Orange Water and Sewer Authority
OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Agenda
Virtual Meeting of the OWASA Board of Directors
Thursday, April 23, 2020, 6:00 P.M.

Due to COVID-19 public health concerns and in compliance with local governments "stay at home" orders, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams. Board Members will be participating in the meeting remotely. Members of the public will be able to view and listen to the meeting but will not have the opportunity to speak at any point during this meeting.

The public may submit written comments by sending an email to board_and_leadership@owasa.org ideally submitted at least three days in advance of the meeting.

Announcements

a. Announcements by the Chair
   - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.

b. Announcements by Board Members
   - April 24 and 25, 2020 Remote Interviews with Executive Director Candidates (Robert Morgan)

c. Announcements by Staff

d. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public (Because of the current health emergency, this meeting is being held by virtual means, and will not be attended in person by members of the public or the Board of Directors. Therefore, no spoken petitions will be heard at this meeting. Members of the public may submit written petitions for consideration by the Board at its next regular meeting, provided the written petition is received at least five days before the meeting.)
2. Board
3. Staff

Consent Agenda

Information and Reports

1. 12 Month Board Meeting Schedule (Ray DuBose/Ed Kerwin)

Action

2. Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents (Stephen Winters)

3. Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on OWASA's Fiscal Year 2021 Budget (Stephen Winters)
4. Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges (Stephen Winters)
5. Minutes of the March 10, 2020 Closed Session of the Board of Directors (Ray DuBose)
6. Minutes of the March 12, 2020 Work Session of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion

7. Verbal Update on OWASA's COVID-19 Preparations and Response and Discussion by the Board (Ed Kerwin)

Information and Reports

8. Verbal Update on OWASA's Forest Management Program Activities (Ed Kerwin)
9. Financial Report for the Nine-Month Period Ended March 31, 2020 (Stephen Winters)

Summary of Board Meeting Action Items

10. Executive Director will summarize the key staff action items from the Board Meeting and note significant items for discussion and/or action expected at the next meeting

OWASA Board of Directors – 12 Month Board Meeting Schedule (April 14, 2020)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
April 2020	Review Employee Health and Dental Insurance Renewals (↻) FY 21 Draft Budget and Rate Adjustment Considering COVID-19 (↻) COVID-19 Response (Virtual Meeting) 4/9/2020	Set date for Virtual Public Hearings – FY 21 Budget & Rates (↻) Resolution Accepting a Low-Interest Loan Offer from the State, and Authorizing ED to Execute and Administer all Related Loan Offer and Acceptance Documents Verbal Update COVID-19 Verbal Update on Forest Management Q3 Financial Report (↻) (Virtual Meeting) 4/23/2020	*Remote HR Committee meeting (4/2/2020)* *Remote Interview ED Candidates (4/24 & 25/2020)*
May 2020	FY21 Draft Budget and Rate Adjustment Information and Authorize Staff to Publish Proposed Rates (↻) Approve Employee Health and Dental Insurance Renewals (↻) Update COVID-19 (Virtual Meeting) 5/14/2020	Virtual Public Hearings – FY 21 Budget and Rates (↻) (Tentative) Update on Website Relaunch Update COVID-19 (Virtual Meeting) 5/28/2020	*Possible Board Action to Appoint New ED*
June 2020	Approve FY 21 Budget and Rates (↻) Election of Officers (↻) Update COVID-19 6/11/2020	Approve FY 21 Budget and Rates (if needed) (↻) Update COVID-19 6/25/2020	*Possible Board Action to Appoint New ED*
July 2020	Welcome new Board Member(s) Diversity and Inclusion Update (Tentative) Potential conservation easement on private land 7/9/2020	TBD 7/23/2020	
August 2020	**Discuss LRWSP Supply & Demand Management Alternatives** CS – Prepare for GC Annual Review (↻) 8/13/2020	Preliminary 12 Month Financial Report (↻) CIP Semiannual Report (↻) CS – GC Annual Review (↻) 8/27/2020	
September 2020	EEO/Affirmative Action Report & Diversity and Inclusion Update (↻) Annual Report on Disposal of Surplus Personal Property (↻) **Forest Management Update** (Tentative) Discuss Work Plan for New ED (Tentative) Discuss Process to Update the Strategic Plan 9/10/2020	Annual Report and Financial Audit (↻) **Annual Update of the Energy Management Plan** (↻) Approve General Counsel Engagement (↻) 9/24/2020	
October 2020	TBD 10/8/2020	Q1 Financial Report (↻) **Strategic Trends Report** (↻) Reliability and Resiliency Improvements Update 10/22/2020	
November 2020	TBD 11/12/2020	*Holiday – no meeting*	
December 2020	TBD 12/10/2020	*Holiday – no meeting*	
January 2021	Appoint Audit Firm (↻) Employee Health and Dental Insurance Update for FY 22 (↻) Affordability Outreach Program Update (↻) Diversity and Inclusion Update (↻) 1/14/2021	Annual Lakes Recreation Report (↻) CIP Semiannual Report (↻) Q2 Financial Report (↻) Discuss FY 22 Budget Calendar, Planning Assumptions, and New Budget Format (↻) 1/28/2021	

Current and Pending Key Projects and Strategic Initiatives– in **bold**

OWASA Board of Directors – 12 Month Board Meeting Schedule (April 14, 2020)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
February 2021	Department Managers FY 22 Budget Presentations CS – Prepare for GC Interim Review ↻ 2/11/2021	CS – GC Interim Review ↻ 2/25/2021	
March 2021	FY 22 Draft Budget and Rates ↻ 3/11/2021	TBD 3/25/2021	

Note: Meetings related to new ED search and selection will be scheduled. Additional Finance Committee meetings will likely be needed related to improving the budgeting process.

New schedule for new ED Reviews – TBD.

The 12 Month Board Meeting Schedule shows Strategic Plan initiatives and other priority efforts that the Board and staff plan to give greatest consideration to during the next twelve months. The schedule also shows major recurring agenda items that require Board action, or items that have been scheduled in response to the Board's prior standing request. This schedule does not show all the items the Board may consider in a work session or business meeting. It also does not reflect meetings at which the Board will discuss and act on the update of the Strategic Plan.

The 12 Month Board Meeting Schedule will be reviewed and updated at each monthly work session and may also be discussed and updated at the Board's business meetings.

In addition to the initiatives shown in this schedule, staff will be working on other Strategic Plan and organizational priorities that are not expected to require major additional discussion with the Board except as part of budget deliberations.

The schedule implies that the following Strategic Plan initiatives would be addressed beyond the 12-month period. The Board may conclude that one or more of the following initiatives are higher priority. The schedule will be revised as needed to reflect the Board's priorities, and any additional initiatives that the Board may decide to address.

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forest Management.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.
- Update of Strategic Plan. On October 24, 2019, the Board and staff agreed to begin updating the Strategic Plan in FY 2021.

The OWASA Board determines which topics it wants to explore as a full Board (potentially in a work session format) and which topics it wants to assign to Board committees or committee chairs for further analysis and development of recommendations. Board also determines priorities and desired timeframes for addressing topics. Committee meetings will be updated on the schedule routinely.

OWASA Board of Directors – 12 Month Board Meeting Schedule (April 14, 2020)

Abbreviations Used in Draft Schedule:

↻	Recurring agenda item (generally these are "required" items)
AV/AMI	Agua Vista/Advanced Metering Infrastructure
BOCC	Board of County Commissioners
CE	Community Engagement
CEP	Community Engagement Plan
CHTC	Chapel Hill Town Council
CIP	Capital Improvements Program
COLA	Cost of Labor Adjustment
CS	Closed Session of the Board
CTC	Carrboro Town Council
CY	Calendar Year
D&I	Diversity and Inclusion
ED	Executive Director
EEO	Equal Employment Opportunity
FY	Fiscal Year
GC	General Counsel
HR	Human Resources
JLP	Jordan Lake Partnership
KPI	Key Performance Indicator
LRWSP	Long-Range Water Supply Plan
MOA	Memorandum of Agreement
MWBE	Minority/Women-owned Business Enterprises
MST	Mountains-to-Sea Trail
MFMM	Multi-Family Master Meter
NCDOT	North Carolina Department of Transportation
NRTS	Natural Resources and Technical Services
OC	Orange County
Q	Quarter
RFP	Request for Proposals
SRF	State Revolving Fund
SOW	Scope of Work
TBD	To Be Determined
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

Agenda Item

- **Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents**

Background

- The Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized making loans and grants to aid eligible units of government in financing the cost of construction of water and wastewater treatment works, and/or water distribution and wastewater collection systems.

- On March 14, 2019 the Board of Directors authorized the submittal of an application for a low-interest loan from the state of North Carolina to fund the University Lake Permanganate Facility project included in OWASA's Capital Improvements Program. The loan application was approved by the NC Department of Environmental Quality, our engineering and environmental documents for the project have been approved, and the NC Local Government Commission has approved the issuance of a low-interest loan for the project.

- We have received the official Loan Offer and Acceptance documents for the project. These documents must be approved by resolution of the Board of Directors and executed by an authorized representative of OWASA.

- The total amount of the proposed loan is $2,170,800. This would be a 20-year loan with a fixed interest rate of 1.13%. OWASA customers will benefit from borrowing at the below-market interest rate offered by the state.

Recommendation

- Accept the state's offer for low-interest loan financing for the University Lake Permanganate Facility project and authorize the Executive Director to execute the Offer and Acceptance Documents from the state of North Carolina.

Action Needed

- Adopt the resolution accepting the loan offer from the state of North Carolina and authorizing the Executive Director to execute the Offer and Acceptance Documents on behalf of OWASA.

April 23, 2020

Orange Water and Sewer Authority
OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

MEMORANDUM

TO:	Board of Directors
THROUGH	Ed Kerwin
FROM:	Stephen Winters, CPA
DATE:	April 17, 2020
SUBJECT:	Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents

Background

On March 14, 2020 the Board of Directors authorized the submittal of an application for a low-interest loan from the state of North Carolina to fund the University Lake Permanganate Facility project included in OWASA's Capital Improvements Program. The loan application was approved by the NC Department of Environmental Quality, our engineering and environmental documents for the project have been approved, and the NC Local Government Commission has approved the issuance of a low-interest loan for the project.

The North Carolina Local Government Commission authorized the NC Department of Water Infrastructure to offer OWASA a low-interest loan for the University Lake Permanganate Facility project in the amount of $2,170,800.

The 20-year loan would have a fixed interest rate of 1.13%, which is less than one-half of the current market rate for revenue bonds. The state charges a loan closing, processing, and administration fee equal to 2% of the loan amount. Based on the above loan amounts, the total loan administration fees for this project would be about $43,400.

Loan offers must be officially accepted by the governing board of the loan recipient, and loan recipients must comply with all applicable state and federal requirements, including bidding requirements for involving minority- and women-owned businesses in contracts. A copy of the Offer and Acceptance documents is attached.

Staff Recommendation – Board Action Requested

This financing strategy will help in our efforts to keep costs low and improve affordability. It will enable us to reduce the size of our next revenue bond issue, which is currently planned for Fiscal Year 2021. Borrowing now at a low fixed interest rate will also help reduce our potential risks of having to pay higher interest rates when we go to the revenue bond market.

Staff recommends accepting the state's loan offer. Attached is a draft of a resolution accepting the Loan Offer and Acceptance Documents and authorizing the Executive Director to execute the loan documents and do all things necessary for administering the loans.

Staff recommends approval of the resolution.

Stephen Winters, CPA
Director of Finance and Customer Service

Attachments: Resolution for the Board's consideration

Funding Offer and Acceptance Documents

Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents

Whereas, the Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and/or grants, as applicable, to aid eligible, drinking-water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

Whereas, the North Carolina Department of Environmental Quality has offered a State Revolving Loan in the amount of $2,170,800 for the construction of the University Lake Permanganate Facility; and

Whereas, the Orange Water and Sewer Authority intends to construct said project in accordance with the engineering plans and specifications that have been or will have been approved by the North Carolina Public Water Supply Section;

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority does hereby accept the State Revolving Loan offer in the amount of $2,170,800; and

2. That the Orange Water and Sewer Authority does hereby give assurances to the North Carolina Department of Environmental Quality that they will adhere to all applicable items specified in the standard "Conditions" and "Assurances" of the Department's funding offer, awarded in the form of a State Revolving Loan; and

3. That the Orange Water and Sewer Authority Executive Director and successors so titled, is hereby authorized and directed to furnish such information, as the appropriate state agency may request, in connection with such application or the project; to make the Assurances as contained above; and to execute such other documents as may be required in connection with the application; and

4. That the Orange Water and Sewer Authority has complied substantially or will comply substantially with all federal, state and local laws, rules, regulations, and ordinances applicable to the project, and to federal and state grants and loans pertaining thereto.

Adopted this 23rd day of April 2020.

_____

Raymond E. DuBose, P.E., Chair

ATTEST:

_____

Bruce Boehm, Secretary

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient (Applicant)

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro NC 27510

Project Number: **H-SRF-F-20-1983**
Project Number: N/A
CFDA Number: 66.468

Funding Program

Drinking Water ☒ / **Wastewater** ☐	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF) ☒	--	--	$2,170,800
State Reserve Loan (SRP) ☐			
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

University Lake Permanganate Facility: Remove ex. maintenance shed & improve ex. site access road at "University Lake" site's temporary permanganate-feed facility; Construct permanent shell building for proposed, permanganate-feed system's injection site; Install permanent 10k-gal, permanganate storage tank & containment, chemical-metering pumps, and all necessary building systems, piping, instrumentation, controls, and so forth.

Total Financial Assistance Offer: **$2,170,800**
Total Project Cost: $2,170,800
Estimated Closing Fee*: **$43,416**
For Loans
Principal Forgiveness: $ - 0 -
Interest Rate (Per Annum): 1.13%
Maximum Loan Term: 20 Years
**Estimated closing fee calculated based on grant and/or loan amount(s).*

Pursuant to North Carolina General Statute 159G:

- The Applicant is eligible under Federal and State law;
- The Project is eligible under Federal and State law, and;
- The Project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance.

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature ..... Date 3/25/2020

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: **Mr. Ed Kerwin**
Title (Type or Print): **Executive Director**

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature ..... Date .....

STANDARD CONDITIONS FOR FEDERAL SRF LOANS

1. The following "super cross-cutters" apply to SRF projects and may be found in the Public Policy Requirements section of the EPA General Terms and Conditions for each year's appropriation. This document can be found at www.epa.gov/ogd/tc.htm. Please note that nothing is submitted to the State's SRF program offices regarding compliance with these items.

   (a) Title VI of the Civil Rights Act of 1964
   (b) Section 504 of the Rehabilitation Act of 1973
   (c) The Age Discrimination Act of 1975
   (d) Section 13 of the Federal Water Pollution Control Act Amendments of 1972

2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The Applicant shall certify it has or will have a fee simple, or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for purposes of construction and operation for the estimated life of the project using a certification form provided by the Department of Environmental Quality (DEQ).

3. Specific MBE/WBE "disadvantaged businesses enterprise" (DBE) forms and instructions are provided, which are to be included in the contract specifications. These forms will assist with documenting positive efforts made by the Applicant, their consultant(s) and contractor(s) to utilize DBEs. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by the Applicant and their construction contractor(s), and made available upon request.

4. The Applicant shall comply fully with Subpart C of the Code of Federal Regulations (CFR), Chapter 2, Part 180, entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. The Applicant is responsible for ensuring that any lower-tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Applicant is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower-tier covered transactions. The Applicant may access suspension and debarment information at: http://www.sam.gov. This system allows applicants to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.

5. The construction contract(s) require(s) the contractor to adhere to the Davis-Bacon and Related Acts Provisions and Procedures, as listed in the Code of Federal Regulations, Chapter 29, Part 5, Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.

6. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to the federal "American Iron-and-Steel" provisions. The State provides detailed requirements, to be included in the construction contract specifications.

ASSURANCES

1. The Applicant intends to construct the project, or cause it to be constructed to final completion, in accordance with the Application approved for financial assistance by the Division of Water Infrastructure. The Applicant acknowledges that in the event a milestone contained within the most recent Drinking Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Award Offer.

2. The Applicant is responsible for paying for those costs that are ineligible for SRF funding.

3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

4. As of the acceptance of this Funding Award Offer, Steps "A-D" in the "**North Carolina SRF Program Overview and Guidance**" (SRF Guidance Document enclosed with the Funding Award Offer) will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance Document, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance Document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, close-out and repayment.

5. The Applicant will provide and maintain adequate engineering supervision and inspection.

6. The Applicant agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project, and these records will be retained and made available for a period of at least three (3) years following completion of the project.

7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Applicant's compliance with the "Standard Conditions" of this Funding Award Offer. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

8. The Applicant will expend all the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance, will be fulfilled.

..... Signature	..... Date

Agenda Item

- Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on OWASA's Fiscal Year 2021 Budget

Background

- General Statutes (G.S.) of North Carolina require that before adopting the annual budget, the Board shall hold a public hearing at which time any persons who wish to be heard on the budget may comment.

- Notice of the time and place of the public hearing shall be advertised prior to the date of the public hearing, and a copy of the budget is to be provided to news media in the county.

- Notice is to be mailed to the University, the Towns of Chapel Hill and Carrboro and to Orange County.

- In order to satisfy public notice requirements and to allow for budget adoption prior to July 1, 2020, the attached resolution sets May 28, 2020 as the date of the virtual public hearing on OWASA's budget.

- Due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams.

Action Needed

- Adopt the Resolution Setting the Date of May 28, 2020 for a virtual Public Hearing on OWASA's FY 2021 budget

April 23, 2020

Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: April 17, 2020

SUBJECT: Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on OWASA's Fiscal Year 2021 Budget

Purpose and background

Section 159-12 of the General Statutes (G.S.) of North Carolina requires that before adopting the annual budget, the Board shall hold a public hearing at which time any persons who wish to be heard on the budget may comment. Historically, the OWASA Board of Directors has conducted the public hearing during the second meeting in May. Statutes also require that the proposed budget be filed with the Clerk to the Board where it shall remain available for public inspection until the budget ordinance is adopted.

Notice of the time and place of the public hearing shall be advertised prior to the date of the public hearing, and a copy of the budget is to be provided to news media in the county. Additionally, the notice is to be mailed to the University of North Carolina at Chapel Hill, the Towns of Chapel Hill and Carrboro, and to Orange County.

Due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams.

The attached resolution sets May 28, 2020 as the date of the virtual public hearing on OWASA's FY 2021 budget.

Stephen Winters, CPA
Director of Finance and Customer Service

RESOLUTION SETTING THE DATE OF MAY 28, 2020 FOR A VIRTUAL PUBLIC HEARING ON OWASA'S FISCAL YEAR 2021 BUDGET

WHEREAS, Section 159-12 of the General Statutes of North Carolina requires a Public Hearing on the budget for the ensuing fiscal year; and

WHEREAS, due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams; and

WHEREAS, in accordance with Section 7.05 of the Bond Order, and Section 159-13 of the General Statutes of North Carolina, the Board of Directors of Orange Water and Sewer Authority shall adopt an Annual Budget for the Fiscal Year 2021 on or before the first day of July 2020; and

WHEREAS, said proposed Budget will be placed with the Clerk to the Board and will be available for public inspection;

NOW, THEREFORE, BE IT RESOLVED:

1. That a virtual Public Hearing is hereby set for Thursday, May 28, 2020, at 7:00 P.M., using Microsoft Teams, for the purpose of receiving public comment on the proposed Fiscal Year 2021 budget.

2. That any interested persons may present any comments they may have regarding the proposed budget.

3. That notice of the time and place of the Public Hearing shall be advertised and provided at least ten days prior to the date fixed above for the Public Hearing to The University of North Carolina at Chapel Hill, and to the Towns of Chapel Hill and Carrboro and to Orange County.

Adopted this 23rd day of April 2020.

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Raymond E. DuBose, P.E., Chair

ATTEST:

_____
Bruce Boehm, Secretary

Agenda Item

- **Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges**

Background

- Although there is no statutory requirement for a water and sewer authority to hold a public hearing on proposed revisions to rates, OWASA historically holds such a public hearing in conjunction with the public hearing on the annual budget during its second meeting in May.

- The Agreement of Sale and Purchase with The University of North Carolina at Chapel Hill requires that The University be provided a 90-day notice prior to implementing changes in rates, fees and charges.

- The attached resolution sets May 28, 2020, as the date for a virtual public hearing on revisions to rates, fees and charges that, if approved, would go into effect in Fiscal Year 2021.

- Due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams.

Action Needed

- Adopt the Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges.

April 23, 2020

Orange Water and Sewer Authority
OWASA is Carrboro-Chapel Hill's not-for-profit public service agency
delivering high quality water, wastewater, and reclaimed water services.

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: April 17, 2020

SUBJECT: Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges

Purpose and background

Although there is no statutory requirement for a water and sewer authority to hold a public hearing on proposed revisions to rates, OWASA historically holds such a public hearing in conjunction with the public hearing on the annual budget during the Board's second meeting in May. Information on the annual budget and revisions to rates provided by staff during the public hearings is typically combined into a single presentation.

Any proposed adjustment to rates, fees and other charges will be recommended to become effective during the new fiscal year. The Agreement of Sale and Purchase with the University of North Carolina at Chapel Hill requires that the University be provided a 90-day notice prior to implementing changes in rates, fees and charges.

The attached resolution sets May 28, 2020, as the date for a virtual public hearing on revisions to rates, fees and charges. Receiving public comment at the hearing will provide sufficient time to consider public input; adopt a revised schedule of rates, fees and other charges before June 30, 2020.

Due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams.

Stephen Winters, CPA
Director of Finance and Customer Service

RESOLUTION SETTING THE DATE OF MAY 28, 2020 FOR A VIRTUAL PUBLIC HEARING ON PROPOSED REVISIONS TO OWASA'S SCHEDULE OF RATES, FEES AND CHARGES

WHEREAS, the Orange Water and Sewer Authority must charge fees sufficient to provide financial resources to recover the cost of ongoing operations, pay for capital improvements, and provide sufficient financial resources to ensure sustainable fiscal strength and stability; and

WHEREAS, due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams; and

WHEREAS, Section 162A-6 of the General Statutes of North Carolina and Section 7.04 of the Amended and Restated Bond Order adopted September 13, 2001, provide for the revision of such rates, fees and charges;

NOW, THEREFORE, BE IT RESOLVED:

1. That a virtual Public Hearing is hereby set for Thursday, May 28, 2020 at 7:00 P.M., using Microsoft Teams, for the purpose of receiving public comment on any proposed adjustments to Orange Water and Sewer Authority's rates, fees and charges.

2. That any interested persons may present comments on the proposed modifications to the current schedule of rates, fees and charges.

3. That notice of the time and place of the Public Hearing shall be advertised and shall be provided at least ten days prior to the date fixed above for the Public Hearing to the University of North Carolina at Chapel Hill, Town of Carrboro, Town of Chapel Hill, and Orange County.

Adopted this 23rd day of April 2020.

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Raymond E. DuBose, P.E., Chair

ATTEST:

_____
Bruce Boehm, Secretary

Orange Water and Sewer Authority

Closed Session of the Board of Directors

March 10, 2020

The Board of Directors of Orange Water and Sewer Authority met in Closed Session in on Tuesday, March 10, 2020, at 6:00 p.m. in the OWASA Boardroom.

Board Members present: Ray DuBose (Chair), Ruchir Vora (Vice Chair), Bruce Boehm (Secretary), Yinka Ayankoya, Robert Morgan and John N. Morris. Board Members absent: Jody Eimers and Bruce Runberg.

Others present: Robert Slavin and Barbara Lipscomb, Slavin Management Consultants.

Staff present: Andrea Orbich.

Motions

1. Robert Morgan made a motion that the Board of Directors convene in Closed Session with its consultant for the purpose of discussing confidential personnel materials regarding candidate interviews for OWASA's next Executive Director; second by Bruce Boehm and unanimously approved.

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Item One

Robert Morgan made a motion that the Board of Directors convene in Closed Session with its consultant for the purpose of discussing confidential personnel materials regarding candidate interviews for OWASA's next Executive Director; second by Bruce Boehm and unanimously approved. Please see Motion 1.

Item Two

The Board reconvened in open session at 7:10 p.m.; public and staff were invited in the meeting. The Board and consultant reviewed and discussed the Executive Director interview process scheduled for April 24 and 25, 2020. The interviews will be scheduled beginning each day at 9:00 a.m. for six candidates.

No official action was taken at the meeting.

The meeting was adjourned at 8:10 p.m.

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Ray DuBose, Chair
OWASA Board of Directors

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Orange Water and Sewer Authority

Meeting of the Board of Directors

March 12, 2020

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, March 12, 2020, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Raymond (Ray) DuBose (Chair), Ruchir Vora (Vice Chair), Bruce Boehm (Secretary), Yinka Ayankoya, Robert Morgan, John N. Morris and Bruce Runberg. Board Member absent: Jody Eimers.

OWASA staff present: Brad Barber, Mary Darr, Robert Epting, Esq. (Epting and Hackney), Robin Jacobs (Epting and Hackney), Ed Kerwin, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Randy Horton and Meg Holton (UNC Water Resources Manager).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Water Mains Resiliency Improvements Project. Motion by Bruce Runberg, second by John Morris and unanimously approved.

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Chemical Facilities Improvements Project. Motion by Bruce Runberg, second by John Morris and unanimously approved.

3. Bruce Runberg made a motion to approve the Minutes of the February 27, 2020 Meeting of the Board of Directors; second by John Morris and unanimously approved.

4. Bruce Runberg made a motion to approve the Minutes of the February 27, 2020 Closed Session of the Board of Directors for the purpose of discussing personnel matter; second by John Morris and unanimously approved.

5. Bruce Boehm made a motion that the March 26, 2020 Board of Directors meeting be canceled to allow staff to focus on mission critical matters related to COVID-19 preparedness and response; the Board of Directors expects to conduct their April 9, 2020 Board meeting using online measures in full compliance with all public notices and meeting requirements; second by Yinka Ayankoya and unanimously approved.

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Announcements

Ray DuBose 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. DuBose said Vishnu Gangadharan, Engineering Manager – Capital Projects, is unable to attend tonight's meeting, and requested agenda item 6. Update on New Water Main Prioritization Model, be rescheduled for a future Board meeting. The Board agreed.

With consideration of the COVID-19 pandemic, the Board agreed to cancel the following two meetings:

- March 23, 2020 meeting between Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board; and
- March 25, 2020 meeting between Members of the Orange County Board of County Commissioners and Orange County Appointees.

Robert Morgan, Chair of the Human Resources Committee, said the Board of Directors met in closed session on March 10, 2020 to review with the consultant confidential personnel materials regarding candidate interviews for OWASA's next Executive Director. Mr. Morgan said the consultant will conduct background checks and suggested the Board's Human Resources (HR) Committee finalize the questions for the interviews. The Board agreed to schedule an HR Committee meeting and invite the full Board to participate.

Ruth Rouse, Planning and Development Manager, provided an update on the February 27, 2020 Orange County Climate Council Meeting. Ms. Rouse said the County successfully pursued a LEED for Cities and Communities Grant. The LEED for Communities provides a framework for local governments to benchmark progress to meet sustainability objectives.

Stephen Winters, Director of Finance and Customer Service, provided an update on the March 6, 2020, Chatham-Orange Task Force Meeting. Mr. Winters said two topics were discussed: development along the Highway 15-501 corridor between Pittsboro and Interstate 40; and affordable housing strategies and programs for the counties.

Item One: Award a Construction Contract for the Jones Ferry Road Water Treatment Plant Water Mains Resiliency Improvements Project

Bruce Runberg made a motion to adopt the Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Water Mains Resiliency Improvements Project; second by John Morris and unanimously approved. Please see Motion 1.

Item Two: Award a Construction Contract for the Jones Ferry Road Water Treatment Plant Chemical Facility Improvements Project

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Bruce Runberg made a motion to adopt the Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Chemical Facilities Improvements Project; second by John Morris and unanimously approved. Please see Motion 2.

Item Three: Minutes

Bruce Runberg made a motion to approve the Minutes of the February 27, 2020 Meeting of the Board of Directors; second by John Morris and unanimously approved. Please see Motion 3.

Item Four: Minutes

Bruce Runberg made a motion to approve the Minutes of the February 27, 2020 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by John Morris and unanimously approved. Please see Motion 4.

Item Five: Forest Management Program Update

Ed Kerwin provided an update on OWASA's Forest Management Program, noting work with a consultant to prioritize our forested lands by greatest need for active management, focusing on OWASA's number one goal of protecting water quality.

Item Six: Update on New Water Main Prioritization Model

The Board agreed to reschedule this item for a future Board meeting.

Item Seven: Draft Fiscal Year 2021 Budget and First Iteration of New Budget Format

Stephen Winters, Director of Finance and Customer Service, provided an update on the draft Fiscal Year 2021 Budget. The draft includes about $24.3 million in operating expenses and $25.8 million in capital improvements. These planned expenditures support OWASA remaining a sustainable, responsible, and environmentally focused organization.

Mr. Winters also presented a first draft of a new budget format that the Board and staff have been developing. The purpose of the new format is to improve the way budget information is presented to the Board and public to make it easier to digest and to make the Board decision-making process more efficient.

The Board will continue budget discussions and hold public hearings in May before approving a final budget in June.

Item Eight: Review Board Work Schedule

Staff provided an update on OWASA's preparations regarding COVID-19 by briefly summarizing OWASA's Continuity of Operations Plan, working remotely, and temporarily suspending customer water and sewer service disconnections for non-payment to help mitigate

Draft

the spread of the coronavirus. Staff recommends canceling the Board's March 26, 2020 meeting and arrange to hold the Board's April 9, 2020 meeting remotely.

Bruce Boehm made a motion that the March 26, 2020 Board of Directors meeting be canceled to allow staff to focus on mission critical matters related to COVID-19 preparedness and response; the Board of Directors expects to conduct their April 9, 2020 Board meeting using online measures in full compliance with all public notices and meeting requirements; second by Yinka Ayankoya and unanimously approved. Please see Motion 5.

The Board's next schedule meeting will be on April 9, 2020 and is expected to be conducted remotely and will include an update on OWASA COVID-19 preparations and response.

Item Nine: Summary of Work Session Items

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

- Prepare Board Members and staff in advance to conduct the April 9, 2020 Board meeting remotely and confirm with each Board member that the remote online software works. Conducting Board Committee and other meetings in this manner may also be needed.

- Provide notice canceling the March 26, 2020 Board Meeting and cancel March meetings with Orange County and Chapel Hill officials.

The Board meeting was adjourned at 7:18 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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Agenda Item

Verbal Update on OWASA's COVID-19 Preparations and Response and Discussion by the Board

Purpose

To provide the Board of Directors and public an update on OWASA's preparations for and response to COVID-19 to ensure high quality and reliable service for the community.

On April 9, 2020, staff provided an update and continues to take proactive measures to ensure we provide the Carrboro and Chapel Hill communities with high-quality and reliable water, wastewater, and reclaimed water services during the COVID-19 pandemic.

Staff will provide a verbal update on activities since April 9, 2020.

Action Needed

Discussion and questions by the Board of Directors.

April 23, 2020

Agenda Item

Verbal Update on OWASAs Forest Management Program Activities

Purpose

Provide the Board of Directors and public a verbal update on OWASA's Forest Management Program activities.

OWASA owns about 2,400 acres of forest lands, much of which is for protecting water quality in the Cane Creek Reservoir, the primary source of drinking water for the Carrboro-Chapel Hill communities.

On September 26, 2019, following a community engagement process, the Board authorized staff to implement the Forest Management Program on OWASA owned lands in accordance with the Board approved Vision, Guiding Principles and management strategies.

On March 12, 2020, staff provided an update on Forest Management Program and work with the consultant to prioritize OWASA's forested lands by greatest need for active management, focusing on our number one goal of protecting water quality.

Staff will provide a verbal update on activities since March 12, 2020.

Action Needed

No action needed, information only.

April 23, 2020

Agenda Item

- Financial Report for the Nine-Month Period Ended March 31, 2020

Purpose

- To inform the Board of Directors of OWASA's financial performance and fiscal position.

Background

- The financial report consists of a Statement of Net Position, an Income Statement that includes a budget to actual comparison, graphical presentations of financial performance indicators and a Financial Management Policy Report Card.

- Highlights of the report include:

    - All financial performance targets were met.

    - Operating Revenue for the period was about $1.2 million less than budget.

    - System Development Fees were about $15,000 under budget.

    - Operating Expenses were about $1 million less than budget.

    - Net Income less Debt Service was about $267,000 over budget. OWASA is a nonprofit entity. Net Income less Debt Service is used to fund investments in capital improvement projects and reserves.

    - Capital Improvements Program expenditures for the nine-month period were approximately $1.5 million more than budgeted. For the fiscal year, CIP expenditures are projected to be about $24.1 million or 91% of budget.

Action Needed

- Receive and discuss the financial report for the nine-month period ended March 31, 2020.

April 23, 2020

Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

MEMORANDUM

To: Board of Directors

Through: Ed Kerwin

From: Stephen Winters, CPA

Date: April 17, 2020

Subject: Financial Report for the nine-month period ended March 31, 2020

Purpose

The financial report for the nine-month period ended March 31, 2020 is presented to inform the Board of Directors of OWASA's financial position and financial performance in relation to budget.

Contents

- Statement of Net Position
- Income Statement
- Graphs of Key Performance Indicators
- Financial Management Policy Report Card

Fiscal Performance

- As shown on page 10 of the report, all financial performance measurement targets were met for the period.
- Average drinking water sales for the period was 5.95 million gallons per day (MGD), 6.17 was projected. Combined drinking and reclaimed water sales for the period averaged 6.74 MGD versus a projection of 6.90.
- Total operating revenue was about $1.2 million less than budget. Water and sewer revenue has been less than projected for the year. The pandemic is also having an impact on drinking water demand. Customer drinking water demand for the period from March 16 to April 14, 2020 was about 12% less compared to the same period in 2019.
- Revenue from new system connections (system development fees) was under budget by about $15,000.
- Total operating expenses for the period were about 6% or $1 million less than budget.
    - General and administrative expenses were under budget by about $71,000. A number of small line-item variances make-up this number.
    - The Water Supply and Treatment department expenses were under budget by about $598,000. Chemicals expense was under budget by about $285,000 and maintenance expense was under budget by about $215,000:
        - The price of caustic soda has been less than we expected it to be. (Caustic soda is used to adjust pH levels which helps soften water and inhibit corrosion.)
        - We have used less sodium permanganate than anticipated. (Sodium permanganate is used

to help mitigate taste and odor issues and reduce total organic carbon (TOC) in drinking water.)

- Maintenance expense was under budget because several projects have not yet happened.
- For the fiscal year, we expect to be under budget in chemicals and maintenance by about $250,000 and $100,000, respectively.

- Water distribution expenses were over budget by about 2.8% or $67,000. We have spent more in repairing water main breaks and meters than we budgeted.
- Wastewater treatment expenses were under budget by about $260,000. Maintenance expense was under budget by about $210,000 because certain planned projects have not yet occurred.
- Wastewater collection expenses were under budget by about $143,000. Maintenance expense and position vacancies make up most of the variance.

- Net Income less Debt Service for the period was approximately 3.5% or $267,000 greater than budget. OWASA is a nonprofit entity. Net Income less Debt Service is used to fund investments in capital improvement projects and reserves.

- **Capital Improvements Program (CIP) Summary**

  Despite some slowdown in construction activity in late March resulting from the COVID-19 pandemic, CIP expenditures through March ($19.9 million) kept pace with original budget projections for the fiscal year (75% of the planned FY 2020 CIP budget). Several important construction projects reached substantial completion milestones during the third quarter, including:

  - water main replacement at Fordham Boulevard Service Road;
  - rehabilitation of sedimentation basins at the Water Treatment Plant (WTP);
  - improvements to electrical, HVAC, and controls at Rogerson Drive Pump Station, our largest wastewater pump station; and
  - rehabilitation of the plant headworks structure at the Wastewater Treatment Plant (WWTP),

  Much of the construction work listed above involved considerable impacts to operations, requiring careful planning and close coordination between CIP and operations staff.

  Construction continues into the fourth quarter on other important work to rehabilitate, replace or improve various components of OWASA's water and wastewater infrastructure, most notably the pumps and electrical equipment at the University Lake Reservoir, water main replacements along Country Club Road, Barclay Road, and Dobbins Drive, and rehabilitation of pipes and manholes throughout the wastewater collection system.

  While official COVID-19 response guidelines identify construction as an essential activity exempted from shutdown orders, staff continues to evaluate construction projects on a case by case basis and expects that the pandemic will slow progress to varying degrees. Most notably, construction on the WWTP Solids Thickening Improvements project was halted to eliminate risks to health and safety of WWTP operating staff.

  Accounting for the construction slowdown, the projected FY 2020 CIP expenditure of $24.1 million is about 91% of budget. While this projection has more uncertainty than would typically be present in a third-quarter projection (due to both the pandemic-related decisions and the timing of some large equipment deliveries), it falls within the Board-adopted target of executing between 90 to 105% of the CIP budget.

Action Requested

Receive and discuss the financial report.

Stephen Winters, CPA
Director of Finance and Customer Service

Orange Water and Sewer Authority

Financial Report
For the Nine-Month Period Ended
March 31, 2020

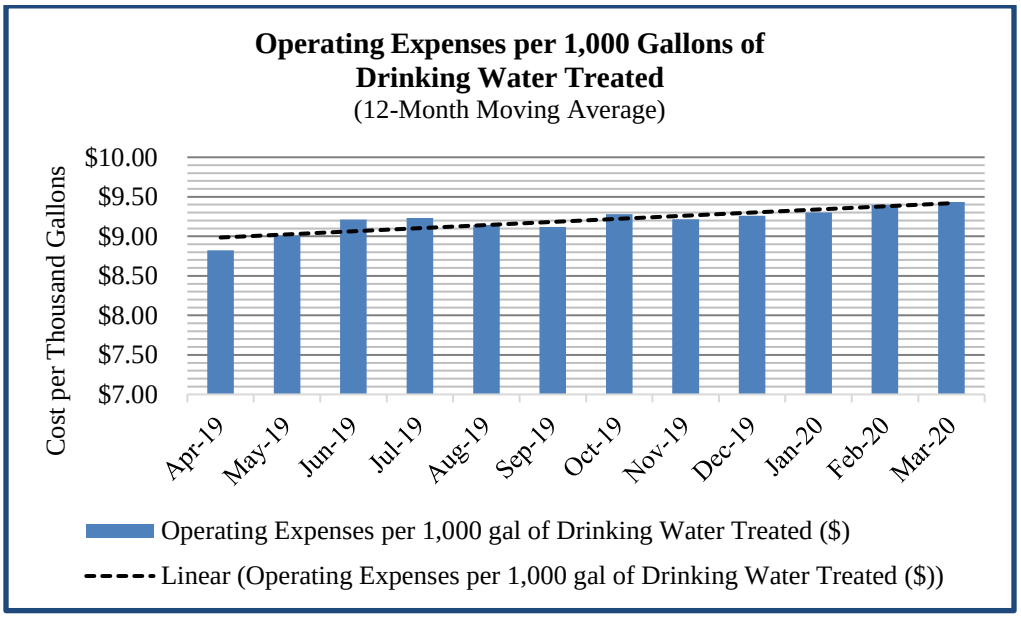
Orange Water and Sewer Authority
Statement of Net Position
March 31, 2020
(unaudited)

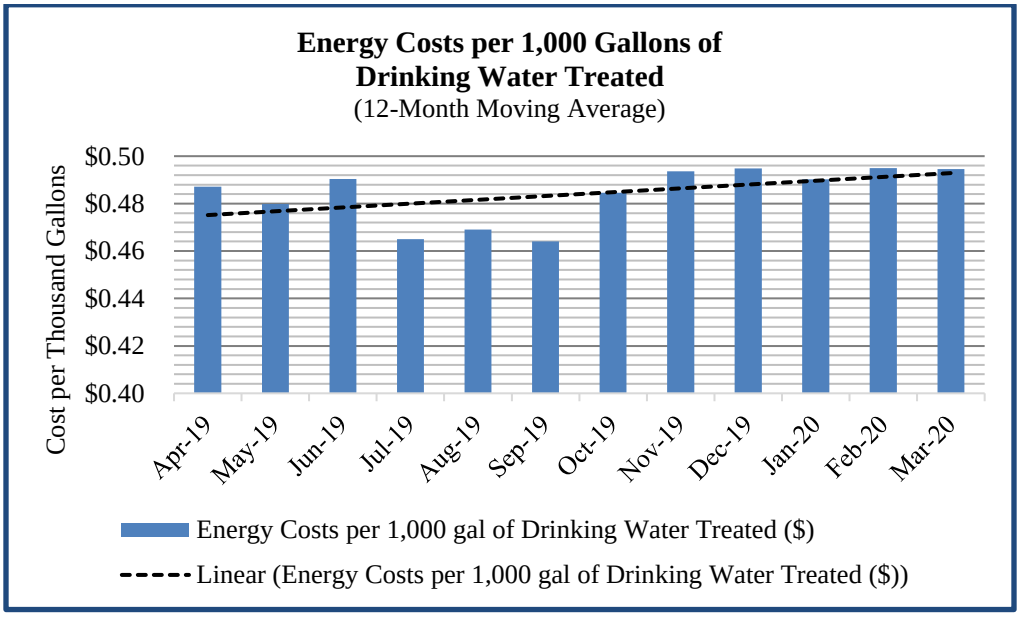
Assets	
Current Assets	
Cash	$23,411,810
Receivables	4,194,005
Inventory	1,408,190
Prepaid expenses	305,255
Restricted cash	1,778,410
Total Current Assets	31,097,670
Noncurrent Assets	
Capital assets (net of depreciation)	275,498,748
Other noncurrent assets	64,813,413
Total Noncurrent Assets	340,312,161
Total Assets	$371,409,831
Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued expenses	$2,668,782
Unearned income	251,462
Customer deposits	1,227,061
Total Current Liabilities	4,147,305
Noncurrent Liabilities	
Bonds payable	75,595,979
Other noncurrent liabilities	14,302,693
Total Noncurrent Liabilities	89,898,672
Net Position	
Contributed capital	123,494,159
Net position at the beginning of the year	150,227,953
Year-to-date accrual basis net income	3,641,742
Total Liabilities and Net Position	$371,409,831
Net income reconciliation:	
Accrual basis net income	$3,641,742
Depreciation, interest, other post-employment benefits expenses	8,891,672
Modified accrual basis net income	$12,533,414

Orange Water and Sewer Authority
Income Statement
For the Nine-Month Period Ended March 31, 2020
(unaudited)

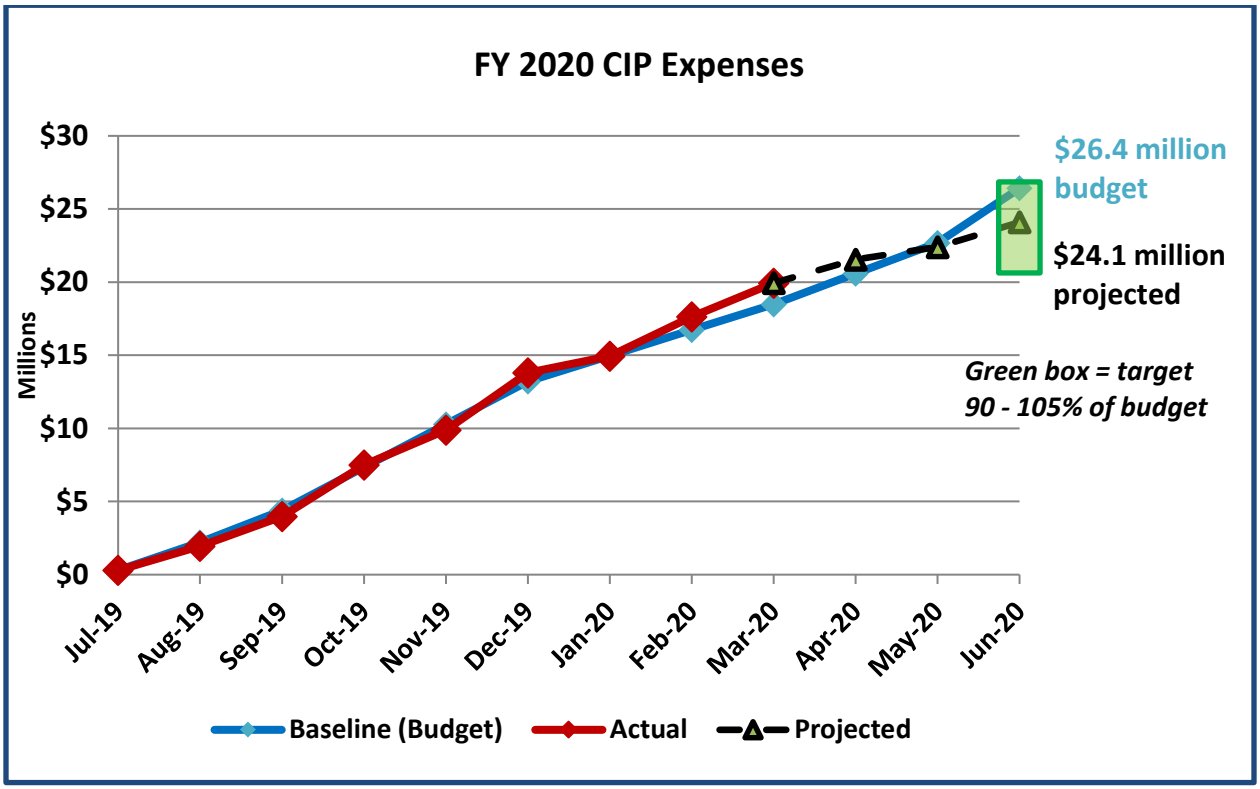
	Actual through March 31, 2020	Budget through March 31, 2020	Variance (effect on net change in Fund Balance)	Percent Variance
Operating Revenue				
Water	$13,625,610	$14,339,171	($713,561)	(5.0%)
Sewer	13,144,359	13,600,051	(455,692)	(3.4)
Reclaimed Water	361,120	323,469	37,651	11.6
Service Initiation Fees	18,860	115,443	(96,583)	(83.7)
Other	672,781	718,809	(46,028)	(6.4)
Refunds and Allowances	(108,778)	(159,426)	50,648	31.8
Total Operating Revenue	27,713,952	28,937,517	(1,223,565)	(4.2)
Non-Operating Income (Expense)				
System Development Fees	1,071,288	1,086,669	(15,381)	(1.4)
Interest and Other Non-Operating Income	60,568	34,803	25,765	74.0
Total Non-Operating Income	1,131,856	1,121,472	10,384	0.9
Total Income	28,845,808	30,058,989	(1,213,181)	(4.0)
Operating Expense				
General and Administrative	5,679,114	5,750,301	71,187	1.2
Water Supply and Treatment	3,569,761	4,167,898	598,137	14.4
Water Distribution	2,478,463	2,411,555	(66,908)	(2.8)
Wastewater Treatment	3,683,907	3,944,388	260,481	6.6
Wastewater Collection	901,149	1,044,562	143,413	13.7
Total Operating Expense	16,312,394	17,318,704	1,006,310	5.8
Net Income (modified accrual)	12,533,414	12,740,285	(206,871)	(1.6)
Debt Service	4,721,514	5,195,005	473,491	9.1
Net Income less Debt Service	7,811,900	7,545,280	266,620	3.5
CIP Expenditures	19,940,000	18,488,833	(1,451,167)	(7.8)
Capital Equipment Expenditures	371,527	989,700	618,173	62.5
Net Change in Fund Balance	($12,499,627)	($11,933,253)	($566,374)	

Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2020





Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2020

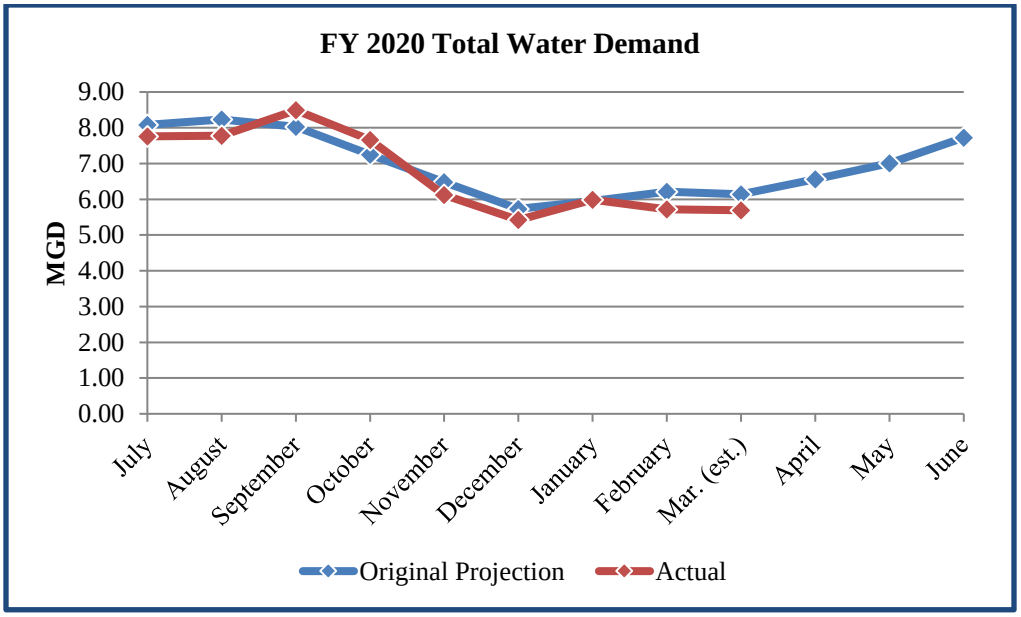


Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2020

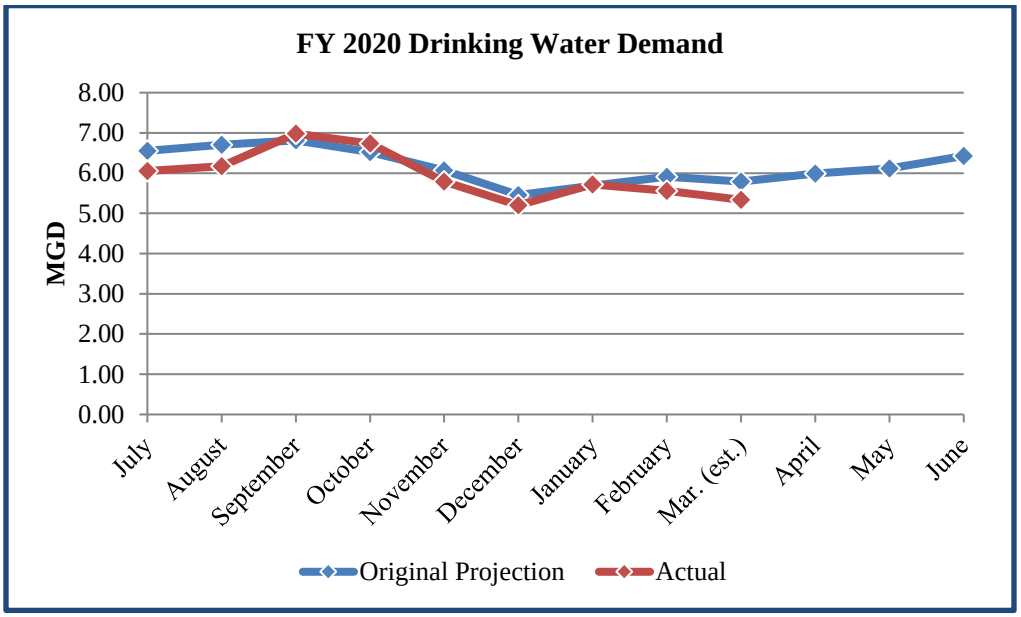
FY 2020 Water Sales Projection (Average Day)

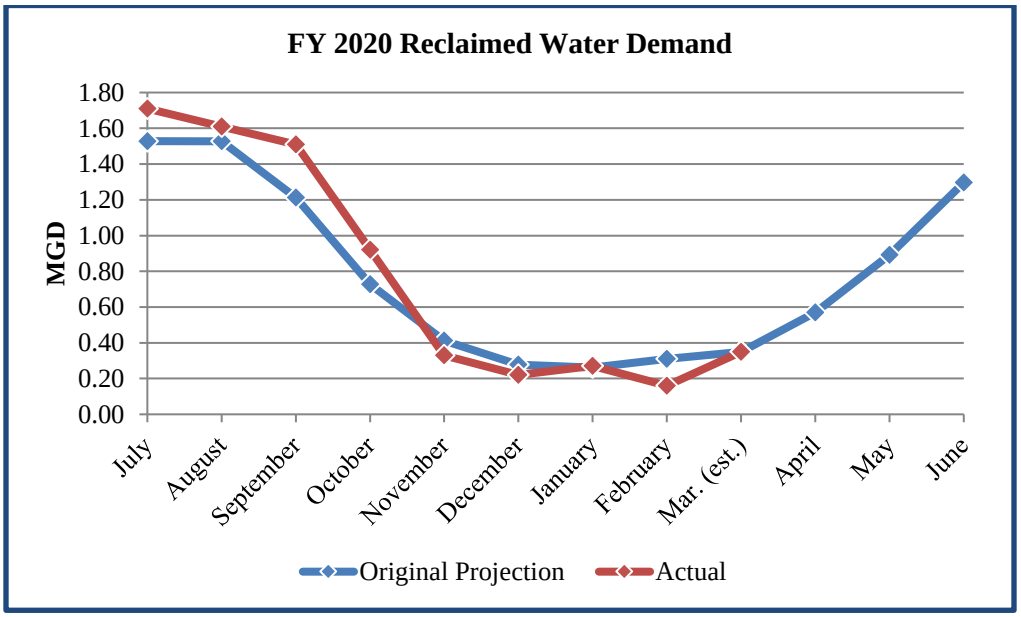
	Original Projections		Actual Water Sales		Revised Projections	
	DW	RCW	DW	RCW	DW	RCW
July	6.55	1.53	6.05	1.71	6.05	1.71
August	6.70	1.53	6.17	1.61	6.17	1.61
September	6.81	1.21	6.98	1.51	6.98	1.51
October	6.52	0.73	6.74	0.92	6.74	0.92
November	6.07	0.41	5.79	0.33	5.79	0.33
December	5.46	0.28	5.20	0.22	5.20	0.22
January	5.69	0.26	5.72	0.27	5.72	0.27
February	5.91	0.31	5.56	0.16	5.56	0.16
March	5.79	0.35	5.34	0.35	5.79	0.35
April	5.99	0.57			5.99	0.57
May	6.11	0.89			6.11	0.89
June	6.43	1.30			6.43	1.30
Average	6.17	0.78	5.95	0.79	6.04	0.82

Estimates shown in red

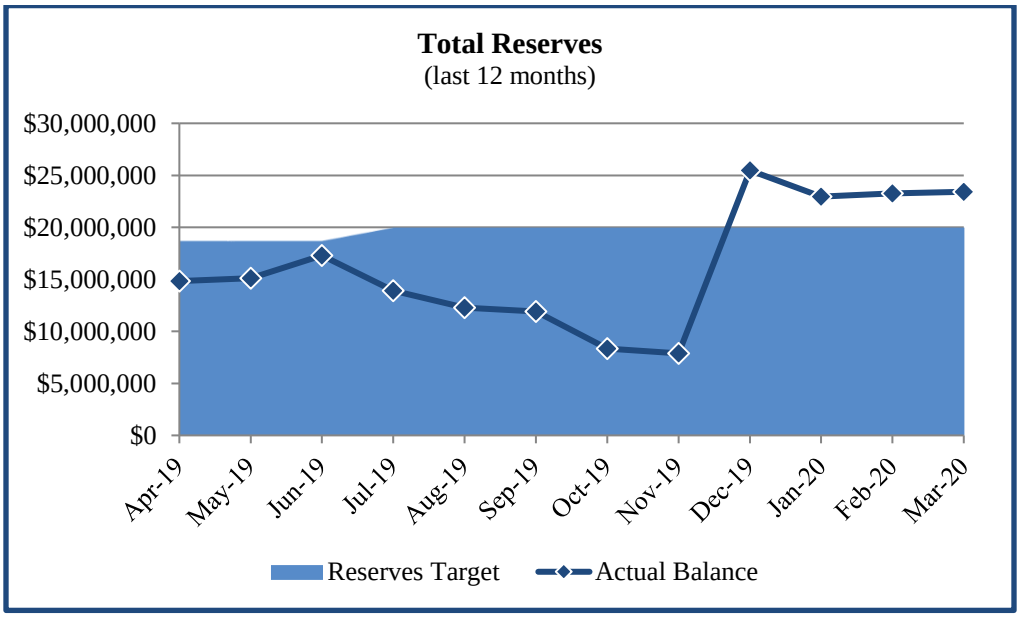


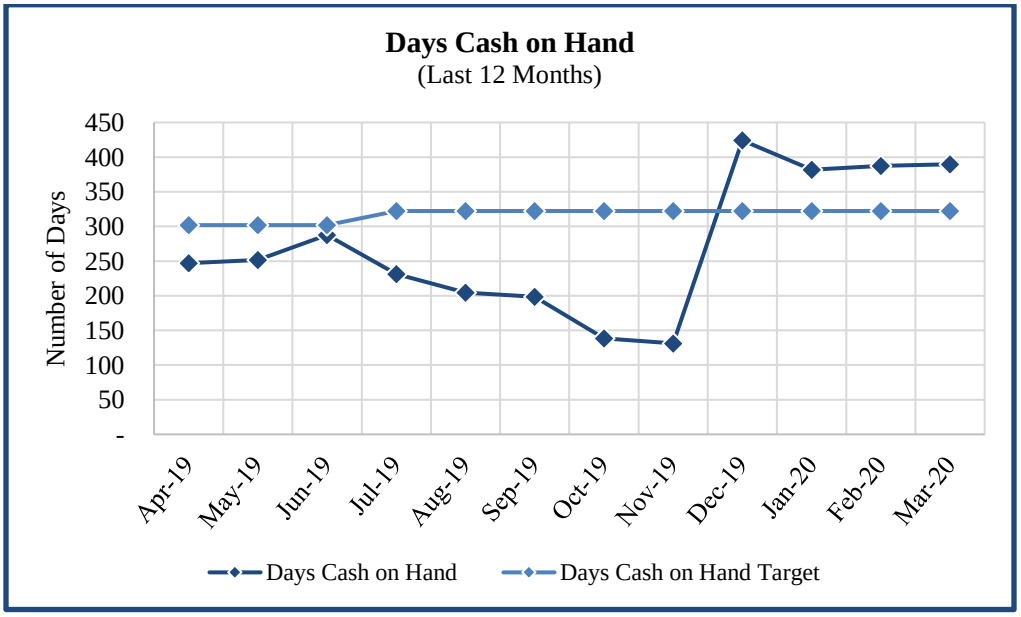
Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2020



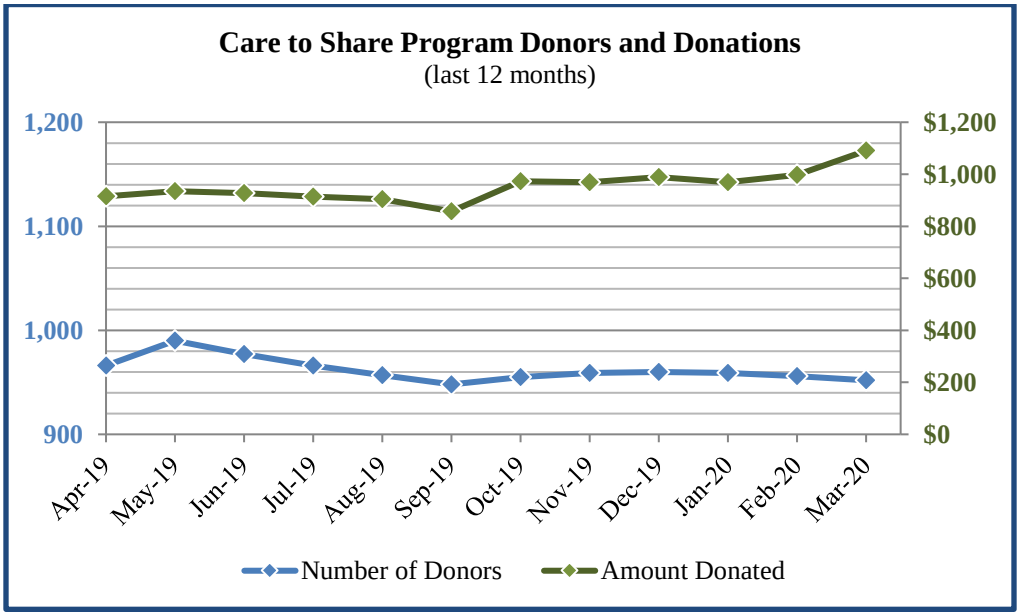


Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2020





Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2020



Orange Water and Sewer Authority
Financial Management Policy Report Card
For the Nine-Month Period Ended March 31, 2020

Measurement	Objective	FY19 Results	FY20 Goal	YTD FY20 Results
Working Capital Reserves	Greater of four months Operating Expenses or 20% of succeeding three years CIP	$11.5M	$13.6M	$17.1M
Capital Improvements Reserve	2% of Net Capital Assets (Funding $400,000 per year until reach goal of approximately $6M)	$4.0M	$4.4M	$4.4M
Rate/Revenue Stabilization Reserve	5% of annual Water and Sewer Revenue	$1.8M	$1.9M	$1.9M
Debt Burden to Asset Value	Total Debt not more than 50% of Total Assets	24%	≤ 50%	25%
Sufficiency of Revenues above Debt Requirements[3]	Annual Debt Service no more than 35% of Gross Revenue	19%	≤ 35%	20%
Cash Financing of Capital[1]	Annual revenues and reserves provide at least 30% of CIP funding	49%	≥ 30%	30%
Debt Service Coverage Ratio[3]	Annual Net Income not less than two times Annual Debt Service	2.1	2.0	2.1
Service Affordability Ratio[2]	Average annual OWASA bill not more than 1.5% of area median household income	1.38%	1.5%	1.35%

M = million

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[1] Cash Financing of Capital based on 5-Year CIP Budget and potential borrowing during the same period.

[2] FY 2020 Calculation based on median household income of $67,426 (per U.S. Census Bureau's 5-year American Community Survey estimates for 2013 - 2017 MHI (in 2017 dollars) and average monthly household water use of 4,000 gallons.

[3] Calculation based on the FY 2020 Annual Budget until full-year results are available.