

Orange Water and Sewer Authority  
Meeting of the Board of Directors  
April 12, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, April 12, 2018, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Robert Morgan (Chair), Heather Payne (Vice Chair), Yinka Ayankoya (Secretary), Jeff Danner, Ray DuBose, Barbara Foushee, John N. Morris and John A. Young.  
Board Member absent: Ruchir Vora.

OWASA staff present: Mary Darr, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Ed Kerwin, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Stephen Winters and Richard Wyatt.

Others present: Margaret Holton (University of North Carolina Water Resources Manager), Ellen Tucker (Hill, Chesson & Woody) and Bruce Boehm.

Motions

1. Heather Payne made a motion to approve the Minutes of the March 22, 2018 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Yinka Ayankoya and unanimously approved.

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Announcements

Robert Morgan asked if any Board Member knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Mr. Morgan said that on April 4, 2018, the Board held a diversity and inclusion training session with VISIONS, Inc. Topics included: increasing the Board's role in orientation for new Board members; how to build Board relationships; how to take action to maintain increased Board diversity and inclusion; and formal/informal parliamentary procedures to create inclusion. Another session will be scheduled to complete the training with VISIONS.

Yinka Ayankoya said she attended the April 11, 2018, Intergovernmental Parks Work Group meeting. Ms. Ayankoya provided a brief update on OWASA related topics including: Mountains-to-Sea Trail, renovation of UNC boating ramp at University Lake, and Finley Park athletic fields.

Jeff Danner said that the Finance Committee will meet on Wednesday, April 18, 2018, at 5:30 p.m. in OWASA's Community Room to discuss rate options for Fiscal Year 2019. Mr. Danner said he would be unable to attend, and that Heather Payne would Chair the meeting.

Heather Payne said that the Chapel Hill Town Council OWASA Committee and the Chapel Hill Appointees to the OWASA Board will meet on Monday, May 7, 2018, at 8:30 a.m. in OWASA's Board Room to discuss items of mutual interest.

John Young said that the Natural Resources and Technical Services Committee will meet on Tuesday, May 8, 2018, at 4:30 p.m. in OWASA's Board Room to discuss source water protection.

Mr. Young said that the Chatham-Orange Task Force will meet on Thursday, May 10, 2018, at 12:00 noon at Central Carolina Community College in Pittsboro. An agenda will be provided prior to the meeting, and may include Chatham Park, Obey Creek, 15-501 Corridor Study, and Bus Transit connectivity between Chatham and Orange County.

Barbara Foushee said that the Human Resources Committee will meet on Wednesday, May 9, 2018, at 5:30 p.m. in OWASA's Boardroom to continue discussing retiree health benefits for new hires and OWASA's deferred compensation (457) plan.

Mr. Morgan said that he will be absent from the April 26, 2018 Board Meeting, and that Heather Payne will Chair the meeting.

Todd Taylor said that he attended the April 11, 2018, Chapel Hill Town Council meeting to provide an update on OWASA's Agua Vista (Advanced Metering Program) which was well received.

Stephen Winters announced that OWASA's Series 2018 Refunding Bonds were priced on April 10, 2018. The winning bid, from Citigroup Global Markets, was at an interest rate that was lower than the assumption used in estimating future savings, resulting in greater potential savings than was originally projected for OWASA and its customers.

Ruth Rouse announced that on April 10, 2018, the NC Forest Service completed the prescribed burn on the Cane Creek Mitigation Tract. She said that the Forest Service kept safety first and minimized impacts to the neighbors.

John Morris shared the article, "Rising Water Bills Squeeze Homeowners" in *The Wall Street Journal*, April 2018, with the Board.

Item One: Quarterly Report on Board and Committee Meetings

The Board received this as an information item.

Item Two: Minutes

Heather Payne made a motion to approve the Minutes of the March 22, 2018 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Yinka Ayankoya and unanimously approved. Please see Motion No. 1 above.

Item Three: Review Employee Health, Dental, Life, Dependent Life, Accidental Death & Dismemberment and Long-Term Disability Insurance Renewals

The Board received a status report on discussions with Blue Cross Blue Shield of North Carolina regarding renewal of health (-6%), dental (6.9%), and ancillary (-10.8%) insurance. The Board agreed to schedule the approval of insurance renewals on the May 10, 2018, consent agenda.

John Young requested information on benchmark organizations.

Item Four: Review Fiscal Year (FY) 2019 Budget and Rate Adjustment Information

The Board discussed the draft budget and proposed rate adjustment options for FY 2019 (July 2018 through June 2019) and projected rate and expenditure information for the subsequent four fiscal years. After discussion, the Board requested that information for the April 18, 2018, Finance Committee meeting include projections of rate adjustments beyond the next five years. The Board also requested information about projected operating expenses and the assumptions behind them as well as talking points for why a rate increase might be needed in FY 2019.

The Board is scheduled to authorize staff on April 26, 2018 to publish proposed budget and rate adjustment information for FY 2019 in advance of the May 24, 2018 public hearings.

Item Five: Review Action Plan for Improvements Identified by Organizational Assessment

The Board received and supported the Diversity and Inclusion Organizational Assessment approach to prioritize and implement the recommendations and goals for the draft plan of improvements.

Item Six: Appointment of the Nominating Committee

The Board agreed that the Nominating Committee will consist of the full Board. The Board agreed to continue the practice of limiting Board Members successive terms' as Chair, Vice Chair and Secretary to one one-year term for each office beginning July 1, 2018. The Board also agreed that the Chair of the Board will appoint the Chair of the Nominating Committee.

Item Seven: Review Board Work Schedule

The Board agreed, in coordination with VISIONS, Inc., to schedule the fourth Session with VISIONS the last week of May 2018.

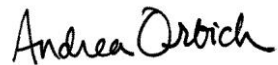
Item Eight: Executive Director Will Summarize the Key Staff Action Items from the Work Session

Ed Kerwin noted the following items for staff follow-up:

- A doodle pool to select a date and time for the Board’s next session with VISIONS, Inc.
- April 18, 2018 Finance Committee meeting will include: projections of rate adjustments beyond the next five years; information about projected operating expenses and the assumptions behind them; and talking points for why a rate increase might be needed in Fiscal Year 2019.
- Provide health insurance benchmark information.

The Board Work Session was adjourned at 8:15 p.m.

Respectfully submitted by:



Andrea Orbich  
Executive Assistant/Clerk to the Board