

Onslow Water & Sewer Authority
Board of Directors' Regular Meeting Jacksonville City Hall
Thursday, November 17, 2022
APPROVED MINUTES

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

PLEDGE OF ALLEGIANCE: Secretary/Treasurer Pat Turner led the Board and audience in the Pledge of Allegiance.

INVOCATION: Mr. Brian Young, Senior Pastor with Love Grace & Mercy Church provided the invocation.

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

1. APPROVAL OF AGENDA – Director Bob Warden made a motion to amend the agenda adding Item C Annual Audit Discussion. Director Tim Foster made a second. All were in favor. The agenda was approved as amended.

2. APPROVAL OF CONSENT AGENDA

A motion was made by Director Paul Conner to approve the consent agenda. A second was made by Secretary/Treasurer Pat Turner. The motion passed unanimously. Therefore, the September & October 2022 Finance Reports and August & September 2022 Operations Reports were accepted, the September 15, 2022 Regular Meeting Minutes were approved as presented, RFB #2022-23V was awarded to the lowest responsible bidders, National Automotive Group, Inc. and the CEO was authorized to execute the purchase contracts plus any other documents as may be required in connection with these contracts, the purchase of one tandem dump truck, utilizing the State Contract 070E from TranSource Inc. was approved and the CEO was authorized to execute purchase contracts plus any other documents as may be required in connection with these contracts, and the additional delegation of authority to CEO to approve and sign non-disclosure agreements on behalf of ONWASA after review and advice of the General Counsel was approved.

3. BUSINESS

A. Sale of Timber - Thinning

Chairman Bittner called on CEO, Franky Howard, to present the item. Mr. Howard said this item was for the discussion of the sale of additional Timber this will be two additional tracks one is at our Wachovia property on HWY 50 and the other is at the Northwest Wastewater Treatment Plant totaling roughly 142 acres coming at the recommendation of our Timber Management Consultant. He added these would be taken to bid later in the year and one is expected to yield about \$25,000 to \$30,000 and the larger tract potentially \$50,000.

Director Tim Foster made a motion to approve the sale of timber by bid as recommended by the Timber Consultant and to delegate to the Chairman the authority to accept the high bid as long as it is reasonable in his judgement and further authorize the Chairman to execute a timber deed for the timber sold. A second was made by Director Paul Conner. All were in favor, the motion carried.

B. Capital Projects Update

[A COPY OF THE CAPITAL PROJECTS UPDATE POWERPOINT SLIDES MAY BE FOUND AT EXHIBIT A AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Bittner called on Mr. David Mohr, PE, COO, to present the item. Mr. Mohr provided the Board and audience with an update on several of the Capital Plan Projects including the Northwest Regional Water Reclamation Facility Hurricane Florence Recovery Project, ONWASA Main Office Facility Water Chemistry Laboratory Project, ONWASA Main Office Facility Parts & Equipment Warehouse Project, Swansboro WWTP and Hubert WTP HWY 24 Utility Corridor Project, Southeast Service Area Wastewater Treatment Facility Project, Topsail Island Booster Pumping Station Project, and Union Chapel Church Road Water Treatment Facility Project.

Chairman Bittner asked what the estimated bid date is for the projects. Mr. Mohr replied the force main project is probably before March 2023 so next Spring and the water main will be ready for bid when we get approval and the easement.

Secretary/Treasurer Pat Turner asked if he thinks the prices are going to go up significantly or not with the cost. Mr. Mohr said we have already seen that it is very hard to tell and added with the Southeast Wastewater Plant we have seen cost go up 60-70% over initial estimates. Mr. Mohr went on to say he is very concerned about the pipeline projects with the availability of the pipe. He said the DOT was having a 60-week lead time on certain pipe so that plays havoc on your schedule when you have to wait a year for materials.

Chairman Bittner asked what the location would be for the Southeast Service Area Wastewater Treatment Facility. Mr. Mohr replied in Holly Ridge at the spray field site across the road from Summer House at River Bay development but back in quite a ways from the road.

Director Joann McDermon asked if there was any way we could improve upon the timeframe for estimated completion adding she would be happy to help with scheduling meetings emphasizing there is a lot of new construction on the island that is just about complete so if we had issues previously it is only going to be worse this Summer because they are not building small houses they are building big houses. Mr. Mohr said last Summer we did try a little bit of a different operational method and it seemed to help in terms of pressure calls over the year. Director McDermon said I think we did over some of the holiday weekends. Mr. Mohr said we tried to boost pressure coming out of the plant, but we are looking at ways to do that adding he is concerned about the lead time of materials on this project as well. Director McDermon reiterated if she can help in any way to let her know.

C. Audit Contract

Chairman Bittner called on Mr. Howard to present the item. Mr. Howard began by saying we did have listed in my updates the audit presentation as a potential item for this meeting. He went on to explain it had to be pulled off because they were not quite ready and have not submitted it yet so we can't present it to the Board until it has been submitted. Mr. Howard explained he received a question earlier in the week and he provided the answer to the entire Board. Mr. Howard said according to staff they have got everything they needed to finish the audit this year but unfortunately, they did not get it done before the October 31st official deadline and they are working within the grace period and claim that it is not late until December 1st.

Director Warden said since the audit team works for us and it has been a while since we have changed auditors and I know it is recommended that you change every so often

adding he has heard five to seven years he thinks it is time that we put out for bids to see what other firms might be interested in doing our audit and especially with this current groups history of not completing the audits on time saying he thinks that it reflects badly not only on us but it reflects back on the organization too and it always brings a red flag to the LGC when you don't complete the audits on time. Director Warden made a motion to authorize the staff to begin the process of putting it out for bids. A second was made by Director McDermon. Chairman Bittner asked if there was any discussion. Secretary/Treasurer Pat Turner asked if it was the second year it had been late. Mr. Howard said over the last five years from the information they presented him and Tiffany earlier today we were on time last year but we were late every year prior to that adding there was two years that one was Hurricane Florence and one was COVID which caused some delays naturally but he does not have the history beyond that saying he knows they have been doing the audit quite a while.

Chairman Bittner asked what the status of the current contract was. Mr. Howard replied it is one year at a time. Director Warden asked if we were bound by the lowest bidder. Mr. Chuck Kitchen answered not in this case. Chairman Bittner asked if there were any other questions. Hearing no questions, he moved that we prepare the specifications for receiving proposals for the next years fiscal audit. All were in favor, the motion carried.

4. PUBLIC COMMENT

There were no members of the public wishing to comment.

5. CHIEF EXECUTIVE OFFICERS COMMENTS

Chairman Bittner called on CEO, Franky Howard, to provide comments. Mr. Howard provided recent growth numbers sharing that the ONWASA customer base has officially passed 56,000 with 7,500 sewer accounts adding because of the growth we have seen on average an increase of 160 accounts per month over the last six months or 140 accounts per month over the last twelve months. He said prior to this according to staff and what history shows the average was south of 100 accounts per month. Chairman Bittner asked if there was a specific area where the growth is coming from or is it county wide. Mr. Howard responded it is county wide but there is no denying that the Southeast area is seeing the majority of the larger projects adding there are projects going on everywhere county wide. Mr. Howard also shared that water production in October was a 4.5% increase over month over year adding the peak average was 9.8 million gallons a day for that period of time so producing a lot of water with a lot of demand and are fortunate to receive the grant to work on our master plan and to be working on our third water treatment plant as David presented earlier. Mr. Howard shared that a Veteran's Day reception was recently held and that we have 24 Veterans amongst our 131 total staff saying he finds that impressive being it is nearly 20% with many of those having 20 plus years in the military and then decide to come work for us and we certainly think that makes who we are better, and we appreciate their service. He also said ONWASA recently installed green light filters at the Georgetown Road facility in honor of Veterans the initiative that the National Association of County Commissioners supported the Green Light Initiative for Veterans. He went on to inform the Board he has officially joined the Jacksonville Rotary Club and thanked Director Bennett for recruiting him and he looks forward to the camaraderie of that group and serving the community and he has also been appointed to the Jacksonville Onslow Chamber board and thanked former CEO Jeff Hudson for getting me on that adding he is glad to be on the Board and to represent ONWASA. Mr. Howard said he presented an update on the ONWASA CIP to the Jacksonville Onslow Economic Development Board earlier in the day. He concluded by thanking staff for being there adding he has a great team.

6. BOARD OF DIRECTOR'S COMMENTS

Chairman Bittner said for the benefit of the public who may be watching in terms of receiving the executive officers' comments we also receive and get the benefit of very extensive memorandums as to the status of ONWASA weekly. He complimented the staff and the CEO for putting that information in front of us.

Director Tim Foster thanked staff and said we have our newly elected Soil and Water Conservation Board member, Rob Johnson, with us tonight. Chairman Bittner added congratulations and to you too Tim for your reelection.

Director Paul Conner thanked everyone for being at the meeting and expressed he was happy to meet Rob Johnson.

Secretary/Treasurer Pat Turner thanked staff and said she likes Franky's reports and wished everyone a Happy Thanksgiving.

Director Jeff Wenzel thanked Franky for highlighting the growth in the Southeast area which is the Holly Ridge, Sneads Ferry, and Topsail areas. He shared that Holly Ridge in the past has been known for a place to get a speeding ticket and he likes to highlight at the Town Council meetings the ratio of speeding tickets to building permits and this last month there were seven speeding tickets issued in Holly Ridge and 24 residential building permits and that is pretty normal about a 3 to 1 ratio. Director Wenzel said one of the big projects is the Camp Davis Industrial Park Phase Two and said we are looking forward to having all of that infrastructure completely in place by January 1 and that is a couple of months delay due to some building materials and we are expecting people to start having their shovels ready to begin towards the beginning of next year. He said the contracts for the majority of the sites have already been signed and that is right on the edge of ONWASA's capability in our area but it is still very important for us to have that good water pressure and sewer availability so thank you to the Board for making that a priority and keeping it a priority.

No other Directors wished to make comments. Chairman Bittner called for a motion to adjourn.

Director Paul Conner made a motion to adjourn the meeting. A second was made by Director Tim Foster. All were in favor.

The meeting was adjourned at 6:33 PM.

The minutes were approved on January 19, 2023.

Onslow Water & Sewer Authority Board of Directors



Jerry A. Bittner

Jerry Bittner, Chairman

ATTEST:

Heather W. Norris

Heather Norris, Clerk

CAPITAL
IMPROVEMENT
UPDATE

November 17, 2022



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**NORTHWEST REGIONAL WATER
RECLAMATION FACILITY**

HURRICANE FLORENCE RECOVERY

- ELECTRICAL SYSTEMS REPAIR
AND CRITICAL COMPONENT
FLOODPROOFING
- CONSTRUCTION 75% COMPLETE
- ESTIMATED FINAL COMPLETION
JULY 2023
- CONSTRUCTION COST \$6.6 M



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3



4

**ONWASA MAIN OFFICE FACILITY
WATER CHEMISTRY LABORATORY**

- 4,000 SF BUILDING ADDITION WITH FULL LAB AND SUPPORT FACILITIES
- CONSTRUCTION 90% COMPLETE
- LABORATORY RELOCATED AND OPERATIONAL
- ESTIMATED FINAL COMPLETION DECEMBER 2022
- CONSTRUCTION COST \$2.2 M



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March
2022

6



November
2022

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**ONWASA MAIN OFFICE FACILITY
PARTS & EQUIPMENT WAREHOUSE**

- 5,000 SF FACILITY WITH STAFF OFFICE AND OUTDOOR COVERED STORAGE
- CONSTRUCTION COMPLETED AND IN SERVICE
- FINAL CONSTRUCTION COST \$876,150

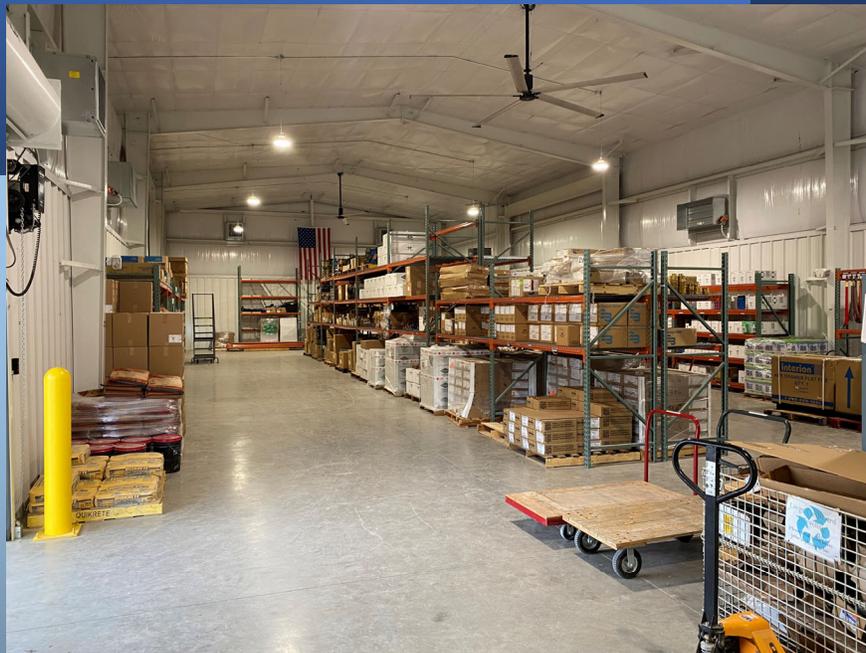


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March
2022

9



November
2022

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**SWANSBORO WWTP AND HUBERT WTP
HIGHWAY 24 UTILITY CORRIDOR**

- NEW WASTEWATER FORCE MAIN, PUMPING STATIONS AND WATER TRANSMISSION MAIN
- DESIGN 90% COMPLETE
- ESTIMATED FINAL COMPLETION:
WASTEWATER JULY 2024
WATER TO BE DETERMINED
- ESTIMATED TOTAL COSTS:
WASTEWATER \$27.7 M
WATER \$10.0 M

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**SOUTHEAST SERVICE AREA
WASTEWATER TREATMENT FACILITY**

- NEW 1.5 MGD TREATMENT PLANT AND FORCE MAINS, PUMPING STATIONS
- DESIGN 40% COMPLETE
- ESTIMATED FINAL COMPLETION
OCTOBER 2025
- ESTIMATED TOTAL COST \$55.3 M

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TOPSAIL ISLAND BOOSTER PUMPING STATION

- NEW POTABLE WATER PUMPING STATION AT NTB TOWN HALL
- DESIGN 25% COMPLETE
- ESTIMATED FINAL COMPLETION JANUARY 2024
- ESTIMATED TOTAL COST \$1.5 M

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UNION CHAPEL CHURCH ROAD WATER TREATMENT FACILITY

- NEW 4 – 6 MGD DRINKING WATER TREATMENT PLANT AT UC-1 WELL SITE
- SITE EVALUATIONS AND PROCESS DESIGN CURRENTLY UNDERWAY
- STUDY COMPLETION JUNE 2023
- ESTIMATED CONSTRUCTION COST AND SCHEDULE TBD

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