

Onslow Water & Sewer Authority
Board of Directors' Special Meeting Jacksonville City Hall
Thursday, September 17, 2020
APPROVED MINUTES

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

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

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

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

- 1. APPROVAL OF AGENDA** – Vice Chairman Royce Bennett made a motion to approve the agenda as presented. A second was made by Director Timothy Foster. The motion was passed unanimously.

- 2. APPROVAL OF ITEMS ON CONSENT AGENDA** – A motion was made by Secretary/Treasurer Paul Conner to approve the consent agenda items as presented. A second was made by Director Gregory Hines. The motion passed unanimously. Therefore, July 2020, August 2020 Financial Reports, the June 2020, and July 2020 OPS Reports were accepted, the May 21, 2020 Regular Meeting Minutes, the Motion to approve the purchase order rollovers and associated budget amendments for the requested 12 purchases totaling \$321,803.02, Motion to award RFB 2020-21 HDV to Clarke Power Services, Inc. for the period of one year beginning September 18, 2020 and authorize staff to execute necessary documents, Motion to purchase a Crew Truck with Auto Crane from Piedmont Truck Center Inc. and authorize staff to execute necessary documents were approved.

- 3. BUSINESS**
 - A. Declaration of Intent to Amend the Utility Ordinance**
[A copy of the Declaration of Intent to Amend the Utility Ordinance may be found at Exhibit A and are fully incorporated herein by reference.]

Chairman Bittner called on Authority Attorney, Mr. Chuck Kitchen to present the item to the Board. Mr. Kitchen explained The North Carolina General Assembly adopted Session Law

2020-61 which changes the date when System Development Fees are due. This Session Law goes into effect January 1, 2021. This new law requires that all System Development Fees be paid prior to the issuance of a building permit. He stated that the provision prevents the use of a deferred payment agreement as the Authority has used.

Director Joann McDermon asked how much the System Development fee typically was for new construction. Mr. Kitchen asked Ms. Tiffany Riggs, CFO, to come forward and answer Director McDermon's question. Ms. Riggs shared the System Development Fee for a standard 3/4" is \$2,032 for water and \$3,700 for sewer. Director McDermon asked what number of customers were enrolled in the program (Deferred Payment Plan). Ms. Riggs replied less than ten and added to participate in the program a customer must be over 65 years old, the account holder, and the property owner.

Vice Chairman Bennett asked if the customers currently enrolled in the program would be receiving letters. Mr. Kitchen replied that those currently in the program would have a right to continue with it and as of January 1, 2021 no new customers may be added to the program.

Action: A motion was made by Director Timothy Foster to approve the Declaration of Intent to Amend the Utility Ordinance and direct the amendment to be set on the Board's November agenda. A second was made by Secretary/Treasurer Paul Conner. The motion passed unanimously.

B. Award of Bid for Laboratory Building Construction

Chairman Bittner called on Mr. Jeffrey Hudson, CEO, to present the item. Mr. Hudson shared the following information. ONWASA maintains an in-house laboratory that is staffed by three full-time chemists. This laboratory conducts state and federally mandated testing of water and wastewater samples daily. The laboratory is considered a mission-critical component of ONWASA's utility.

Since 2007 the lab has been housed in a double-wide trailer at the rear of the main office campus. The trailer has sustained water damage over time. Repairs have been made as necessary. There is a concern that the trailer will be damaged in a significant storm event. The trailer houses nearly \$900,000 in sensitive scientific equipment.

The Board of Directors approved a project to construct a "brick and mortar" building on the main campus to house the laboratory, storage, offices, and bathrooms. The project is a "pay-go" project with funds to construct the full project coming out of ONWASA's fund balance. No borrowing is necessary.

The project was advertised widely according to North Carolina General Statutes (NCGS). Bids for the project were opened on August 18, 2020 in accordance with NCGS 143-129. Eight (8) construction companies submitted bids for the project. Three companies submitted bids that were below the project budget of \$2,375,000.

The low bidder for the project was Primus Structures of Newport, North Carolina. Primus Structures submitted a bid of \$2,185,900. Following the period in which bidders are statutorily allowed to withdraw their bid due to error, Primus Structures sent a letter confirming their bid amount. There was no error in the bid.

It is recommended that the Board of Directors award the bid for the ONWASA Laboratory Addition Project to Primus Structures in the amount of \$2,185,900 and to authorize staff to sign the contract and documents necessary to begin work on the project.

Action: A motion was made by Vice Chairman Royce Bennett to award the bid for the ONWASA Laboratory Addition Project to Primus Structures in the amount of \$2,185,900 and to authorize staff to sign the contract and documents necessary to begin work on the project. A second was made by Director Timothy Foster. The motion passed unanimously.

C. Southeast Wastewater Capacity Solution Update

Chairman Bittner called on Mr. David Mohr, COO, to present the update to the Board. Mr. Mohr said since being directed to proceed with the further evaluation of alternative four during the July 30th Board of Directors meeting four primary things have been accomplished. He stated first is a task order which is a contract with a professional services firm was executed in early August with the Wooten Company, the firm that did the capacity study for ONWASA, to provide engineering services necessary to refine the alignment of the force main between ONWASA and the base, confirm the ability of the base's collection system to take ONWASA's flow and transmit it to their treatment plant, identify possible wetlands and easement impacts, prepare more accurate capital costs, operating costs, and schedule. Second an on-site meeting was held on August 20th with base utility personnel to discuss the proposed project, visit the likely connection point to their system and review a potential force main route over part of the base's property along HWY 17. Mr. Mohr explained the base has a gravel access road that parallels the highway and ONWASA has some interest in potentially running the force main up that way because we know there are no other utilities in the way in the ground. Mr. Mohr stated the third accomplishment was while working with the engineering consultant a list of additional technical information needed from the base was created and sent to the base. Mr. Mohr shared that initial contact with the base's real estate

specialist was made to begin discussion on installation of portions of the force main on base or federal property including both the Southeast and the Swansboro to Piney Green projects.

Chairman Jerry Bittner asked Mr. Mohr if the base appears supportive of the idea of doing the project. Mr. Mohr replied yes. He further stated that meetings took place with the base utility personnel and they have designated a certain lift station where we (ONWASA) would make the connection and everybody seemed to agree. Mr. Mohr stated right now it is more making sure ONWASA does not overwhelm their system as flow increases and then figuring out what the exact alignment of the line would be in the southeast side. He further stated that the Swansboro one is much easier and would go up HWY 24 and end up at the ONWASA pump station so it is a more simple project.

Chairman Bittner asked if the project comes to fruition and with the existing flow how much sewage will flow into the base. Mr. Mohr said at the end of the 20 years the total would be either 2.2 or 2.4 million gallons a day as an average flow. Chairman Bittner asked if the capacity was 15 million. Mr. Mohr replied that it was 15 million expandable to 30.

Director Gregory Hines expressed his gratitude for Mr. Mohrs efforts moving the project along as quickly as he has. Chairman Bittner added the plan was a very innovative approach and he was thankful someone had the foresight to think about it.

Action: There was no action requested.

4. PUBLIC COMMENT – There were no members of the public who wished to speak.

5. CLOSED SESSION

A motion was made by Director Gregory Hines to enter into closed session pursuant to NCGS 143-318.11(a)(6) to discuss the performance of a public officer or employee. A second was made by Secretary/Treasurer Paul Conner. All were in favor, the motion passed. The Board entered into Closed Session at 6:25 pm. The Chairman called the meeting back in session at 6:52 PM Chairman Bittner stated the Board conducted a performance evaluation of the CEO, Mr. Jeffrey Hudson, and the Board was unanimous in evaluating his performance to be one of exceptional performance making ONWASA a very effectively run organization with a highly capable staff put together by Mr. Hudson. He further stated the Board feels Mr. Hudson is doing an excellent job for not only his employees but for the ONWASA community and customers. Chairman Bittner asked if anyone had anything to add. Vice Chairman Bennett expressed thanks for Mr. Hudson's work. Chairman Bittner further stated that the Board in

reviewing Mr. Hudson's performance reviewed salary history and effective January 1, 2021 authorize a salary increase to \$163,023 an increase from \$153,023. A motion was made by Director Joann McDermon to approve the salary increase for Mr. Hudson to \$163,023. A second was made by Director Gregory Hines. All were in favor, the motion passed unanimously.

6. CHIEF EXECUTIVE OFFICER'S COMMENTS

Mr. Hudson stated the people sitting behind him that work for ONWASA put in a lot of hours every week and they have specific knowledge sets whether it's engineering or finance or operations or human resources and IT. He said they make the organization. He went on to say ONWASA is a utility and a utility is nothing that can run itself. Mr. Hudson added we have 1300 miles of water lines and they can't fix themselves and they can't transmit water by themselves and we've got water plants that can't produce 3 billion gallons of water a year by themselves it is all people. It is the people that sit behind me and those they supervise that perform this service so I would like to thank them. Any success we have as a team is shared by the team and I appreciate them very much. He said there was one in particular that he wanted to point out who recently played for a different team for much of last year and that is Mr. Seth Brown. Mr. Brown was deployed defending our nation overseas and tonight is his first time back with us since his deployment so I would like to publicly welcome him back and once again thank him for his service.

7. BOARD OF DIRECTOR'S COMMENTS

Director Tim Foster stated he wanted to follow up on what was mentioned earlier. He stated he has been part of several boards in the last several years and doesn't think for any of them he hasn't had phone calls where people are upset about something. In the last two years being part of ONWASA he hasn't received any phone calls from anyone complaining about anything and he attributes that to leadership right down to the folks you (Mr. Hudson) talked about behind you the professionalism, the customer service. He went on to say he remembered years ago people being very upset with the customer service and how they were treated when they came to the window. You don't hear that now. The professionalism, the leadership, the staff and the folks that work with you (Mr. Hudson) should be commended for excellent work from the top right on down to the newest person hired that is standing in the mud up to their ankles fixing a water line. Director Foster also expressed congratulations to Seth Brown for making it back home and doing what he needed to do with the military.

Secretary/Treasurer Paul Conner said he would like to say thank you. He went on to say this group is awesome. He further stated ONWASA is not perfect, but you guys are great and just thank you.

Vice Chairman Royce Bennett said he would echo thank you to ONWASA. He further added that we worked hard on the deferred payment plan procedure to allow senior citizens who need to get hooked up to our system to do so by making payments. He said there are people in Onslow County who are struggling with failing septic systems that need sewer service and hard work was put into the plan that would allow people who couldn't afford to pay three or four thousand dollars at one time a way to be connected and pay over time. He added he was sorely disappointed that we have to change a policy that he was so proud of and he hopes when the General Assembly comes back into session next year maybe they can reconsider some of this and exceptions could be made.

Director Pat Turner said thank you to Mr. Hudson. She said everyone has acknowledged the fact that it starts at the top and the staff behind you follows their leader and you have done an exceptional job.

Director Joann McDermon said thank you to Mr. Hudson. She stated she had not been on the Board long but she has been extremely impressed with how it is run by the staff here at ONWASA and certainly by what you (Mr. Hudson) do.

Director Gregory Hines stated he and Mr. Hudson go way back and he has always impressed him and he still impresses him. Director Hines expressed his thanks to Mr. Hudson for everything he does. He also thanked Seth Brown for his service to our country and said he was glad he is back safe. Director Hines said he wanted to give a special thanks to Matt (Padgett) and his team who work in the field during one hundred degree weather and other bad weather conditions for all they do.

Chairman Jerry Bittner stated he has had a lot of experience as a city manager and came into association with many managers that he holds in high esteem. He added you (Mr. Hudson) rank right up there with them.

- 8. ADJOURNMENT:** A motion was made by Secretary/Treasurer Paul Conner to adjourn at 7:01 PM. Vice Chairman Royce Bennett seconded the motion. All in favor, the motion passed

The minutes were approved on January 21, 2021.

Onslow Water & Sewer Authority Board of Directors

Jerry A. Bittner

Jerry Bittner, Chairman

ATTEST:

Heather W. Norris

Heather Norris, Clerk



DECLARATION OF INTENT TO AMEND
UTILITY ORDINANCE

WHEREAS, the Onslow Water and Sewer Authority (ONWASA) has previously adopted a Utility Ordinance governing the operation of the water and sewer system; and

WHEREAS, the current Utility Ordinance imposes system development fee which may be paid by applicants over the age of 65 through a payment plan; and

WHEREAS, the General Assembly has enacted Session Law 2020-61 which requires the payment of system development fees prior to the issuance of a building permit; and

WHEREAS, payment plans will not be consistent with Session Law 2020-61 when it becomes effective January 1, 2021; and

WHEREAS, the Board of Directors believes it is in the public interest to amend its Utility Ordinance to comply with Session Law 2020-61; and

WHEREAS, N.C. Gen. Stat. § 162A-6(a)(14c) requires that the Board of Directors adopt a Declaration of Intent prior to adopting or amending utility ordinances.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ONSLOW WATER AND SEWER AUTHORITY HEREBY DOETH DECLARE:

1. That it is the intention of the Board of Directors to adopt an ordinance or amendment to an ordinance which requires the payment of system development fees prior to the issuance of a building permit and does not provide for payment plans for the payment of the System Development Fee.
2. The Clerk to the Board shall submit this Declaration of Intent, along with the proposed changes to the Utility Ordinance, to each of the member governing bodies of ONWASA for review and comment.

This the 17th day of September 2020.



A handwritten signature in black ink that reads "Jerry A. Bittner".

Jerry Bittner, Chairman

Attest:

A handwritten signature in black ink that reads "Heather W. Norris".

Clerk