTO 1ST, MAX ENGINE SPEED	PTO 1ST, MAX ENGINE SPEED, 2100 RPM
S	PTO 1ST, ROAD SPEED LIMIT	PTO 1ST, ROAD SPEED LIMIT, 97 KMH (60 MPH)
S	PTO 1ST, MINIMUM ENGINE SPEED	PTO 1ST, MINIMUM ENGINE SPEED, 600 RPM
	PTO1 HOLD TO NEAREST RPM	PTO1 HOLD TO NEAREST 50RPM
	PTO1 ACCEL BUMP-UP RPM	PTO1 ACCEL "BUMP-UP" 50RPM
	PTO1 DECEL BUMP-DOWN RPM	PTO1 DECEL "BUMP-DOWN" 50RPM
S	PTO 2ND, SINGLE SPEED SETTING	PTO 2ND, SINGLE SPEED SETTING, 1000 RPM
S	PTO 2ND, MAX ROAD SPEED	2ND PTO, MAX ROAD SPEED, 10 MPH (16 KPH)
S	PTO 2ND, SPEED RAMP RATE	PTO 2ND, SPEED RAMP RATE 100 RPM/SEC
S	PTO 2ND, MAX ENGINE SPEED	PTO 2ND, MAX ENGINE SPEED, 2100 RPM
S	PTO 2ND, ROAD SPEED LIMIT	PTO 2ND, ROAD SPEED LIMIT, 97 KMH (60 MPH)

# TECHNICAL SPECIFICATION *(cont.)*

PTO ELECTRONICS		DESCRIPTION
S	PTO 2ND, MINIMUM ENGINE SPEED	PTO 2ND, MINIMUM ENGINE SPEED, 600 RPM
	PTO2 HOLD TO NEAREST RPM	PTO2 HOLD TO NEAREST 50RPM
	PTO2 ACCEL BUMP-UP RPM	PTO2 ACCEL "BUMP-UP" 50RPM
	PTO2 DECEL BUMP-DOWN RPM	PTO2 DECEL "BUMP-DOWN" 50RPM

PAINT		DESCRIPTION
S	PAINT DESIGN	SINGLE COLOR
S	PAINT TYPE	SOLID PAINT
S	PAINT COLOR - FIRST COLOR	MACK WHITE; P9188
S	PAINT COLOR - SECOND COLOR	NO SECOND TRUCK COLOR PROVIDED; NO COLOR
S	PAINT COLOR - THIRD COLOR	NO THIRD TRUCK COLOR PROVIDED; NO COLOR
S	PAINT - CAB PAINT SYSTEM	PAINT - CAB, URETHANE CLEAR COAT
S	CAB COLOR	SAME AS FIRST COLOR - CAB
S	HOOD COLOR	SAME AS FIRST COLOR - HOOD
	SUN VISOR COLOR	SAME AS FIRST COLOR - SUN VISOR
S	ROOF FAIRING COLOR	WITHOUT ROOF FAIRING
S	CHASSIS RUNNING GEAR	MACK BLACK (60 GLOSS); 250-12370
S	BUMPER	PAINT BUMPER SAME COLOR AS CHASSIS RUNNING GEAR
S	FUEL TANK - ***NO INVENTED VARIANTS ALLOWED in the FUEL TANK PAINT FAMILY***	W/O OPTIONAL FUEL TANK PAINT
S	HUBS & DRUMS-FRONT	SAME AS CHASSIS RUNNING GEAR
S	HUBS & DRUMS-REAR	SAME AS CHASSIS RUNNING GEAR

CALCULATED CODES - KAX		DESCRIPTION
S	PROPCALC SELECTION	YES, THE ORDER MUST BE CALCULATED
	AUTO ROUTING & CLIPPING, CENTER	AUTOMATIC ROUTING & CLIPPING PLACEMENT, CENTER SECTION

BASE WARRANTY & PURCHASED COVERAGES		DESCRIPTION
S	VEHICLE WARRANTY TYPE	HEAVY DUTY WARRANTY CLASSIFICATION
S	BASIC CHASSIS COVERAGE	HEAVY DUTY STANDARD BASE COVERAGE 12 MONTHS/100,000 MILES (161,000 KM)
	EMISSION - SURCHARGE	EPA (only) for Mack MP7 / MP8 Diesel
S	ENGINE WARRANTY	MACK MP7/MP8 BASE ENGINE COVERAGE 24 MONTHS / 250,000 MILES (402,000KM)
S	EMISSION COMPONENT COVERAGE	US and CANADA EQUIPPED VEHICLE EMISSION COMPONENTS COVERAGE 60 MONTHS/100,000 MILES (161,000 KM)
S	TRANSMISSION WARRANTY	36 MONTHS: STANDARD mDRIVE HD TRANSMISSIONS HEAVY DUTY WARRANTY
S	CARRIER & AXLE HOUSING WARRANTY	STANDARD MACK HEAVY DUTY COVERAGE 60 MONTHS / 500,000 (804,672 KM)
S	AIR CONDITIONING WARRANTY	AIR CONDITIONING STANDARD COVERAGE (Sealed System Only) 12 MONTHS UNLIMITED MILEAGE
S	CHASSIS TOWING WARRANTY	STANDARD NORMAL / HEAVY DUTY CHASSIS TOWING 90 DAYS OR 5,000 MILES
S	ENGINE TOWING WARRANTY	STANDARD MACK ENGINE TOWING COVERAGE 24 MONTHS/250,000 MILES (402,000 KM)

CONNECTED SERVICES		DESCRIPTION
S	MACK INTEGRATED UPTIME	MACK INTEGRATED UPTIME - 24 MONTHS
	MACK CONNECT LOCATION & REPORTING	MACK CONNECT LOCATION & REPORTING - 24 MONTHS
S	FLEET INTEGRATION	WITHOUT FLEET INTEGRATION

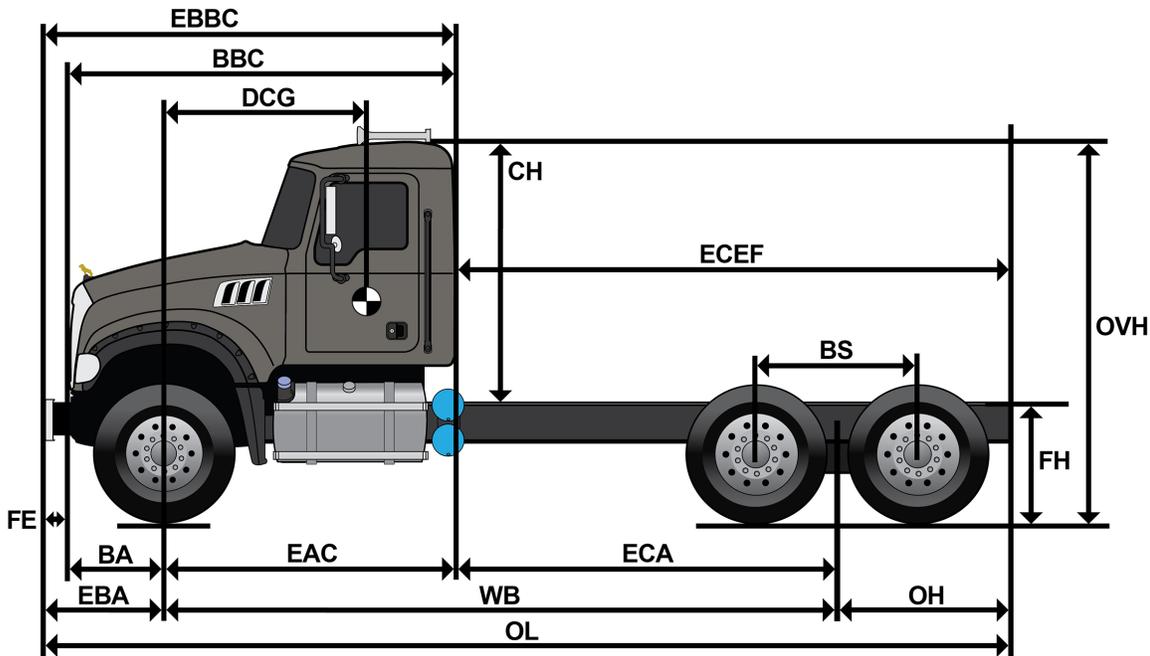
# TECHNICAL SPECIFICATION *(cont.)*

CONNECTED SERVICES		DESCRIPTION
S	PARTNERED SERVICES	NO PARTNERED SERVICES PROVIDED

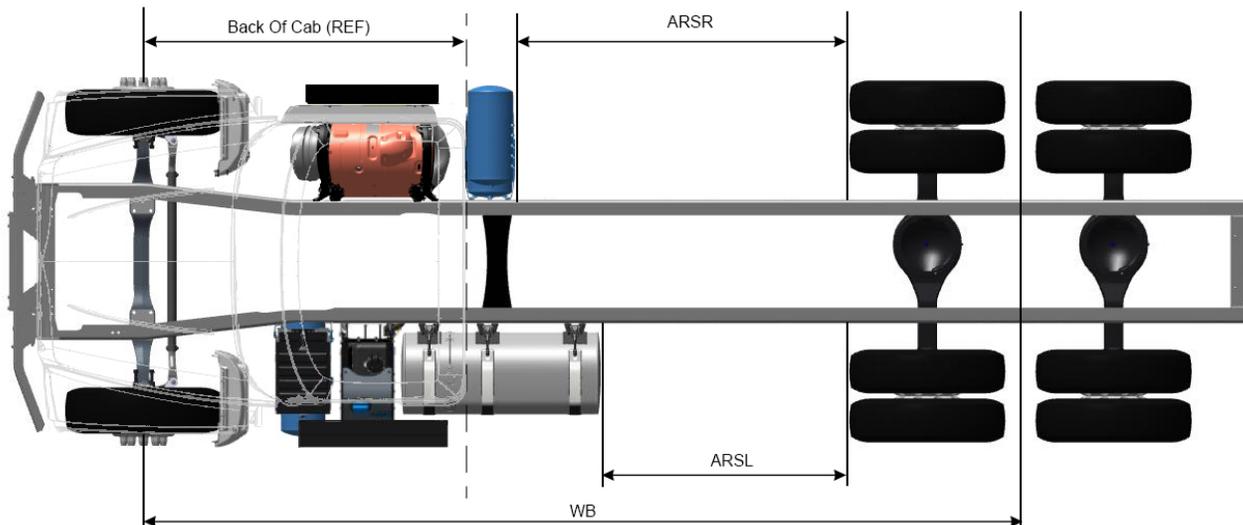


**VEHICLE SPECIFICATION/CALCULATED PERFORMANCE SUMMARY**

Description	Dwg Ref	Length	UOM
Front Frame Extension	<b>FE</b>	6.1	INCHES
Bumper to Front Axle	<b>BA</b>	29.0	INCHES
Eff. Bumper to Front Axle	<b>N/A</b>	35.1	INCHES
Wheelbase	<b>WB</b>	212.9	INCHES
Rear Overhang	<b>OH</b>	56.9	INCHES
Overall Length	<b>OL</b>	305.0	INCHES
Bumper to Back of Cab	<b>BBC</b>	116.5	INCHES
Eff. Bumper to Back of Cab	<b>EBBC</b>	122.6	INCHES
Eff. Cab to Rear Axle	<b>ECA</b>	125.4	INCHES
Eff. Front Axle to Back of Cab	<b>EAC</b>	87.5	INCHES
Eff. Cab to End of Frame	<b>ECEF</b>	182.4	INCHES
Unladen Frame Height	<b>FH</b>	43.2	INCHES
Cab Height	<b>CH</b>	70.9	INCHES
Overall Height	<b>OVH</b>	117.2	INCHES
Driver CG	<b>DCG</b>	70.9	INCHES
55" AXLE SPACING (BOGIE WHEELBASE)	<b>BS</b>	55.0	INCHES



VEHICLE SPECIFICATION/CALCULATED PERFORMANCE SUMMARY				
Description	Sales Code	Dwg Ref	Left Value(in)	Right Value(in)
Wheelbase	N/A	WB	212.9	212.9
Available Rail Space Right	N/A	ARSR	N/A	79.0
Available Rail Space Left	N/A	ARSL	42.2	N/A
Eff. Front Axle to Back of Cab	N/A	REF	87.5	87.5
Front Axle To Fender	CDX23X	N/A	35.4	35.4
Cleartech One Unit	DPF04F	N/A	0.0	50.0
Battery Box	393AA2	N/A	15.0	0.0
88 GALLON (335 L) 22" ALUMINUM D-SHAPE / W/O RH FUEL TANK	288AD8 / 290AA1	N/A	54.0	0.0
Ad-Blue Tank	DF10M1	N/A	17.8	0.0
Drive Tire Radius	901AJ6	N/A	21.0	21.0

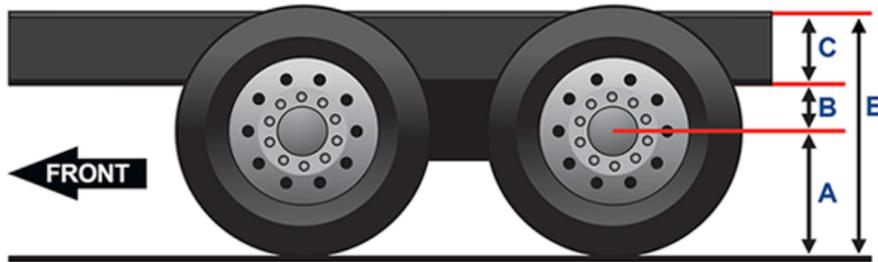


Top View image is intended for illustration purposes only and is not presented to scale. Wheelbase, Axle Spacing and After frame are not shown as specified, but are a representation. Customer Adaptation (CA) options and relocated components are not represented in these images. Most CA options impact the variation of the image, thus an image may not populate. Calculations are approximate to a tolerance of  $\pm 4$  inches due to component mounting variation. Certain chassis component options are NOT represented in the Top View image, such as, but not exclusive to, Front Frame Extensions, Fuel Water Separators, Air Dryers, PTOs, Fifth Wheels, Chassis Fairings, Toolboxes, Trailer Connections. For further information on these items and their respective locations on your specification, please refer to the data sheets associated with those items in the configurator.



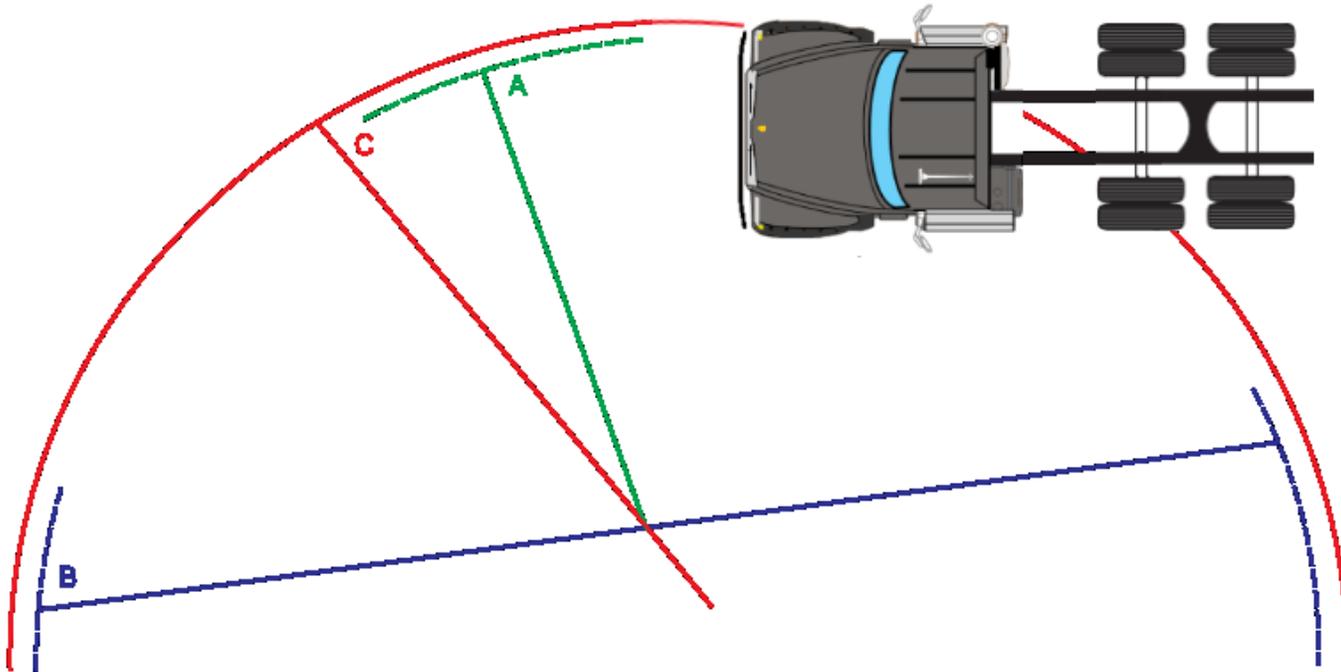
**VEHICLE SPECIFICATION/CALCULATED PERFORMANCE SUMMARY**

Description	Sales Code	Dwg Ref	Rear		
			Unladen	Laden	UOM
Tire Radius	901AJ6	<b>A</b>	21.0	19.5	INCHES
Suspension Height	18603Y	<b>B</b>	10.4	9.3	INCHES
Frame Depth	YBXGAX	<b>C</b>	11.8	11.8	INCHES
Total Height	N/A	<b>E</b>	43.2	40.6	INCHES



**VEHICLE SPECIFICATION/CALCULATED PERFORMANCE SUMMARY**

Description	Dwg Ref	Length	UOM
SAE Turning Radius	<b>A*</b>	32.4	FEET
Adjusted Turning Radius	<b>A</b>	36.7	FEET
Curb-to-Curb Diameter	<b>B</b>	74.3	FEET
Wall-to-Wall Diameter	<b>C</b>	80.8	FEET



Tests have shown that the true location of the turning center is further to the rear than midway between drive axle sets (where applicable)

The actual location of the turning center depends on:

- Whether the drive tire equipment is single or dual.
- The overall load distribution for the vehicle (front/rear, between drive axles) in a loaded condition
- Manufacturing tolerances within the steering components



**VEHICLE SPECIFICATION/CALCULATED PERFORMANCE SUMMARY**

Sub-Category	Sales Code	Sales Code Description	Value	UOM
Front Axle	240AA2	18000# (8200 KG) MACK FXL18 STRAIGHT SPINDLE/UNITIZED BEARINGS	18000	LB
Front Suspension	244AB1	MACK TAPERLEAF 18000# (8200 KG) GROUND LOAD RATING, EQUAL BIAS	18000	LB
Front Tires	90002K	11R22.5 H BRIDGESTONE M863 (13220 lbs)	13220	LB
Front Wheels	5312F1	22.5x8.25 ACCURIDE ACCU-LITE 51408x WHITE POWDER COAT STEEL, 6.60" OFFSET, 2 HAND HOLE	14801	LB
<b>Front GAWR</b>			<b>13220</b>	<b>LB</b>
Rear Axle	268055	40000# (18100kg) MACK S400R FABRICATED STEEL HOUSING	40000	LB
Rear Suspension	18603Y	SS40 MACK CAMELBACK MULTILEAF 40,000 lb, STANDARD DUTY	40000	LB
Rear Tires	901AJ6	11R22.5 H BRIDGESTONE M799 (24020 lbs) (DRIVE ONLY)	48041	LB
Rear Wheels	3462L6	22.5x8.25 ACCURIDE ACCU-LITE 51408x WHITE POWDER COAT STEEL, 6.60" OFFSET, 2 HAND HOLE	59200	LB
<b>Rear GAWR</b>			<b>40000</b>	<b>LB</b>
<b>Truck GVWR</b>			<b>53220</b>	<b>LB</b>
<b>Gross Combination Weight Rating</b>			<b>80000</b>	<b>LB</b>
<b>Tax Value GVWR (USA FET Only)</b>			<b>58000</b>	<b>LB</b>

# MACK®



Mack Trucks  
[www.macktrucks.com](http://www.macktrucks.com)

# Statewide Term Contract EXHIBIT E

## 2518A - Class 8 Truck Cab and Chassis

<b>Bid Number</b>	DPC-123307769-BP
<b>Contract Title</b>	Class 8 Truck Cab and Chassis
<b>Effective Dates</b>	April 1, 2025, through April 1, 2030
<b>Awarded Vendor(s) and Contact(s)</b>	<p><b>Aria Contracting Sales &amp; Services Inc.</b>          Contract Manager <a href="#">Kristen Homan</a>   (866) 454-7573 ext. 404          Customer Service <a href="#">Chip Castaing</a>   (866) 454-7573</p> <p><b>Transource Inc.</b>          Contract Manager <a href="#">Matt Walsh</a>   (919) 219-5693          Customer Service <a href="#">Rob Shaw</a>   (919) 280-4815</p> <p><b>Velocity Truck Centers</b>  <a href="#">Brian Rashid</a>   (919) 480-2840</p>
<b>Contract Covers</b>	This contract is intended to cover the state’s normal requirements for class 8 truck cab and chassis with a vehicular weight of 33,000 pounds or larger, on an “as needed” basis. The vehicles covered by this contract shall be used to replace trucks that are near end-of-life and to supplement existing fleets that have taken on additional responsibilities.
<b>Contract Type</b>	This is a <b>mandatory</b> statewide term contract for state agencies, departments, institutions, universities, and community colleges - unless exempted by North Carolina general statute. Non-mandatory entities, including schools and local governments, may use this contract as allowed by general statute.
<b>Special Note</b>	Buying entities are strongly encouraged to confirm specifications with the vendor prior to placing a purchase order. Please reference statewide term contract <a href="#">065A - Utility &amp; Dump Truck Bodies</a> for additional utility and/or dump truck body requirements.
<b>Minimum Order</b>	The minimum order amount is one (1) unit.
<b>Contract Items and Pricing</b>	<a href="#">Award &amp; Pricing Information</a>
<b>Equipment Demonstration</b>	Training is available; please confirm training instructions and pricing (if applicable) with the vendor prior to placing a purchase order.
<b>Delivery Information</b>	FOB destination. Vendors shall deliver Free-On-Board (FOB) Destination to any requested location within the State of North Carolina with all transportation costs and fees included in the total quoted price.
<b>Warranty</b>	Standard manufacturers’ warranty applies for all items. Vendors shall include a copy of the manufacturer’s standard warranty at the time of delivery.

	The vendor shall be responsible for compliance with warranty terms by any third-party service provider. The vendor shall provide contact information for third-party warranty service providers at the time of delivery.
<b>Order Placement</b>	Orders may be placed through <a href="#">eProcurement</a> . Enter <b>2518A</b> in the Contract ID field.
<b>eProcurement</b>	Line-item catalogs are loaded into <a href="#">eProcurement</a> .
<b>eProcurement Help Desk</b>	(888) 211-7440
<b>Contract Manager</b>	<a href="#">Jonathan Davis</a>   (984) 236-0225
<b>Contract Attachments</b>	Aria Contracting Sales & Services Inc. Transource Inc. Velocity Truck Centers
<b>Contract Addenda</b>	

Quote

MAILING  
P. O. BOX 1147 DUNN, NC 28335  
910 892-0141



LOCATION  
17665 HWY 421S. DUNN, NC 28334  
FAX: 910 892-7402

*Building Truck Equipment Since 1966*

QUOTE NUMBER 0159497 QUOTE DATE 6/10/2025  
Customer Number: 02-TRANSOU Salesperson: EARL MANNING

Quote Valid for:

**Sold To:**  
TRANSOURCE TRUCK & TRAILER  
P. O. Box 446  
Kernersville, NC 27285

**Ship To:**  
TRANSOURCE TRUCK & TRAILER  
8808 MIDWAY WEST RD  
RALEIGH, NC 27617-4609

**ATTENTION:**

**F.O.B.** DUNN, NC      **Delivery Terms**      **Ship VIA** DELIVERED      **Payment Terms** NET 30

Item Code	Description	Ordered	List Price
ONWASA PRICED USING NC SHERIFFS CONTRACT 26-10-0422 ITEM 221			
500T15/42G	BODY 500T 15 X 42 SIDES 10GA	1.00	
G63119D P23	HOIST HYVA 63119 DIRECT P23	1.00	
OAKSIDEBD15	OAK SIDE BOARD 15' (STD 6- 8")	1.00	
CPCONT4-500/H	CAB PROTECTOR HALF BIG BODY	1.00	
AC4-500BOLT	ASPHALT CHUTE 4 & 500 BOLT ON	1.00	
HANDLES	OUTSIDE HANDLES ON DUMP BODY	1.00	
OUTSIDE STEPS	OUTSIDE STEPS ON DUMP BODY	1.00	
LIGHTHOLE	LIGHT HOLES IN CP, RA, RCP	2.00	
P11529EZ-GODWIN	ALUMINUM 4 SPRING TARP SYSTEM	1.00	
ABD	BARN DOOR AIR OPERATED	1.00	
BLACKPAINT	ZINC PRIME & BLACK POWDER COAT	1.00	
INSTANDEM	INSTALL TANDEM BODY UP/DOWN	1.00	
INSPH20	HITCH PINTLE HOOK RIGID PH20	1.00	
INSGHADHAND	GLAD HANDS	1.00	
INSABD	LABOR TO INSTALL ABD	1.00	
INS6PIN	INSTALL 6-PIN ELECTRIC PLUG	1.00	
INS7PIN	INSTALL 7-PIN ELECTRIC PLUG	1.00	
INSSTT	INSTALL STT AND BACK-UP LED	2.00	
97DB BUALARM	97db BACK UP ALARM - STANDARD	1.00	
INS6HEAD	INSTALL 6-HEAD FLASHING LED	1.00	
PTOMUNCIE	PTO MUNCIE HOT SHIFT	1.00	

continued

Quote

MAILING  
P. O. BOX 1147 DUNN, NC 28335  
910 892-0141



LOCATION  
17665 HWY 421S. DUNN, NC 28334  
FAX: 910 892-7402

*Building Truck Equipment Since 1966*

QUOTE NUMBER 0159497 QUOTE DATE 6/10/2025  
Customer Number: 02-TRANSOU Salesperson: EARL MANNING

Quote Valid for:

**Sold To:**  
TRANSOURCE TRUCK & TRAILER  
P. O. Box 446  
Kernersville, NC 27285

**Ship To:**  
TRANSOURCE TRUCK & TRAILER  
8808 MIDWAY WEST RD  
RALEIGH, NC 27617-4609

**ATTENTION:**

**F.O.B.** DUNN, NC      **Delivery Terms**      **Ship VIA** DELIVERED      **Payment Terms** NET 30

Item Code	Description	Ordered	List Price
DELIVERY75	DELIVERY CHRG 50-99 MILES	1.00	

TO BE INSTALLED ON CUSTOMER SUPPLIED CHASSIS WITH 120" CT, FACTORY TRACTOR PACKAGE AND AUTOMATIC TRANSMISSION CAPABLE OF LIVE PTO

QUOTE PRICE 27,330.10

Quote prepared by:  
Jash Cumbie  
910 591-5220  
jcumbie@godwinmfg.com

On installations involving more than 1 unit, Godwin Manufacturing reserves the right to only start the installation process after all the chassis' are on hand and group them together for completion, regardless of the spacing of chassis arrival. This allows us to provide the customer with a more consistent product and run our facility more efficiently. We are not responsible for floor plan accumulated while the chassis are at our facility.

**Total:** 26,670.58

**2024-2025 92hp Skid Steer  
 BID TABULATION  
 RE BID June 6, 2025 2:00pm**

BIDDER	UNIT PRICE
SOUND HEAVY MACHINERY, INC	139,890 <sup>00</sup>
GREGORY POOLE EQUIPMENT CO	171,940 <sup>87</sup>
BOBCAT OF JACKSONVILLE	127,617 <sup>58</sup>

**Present:**

Eric Adams, Chief Financial Officer      JEA  
 Natasha Proctor COO                              NO  
 [Signature]    DCOO

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**ONSLOW WATER & SEWER AUTHORITY  
WATER SUPPLY MASTER PLANNING PROJECT  
PROJECT NUMBER CIP-039**

**PROJECT ORDINANCE**

**BE IT ORDAINED** by the Board of Directors of Onslow Water & Sewer Authority (ONWASA) that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Water Supply Master Planning Project is hereby adopted:

**Section I.**

The Water Supply Master Planning Project shall consist of the review of prior studies and system information; updates to the existing ONWASA Hydraulic Model and GIS systems; use of the updated model to identify water distribution system deficiencies and determine the impact of proposed additional water supply and storage facilities; and, prioritizing of needed improvements for use in future capital improvement planning. This project ordinance is being amended to increase funding for the continuation of the hydraulic water modeling work.

**Section II.**

The officers of Onslow Water & Sewer Authority are hereby directed to proceed with the Water Supply Master Planning Project, Project Number CIP-039

**Section III.**

The following revenue is anticipated to be available to complete the project:

NCDEQ – ARPA Grant Proceeds	\$ 150,000
Fund Balance	\$ 250,000
Total	<u>\$ 400,000</u>

**Section IV.**

The following amounts are appropriated for the project:

Professional Services, Admin.	\$ 400,000
Total	<u>\$ 400,000</u>

**Section V.**

The Finance Officer is hereby directed to maintain within the Water & Sewer Fund sufficient specific detailed accounting records to provide the accounting required by federal and state regulations and in accordance with generally accepted accounting procedures.

**Section VI.**

The Finance Officer is directed to report monthly on the financial status of the project and on the total revenues received.

**Section VII.**

The Budget Officer is directed to include an analysis of past and future cost and revenues on this project as a part of every budget submission made to this Board.

**Section VIII.**

Copies of this Water Supply Master Planning Project Ordinance shall be made available to the Budget Officer for direction in carrying out these projects.

Adopted this 18<sup>th</sup> day of June 2025.



ON SLOW WATER & SEWER  
AUTHORITY BOARD OF  
DIRECTORS

A handwritten signature in black ink, appearing to read "M. Royce Bennett".

Michael Royce Bennett, Chairman

A handwritten signature in blue ink, appearing to read "Heather Norris".

Heather Norris, Clerk to the Board

Amended Project Ordinance  
 Water Supply Master Planning  
 Project Number CIP-039  
 Budget Amendment  
 June 18, 2025

Budget Amendment Fund 61

Department Number	General Ledger Name	General Ledger Number	Amount
	Revenue – Fund Balance Appropriation	3919940	\$ 250,000
9910	Expenditure – Transfer to Capital Project	8000040	\$ 250,000

Budget Amendment Fund 40

Department Number	General Ledger Name	General Ledger Number	Amount
	Revenue – NCDEQ Grant – Wtr Sup	3709994	\$ 150,000
	Revenue – Transfer from Operating -WS	3710100	\$ 250,000
8791	Expenditure – Professional Services	8900400	\$ 400,000

**ONSLow WATER & SEWER AUTHORITY  
WATER AND SEWER OPERATIONAL IMPROVEMENTS  
PROJECT NUMBER CIP-035**

**AMENDED PROJECT ORDINANCE**

**BE IT ORDAINED** by the Board of Directors of Onslow Water & Sewer Authority (ONWASA) that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Water and Sewer Operational Improvements project is hereby adopted:

**Section I.**

The Water and Sewer Operational Improvements project shall consist of the design, permitting and construction necessary to complete smaller-scope capital improvement projects with an estimated cost greater than \$5,000 and which take more than a single fiscal year to complete. This includes local distribution and collection system upgrades/relocations/extensions and replacement of critical capital equipment (pumps, motors and control systems). Projects will be completed on a priority basis once a need is identified. The project ordinance is being amended to complete Burn Street sewer improvements. Construction costs are estimated to be approximately \$300,000.

**Section II.**

The officers of Onslow Water & Sewer Authority are hereby directed to proceed with the Water and Sewer Operational Improvements project.

**Section III.**

The following revenue is anticipated to be available to complete the project:

Fund Balance	\$ 6,385,000
Total	<u>\$ 6,385,000</u>

**Section IV.**

The following amounts are appropriated for the project:

Professional Services, Admin, Permits	\$ 780,000
Construction	\$ 5,605,000
Total	<u>\$ 6,385,000</u>

**Section V.**

The Finance Officer is hereby directed to maintain within the Water & Sewer Fund sufficient specific detailed accounting records to provide the accounting required by federal and state regulations and in accordance with generally accepted accounting procedures.

**Section VI.**

The Finance Officer is directed to report monthly on the financial status of the project and on the total revenues received.

**Section VII.**

The Budget Officer is directed to include an analysis of past and future cost and revenues on this project as a part of every budget submission made to this Board.

**Section VIII.**

Copies of this Water and Sewer Operational Improvements Amended Project Ordinance shall be made available to the Budget Officer for direction in carrying out these projects.

Adopted this 18th day of June 2025.



ON SLOW WATER & SEWER  
AUTHORITY BOARD OF  
DIRECTORS

Michael Royce Bennett, Chairman

Heather Norris, Clerk to the Board

Amended Project Ordinance  
 Water and Sewer Operational Improvements  
 Budget Amendment  
 June 18, 2025

Budget Amendment Fund 61

Department Number	General Ledger Name	General Ledger Number	Amount
	Fund Balance Appropriated	3919940	\$6,385,000
9910	Transfer to Capital Projects	8000040	\$6,385,000

Budget Amendment Fund 40

Department Number	General Ledger Name	General Ledger Number	Amount
	Revenue – Transfer from Operating	3709982	\$6,385,000
8789	Expenditure – Professional Services	8790400	\$ 780,000
8789	Expenditure - Construction	8795800	\$5,605,000

**EMPLOYMENT AGREEMENT**

**THIS AGREEMENT** made and entered into as of June, 18 2025, by and between the Onslow Water and Sewer Authority (ONWASA), a political subdivision of the State of North Carolina, hereinafter called "Employer", and Franky J. Howard, hereinafter called "Employee", both of whom understand as follows:

**WITNESSETH**

**WHEREAS** the Employer has appointed the Employee to serve as the Chief Executive Officer (CEO) of the Onslow Water and Sewer Authority; and

**WHEREAS** in his position as the CEO, Employee will serve at the pleasure of the Employer's Board of Directors; and

**WHEREAS** it is the desire of the Employer to:

- i. secure and retain the services of Employee and to provide inducement for him to remain in such employment; and
- ii. to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security; and
- iii. to provide a just means for terminating Employee's services at such time as he may be unable to fully discharge his duties for any reason or when Employer may otherwise desire to terminate his employment.

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

**Section 1. Effective Date.** June 18 2025.

**Section 2. Duties.** Employee shall perform all duties of a Chief Executive Officer (CEO), sometimes titled Executive Director of a North Carolina water and sewer authority as provided by law consistent with the direction, consent, and authority of the Employer, and any other lawful duties as may be assigned and directed to him from time to time by the Employer.

**Section 3. Term.** This employment agreement shall be deemed to be continuing in nature unless and until the Employer or Employee shall terminate it as hereinafter provided. As an employee serving at the will and pleasure of the Employer, it is understood that the Employer may terminate the employment provided for herein at any time, with or without cause.

**Section 4. Termination and Severance pay.** In the event Employee is terminated by the Employer without cause other than it being the will and pleasure of the Employer, and Employee is willing and able to perform his duties under this Agreement, then in that event, and provided Employee complies with the conditions hereinafter set forth, Employer agrees to pay Employee a lump sum amount equal to six times the Employee's then existing monthly basesalary. The severance pay contained in this paragraph shall be conditioned upon Employee signing a release in a form acceptable to the Employer that releases any and all claims that the Employee may have against the Employer. In the avoidance of all doubt, the Employer shall not be required to pay, and Employee shall not be entitled to receive, any severance payments until such time as Employee has signed a release of all claims in a form acceptable to the Employer.

The Employer may terminate this agreement for cause upon the Employee's malfeasance; neglect of duty; dishonesty; the employee's conviction for a crime directly or indirectly involving his employment (other than a traffic violation) or any crime involving dishonest, corruption, baseness or depravity; the Employee's conviction of a felony; an act of moral turpitude directly and substantially impairing his ability to reasonably perform his duties; an act contrary to his employment involving personal gain to him; an act which is injurious to the political or economic well-being of the Employer; or for any act in violation of this employment agreement. In that event, Employer shall have no obligation to pay severance in any amount or for any reason.

**Section 5. Death or Disability.** If Employee becomes permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity, or health for a period beyond any accrued leave or family or medical leave benefits, Employer shall have the option to terminate this Agreement subject only to compensation to Employee of all accrued benefits to which he is at that time entitled. Death of the Employee shall automatically terminate this Agreement subject only to compensation to Employee's estate of all accrued benefits at that time.

**Section 6. Salary.** Employer agrees to pay Employee for his services rendered pursuant hereto an initial base salary of \$197,000.00, which may be periodically adjusted as provided for herein. Employee shall automatically receive cost-of-living (COLA) adjustments granted to ONWASA employees as part of the annual budget process and shall receive such salary and/or benefit adjustments as provided under Section 13 (Performance Appraisal) of this agreement. Employee will receive payments in installments at the same time as other employees of the Employer are paid.

**Section 7. Hours of Work.** Because of the unique nature of this employment, it is recognized that Employee will be required to devote time outside the normal office hours of business of the Employer. To the extent practicable, the Employee will be expected and encouraged to adhere to the normal office hours established for the Employer.

**Section 8. Residency.** The Employee shall reside within a geographical area allowing a response time to the ONWASA main office at 228 Georgetown Road, Jacksonville NC no greater than 30 to 45 minutes during the pendency of this Agreement.

**Section 9. Outside Activities.** Employee may not engage in other work activities without prior approval of Employer. The Employer shall pay annual dues for one (1) local community civic organization within the service area.

**Section 10. Cell Phone.** The Employee shall be reimbursed the sum of \$100.00 per month for a cell phone plan.

**Section 11. Automobile.** Employee's duties require that he shall have the exclusive and unrestricted use at all times of an automobile. Employer agrees to compensate Employee the sum of \$750.00 per month for use of his personal vehicle for Employer's business inside the Authority service area. Trips outside the Authority service area shall be reimbursed per current IRS regulations and rates. For said vehicle allowance, Employee shall be responsible for providing a vehicle in good appearance and operating condition for the conduct of Employer's business, be responsible for paying for liability, property damage and comprehensive insurance and for the purchase, operation, maintenance, repair and regular replacement of said automobile.

**Section 12. Benefits and Retirement.** The provisions of the Employer's personnel rules and regulations relating to the amount of vacation and sick leave, holidays, retirement system, and other fringe benefits and working conditions as they now exist or hereafter may be amended, shall apply to Employee, in addition to said benefits enumerated specifically for the benefit of Employee as herein provided in this Agreement. For purposes of accrual of all active-duty benefits and retirement benefits as provided by Article 10, Section 3 and Section 4 of the ONWASA Personnel Policy adopted on April 17, 2014, and longevity pay, Employee's number of years in the Local Government Retirement System and Teacher and State Employee Retirement System.

**Section 13. Performance Appraisal.** Each year, the Employer and Employee will develop an annual work plan. The performance criteria reflected in these work plans will be the basis for the performance appraisal. On or about April of each year of employment, the Employer shall conduct with the Employee an evaluation of his work performance during the immediately preceding year. Failure to conduct this annual evaluation shall not be a default hereunder. During the evaluation process the Employer shall decide what amount (if any) of recurring base salary increases, one-time bonuses, or other pay or benefit increases shall be granted to the Employee. Increases shall be effective on July 1<sup>st</sup>, unless otherwise indicated by the Board.

**Section 14. Notice of Termination.** If Employee accepts employment or otherwise intends to terminate his services to the Employer, he shall give at least 30 days' notice of his intention to do so prior to his last day of employment. Failure to give this notice shall result in a forfeiture of the Employees right to any payment for accrued vacation

pay. If the Employer intends to terminate the services of the Employee without cause, it shall give at least 30 days' notice of its intention to do so. In the alternative, the Employer may elect to pay the Employee an amount equal to his then existing compensation for the thirty-day period. This payment shall be in addition to the amount, if any, set forth in Section 4 above. Termination for cause by the Employer does not require any advance notice.

**Section 15. Return of Property.** Upon termination of employment, Employee shall return to Employer all records, physical or electronic, regarding the business or Authority. Further, Employee shall return to Employer all equipment or property belonging to the Employer.

**Section 16. Law Controlling.** The laws of the State of North Carolina shall control and govern this contract.

**Section 17. Venue.** The venue for any dispute involving this Agreement shall be Onslow County, North Carolina.

**Section 18. General Provisions.** The text herein shall constitute the entire Agreement between the parties. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or un-enforceable, the remainder of this Agreement, or portion thereof shall not be affected and shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Onslow Water and Sewer Authority has caused this Agreement to be signed and executed in its behalf by its Chairman and duly attested by the Clerk, and by the Employee in duplicate originals, as of the day and year first above written.

**ONSLow WATER AND SEWER AUTHORITY  
SIGNED:**

  
\_\_\_\_\_  
Royce Bennett, Chairman

ATTEST:   
\_\_\_\_\_  
Heather Norris, Clerk

**CORPORATE SEAL:**

**SIGNED:**

  
\_\_\_\_\_  
Franky J. Howard



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

SIGNED:   
\_\_\_\_\_  
Eric F. Adams, CFO  
J. ERIC ADAMS

DATE: 6/23/25