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
Work Session of the OWASA Board of Directors
Thursday, February 11, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and you will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

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.
   - Update on the February 4, 2021 Special Meeting of the Board
   - February 16, 2021 OWASA Annual Update and Long-Range Water Supply Plan

b. Announcements by Board Members
   - February 23, 2021 Meeting between Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board (John Morris)
   - April 20, 2021 OWASA Update to the Carrboro Town Council (Yinka Ayankoya)

c. Announcements by Staff
   - Orange County Approval of Climate Action Grant Funding to Advance Cane Creek Reservoir Solar PV Project (Mary Tiger)

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

Consent Agenda

Action

1. Minutes of the January 14, 2021 Work Session of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion

2. Affordability Program Update (Mary Tiger)
3. Department Managers Fiscal Year 2022 Budget Presentations (Monica Dodson/Jesse DuClau/Mary Darr/Stephen Winters)
4. Apprenticeship Program Update (Stephanie Glasgow)
5. Review Board Work Schedule
    a. Request(s) by Board Committees, Board Members and Staff (Ray DuBose)
    b. February 25, 2021 Board Meeting (Todd Taylor)
    c. March 11, 2021 Work Session (Todd Taylor)
    d. 12 Month Board Meeting Schedule (Todd Taylor)
    e. Pending Key Staff Action Items (Todd Taylor)

Summary of Work Session Items

6. Executive Director will summarize the key staff action items from the Work Session

Closed Session

7. The Board of Directors will Meet in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statutes 143.318.11(6) (Jody Eimers)

Orange Water and Sewer Authority

Virtual Work Session of the Board of Directors

January 14, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular work session by virtual means in accordance with law, on Thursday, January 14, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Monica Dodson, Robert Epting, Esq. (Epting and Hackney), Audrey Eisenstein, Vishnu Gangadharan, Marcus Hill, Stephanie Glasgow, Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager), Ben Poulson (UNC Associate Director of Energy Services) and Ellen Tucker (Gallagher).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding an Audit Contract and Authorizing Chair of the Board of Directors and the Finance Officer to Executive Said Contract. Motion by Yinka Ayankoya, second by Bruce Runberg and unanimously approved.

2. Yinka Ayankoya made a Motion to approve the Minutes of the December 10, 2020, Virtual Work Session of the Board of Directors; second by Bruce Runberg and the Motion was unanimously approved.

3. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Retitle and Reclassify the Sustainability Manager. Motion by Bruce Runberg, second by Jody Eimers and the Motion was unanimously approved.

4. Jody Eimers made a Motion for the Board of Directors to meet in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statuses 143.318.11(6); second by Bruce Runberg and unanimously approved.

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Announcements

Chair Ray DuBose announced that due to COVID-19 public health concerns, the OWASA Board of Directors held the work session virtually utilizing Microsoft Teams software. Mr. DuBose stated that Board Members, General Counsel, and staff participated in the meeting remotely.

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Mr. DuBose asked if any Board Member knew 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 provided an update on the December 17, 2020, Orange County Climate Council meeting to discuss the role of the Climate Council. He reminded the Council that OWASA's role on the Council is as an interested party and technical advisor/subject matter expert. The next virtual meeting is scheduled for Thursday January 21, 2021 at 3:00 p.m.

Ruth Rouse, Planning and Development Manager, announced that Todd Taylor and she provided a presentation on the update to OWASA's Long-Range Water Supply Plan (LRWSP) on January 12 and 13, 2021, for the Carrboro and Chapel Hill Town Council respectively, to receive questions and feedback. A similar presentation will be made to the Board of County Commissioners on February 16, 2021. Ms. Rouse noted she will provide the Board a detailed summary of all the comments received from the three local governments at the March 11, 2021 Board Work Session.

Item One: Quarterly Report on Attendance at Board and Committee Meetings

The Board received this as an information item.

Item Two: Resolution Awarding an Audit Contract and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract

Yinka Ayankoya made a motion to approve the resolution; second by Bruce Runberg and the motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the December 10, 2020, Minutes of the Board of Directors; second by Bruce Runberg and the motion was unanimously approved. Please see Motion 2.

Item Four: Update on Employee Health and Dental Insurance for Fiscal Year 2022

Stephanie Glasgow (Director Human Resources and Safety) and Ellen Tucker (Area Vice President of Gallagher) provided a presentation on the timeline, utilization data, the impact of COVID-19 and other information related to renewing employee health, dental, life, dependent life, accidental death and dismemberment and long-term disability insurance effective July 1, 2021. OWASA has engaged Gallagher consulting firm who will review the insurance cost proposals to be submitted later this year.

Item Five: Diversity and Inclusion Program Update (September – December 2020)

Stephanie Glasgow, Director of Human Resources and Safety, provided an overview of the Diversity and Inclusion (D&I) Program from September to December 2020 which included an article in *NC Currents* (NC section of the American Water Works Association-Water Environment

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Federation) that featured OWASA's D&I Program in October 2020. Ms. Glasgow noted that the Town of Carrboro now posts OWASA's job announcements/vacancies on its website.

Stephen Winters, Director of Finance and Customer Service, provided an update from the Diversity Leadership Group and the work on incorporating D&I to competencies on the performance review system. He also discussed how employee D&I training sessions are developed and carried out for employees throughout the organization.

Audrey Eisenstein, Administrative Assistant, provided an update on activities of the Diversity Resource Group: D&I quarterly meetups; input on an upcoming employee survey and work to revitalize the Mentoring Program.

Marcus Hill, Maintenance Supervisor - Wastewater Treatment Plant, talked about the activities of the Diversity Recruitment Group including supervisory training on the recruitment process and providing support on the development of an Apprenticeship program as well as feedback on the Mentoring Program.

The Board expressed appreciation to and thanked staff for the presentation and leadership of the Employee D&I program.

Item Six: Discuss Reclassification of Sustainability Manager to Strategic Initiatives Manager

Ray DuBose noted that Bruce Boehm emailed his support for the creation of the Strategic Initiatives Manager position.

Bruce Runberg made a Motion to approve the Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Retitle and Reclassify the Sustainability Manager; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 3.

Item Seven: Review Board Work Schedule

The Board agreed to schedule a Special Meeting of the Board to discuss the process to develop a new Strategic Plan the first week of February 2021; a doodle poll will be emailed to the Board.

The Board discussed John Morris' request that staff assess and report on the opportunities for forest management this fiscal year. The Board agreed to hold off on further management activity this fiscal year, and staff will provide a Forest Management Program Update at the September 23, 2021 meeting.

Item Eight: Summary of Work Session Items

Todd Taylor said staff will add Forest Management Program Update to the 12 Month Board Meeting Schedule for the September 23, 2021 meeting.

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Item Nine: Closed Session

Jody Eimers made a Motion for the Board of Directors to convene in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statuses 143.318.11(6); second by Bruce Runberg and unanimously approved. Please see Motion 4.

Following the Closed Session, the Board reconvened in open session, reported no action was taken in the closed session, and the meeting was adjourned at 7:24 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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Agenda Item 2:

Affordability Program Plan Update

Purpose:

To obtain the Board's feedback and guidance on and approval of the proposed Affordability Program Plan Update

Background:

The goal of OWASA's Affordability Program is to increase community awareness of options to manage and reduce water and sewer bills and to empower low-income customers, and the local agencies that serve them, with information and tools to manage and reduce water and sewer bills.

Through our Affordability Program, our goal is to ensure more equitable access to the critical services that OWASA provides and to do so in a manner that is available to all in our community. As such, we consider the Affordability Program an outward extension of our Diversity and Inclusion Program.

In 2020, as a result of the economic stress caused by the pandemic and the limitations of in-person engagement opportunities, our Affordability Program pivoted to focus almost exclusively to engagement with the community regarding the disconnection moratorium and the identification and promotion of programs and strategies to provide bill-relief to customers.

We know that 2021 will be another challenging year. With significant increases in the number of customers with large past-due balances, we will need to lean heavily on our partnerships to:

1) Seek and pursue funding for utility bill assistance from individual donors (i.e. Care to Share), as well as local, state, and federal sources;

2) Connect more customers who are unable to afford their water bills with sources of financial assistance;

3) Reach out to customers to set up flexible, extended payment plans to manage large balances, if they need them; and

4) Continue to empower customers with information and tools to reduce monthly water use and bills.

The draft Affordability Program Plan provides an update on the fifth year (2020) of OWASA's Affordability Program and proposes strategies for the coming year (2021).

Action Needed:

Staff requests questions, feedback, and approval on the Affordability Program Plan Update from the Board of Directors. If the Board needs additional information and/or requests changes to the report, approval can occur at a later date.

It is important to note that funding for the strategies included in this plan will be proposed alongside other organizational priorities in future budget considerations. The Affordability Program Plan Update is intended to provide a progress update and a plan for what is needed to meet strategic goals established by the Board. Staff requests approval of the Plan to include funding requests in the upcoming budgets for the Board's consideration.

Consistent with past practice, we do not believe a formal resolution is needed for this matter. We do recommend, however, that if and when the Board supports moving forward with the proposed plan, it considers acting on this matter via approval of a motion, perhaps along the lines of the following:

> *"Motion that the Board of Directors approves the proposed Affordability Program Plan Update and authorizes staff to proceed in accordance with the approach described in the proposed plan."*

Information:

- Draft Affordability Program Plan Update

Orange Water and Sewer Authority Affordability Program Update

Year 6: January – December 2021

The goal of OWASA's Affordability Program is to increase community awareness of options to manage and reduce water and sewer bills and to empower low-income customers, and the local agencies that serve them, with information and tools to manage and reduce water and sewer bills.

Through our Affordability Program, our goal is to ensure more equitable access to the critical services that OWASA provides and to do so in a manner that is available to all in our community. As such, we consider the Affordability Program an outward extension of our Diversity and Inclusion Program.

The following plan provides an update on the fifth year (2020) of OWASA's Affordability Program and proposes strategies for the coming year (2021).

Introduction

The COVID-19 pandemic has had significant impacts on the physical and economic health of our community. During this time, as always, Orange Water and Sewer Authority (OWASA) takes our responsibility to protect public health and support a vibrant economy in Carrboro, Chapel Hill, and southern Orange County through the provision of high-quality, reliable, and affordable water and wastewater service very seriously.

OWASA is a not-for-profit, community-owned water, wastewater, and reclaimed water utility. Our investments in water and wastewater infrastructure are not supported by taxes nor federal grants: only rates and fees paid by customers for services. We are required by law to reinvest the rates and fees paid by our customers directly into the treatment plants, pipes, and people that will serve our community for years to come. We constantly strive to balance the need to invest in the community's water and wastewater infrastructure and to maintain affordable rates. In 2020, maintaining that balance has been more difficult.

On March 12, 2020, in the early days of our pandemic response, OWASA proactively suspended disconnections for non-payment. Nineteen days later, North Carolina's Governor Roy Cooper issued Executive Order 124, ordering all utilities to suspend disconnection for non-payment through the end of May 2020. This order was extended through July 29, 2020 with Executive Order 142. Given that Orange County was still under a declared State of Emergency, OWASA chose to carry on with our temporary suspension of standard collection practices beyond the executive order. As of February 2021, we are currently not disconnecting for non-payment. This moratorium remains in effect through at least March 2021 and potentially beyond.

As a result of the economic stress caused by the pandemic and the limitations of in-person engagement opportunities, last year, our Affordability Program pivoted to focus almost exclusively to engagement

with the community regarding the disconnection moratorium and the identification and promotion of programs and strategies to provide bill-relief to customers.

Unfortunately, the pandemic has disproportionately affected low-wealth customers who were already struggling to afford their water bills. Since March 2020, the number of customers with past-due balances has nearly tripled. As customers fall behind on their bills, their outstanding balances grow. The longer the crisis lasts, the harder it will be for families to keep up with their everyday bills, including water bills.

In 2020, Orange County, the Town of Chapel Hill, and the Town of Carrboro combined a portion of the Federal CARES funding to support an Emergency Housing Assistance Fund that provided over $32,000 in water bill assistance to OWASA customers. In addition, the State NC HOPE Program and local non-profit Central Piedmont Community Action, Inc. also received federal funding for utility bill assistance and providing about $14,000 of additional bill support in 2020. Local churches and non-profits continued to support bill assistance.

The Care to Share Program, the community's water bill assistance program jointly managed by OWASA and the Inter-Faith Council for Social Services (IFC), raised more money this year than ever before. Currently, on-bill donations to Care to Share are 54% higher than in 2019. We've seen a steady increase in monthly recurring gifts over and above the round-up. In total, OWASA customers donated over $15,000 to Care to Share in 2020 through recurring on-bill donations. In addition, another almost $15,000 was raised by direct donations to IFC for the purposes of Care to Share.

Looking ahead to 2021, we anticipate another challenging and dynamic year. The following plan outlines our foundation, as well as some strategies and initiatives that we anticipate will be an integral part of our Affordability Program in 2021.

Background

OWASA has a long-standing commitment to the affordability of our water and wastewater services. The Care to Share Program was started in 1997, in partnership with the IFC, as one of the first customer assistance programs in the country. Later, in 2015, the OWASA Board of Directors approved OWASA's first Affordability Outreach Program, which not only focused on promoting the Care to Share Program, but also prioritized the importance of partnerships with the social service agencies that serve our community to more effectively address service affordability. OWASA now has partnerships with over 20 social service agencies in our community.

By working with this group of organizations, we can better understand the needs of and to reach out to a larger population than just those who are missing payments to OWASA. Certainly, those customers who miss payments and become eligible for service disconnection are in critical need of affordability assistance, but we recognize that there is a larger group of customers who are also struggling to afford their monthly bills. It is important that our affordability program help to understand and address the need of these customers as well. Additionally, by working together to provide outreach to the community, our partners lend credibility to our messaging, as well as help to extend and amplify our reach.

This foundation has been critical to our proactive response to the economic challenges facing our customers as a result of the COVID-19 pandemic. The temporary moratorium on service disconnections has provided temporary, but necessary, relief to members of our community. In 2020,

the number of customers who were 60 days or more past due on their water bill (making them eligible for service disconnection under our standard collection practices) increased from an average of 250-300 residential customers to 500. Many of these customers have never faced a water shut off before. Of the customers who would have been cut off in 2020, over 300 of them remained current on their OWASA bills in 2019.

Although suspending disconnections for non-payment provides temporary relief for members of our community, OWASA is not legally allowed to forgive debt. That means that for these 500 customers who are 60+ days past due, the challenge of paying off their debt has increased. In 2019, because customers were only able to carry a balance for 60-days, the average amount past due was about $80 for residential customers. In January 2021, the average past-due amount is almost $300.

Currently, the total amount past due from all residential customers is about $170,000.

Fortunately, multiple sources of COVID-related financial assistance have helped to mitigate this crisis. In 2020, 208 customers received financial assistance. This totaled nearly $60,000 in assistance from 10 organizations. The largest contributions came from Orange County's Emergency Housing Assistance program ($33,000), the NC HOPE Program ($13,000) and Care to Share, a joint program of OWASA and the Inter-faith County of Social Services ($7,000).

Unfortunately, this assistance addresses a small amount of that which is past due. We anticipate that as this pandemic continues to impact our community, the need will continue to grow. In fact, 28 of the customers who received financial assistance in 2020 are now back on the past-due list.

Our challenges in 2021 are to:

1) Seek and pursue funding for utility bill assistance from individual donors (i.e. Care to Share), as well as local, state, and federal sources;
2) Connect more customers who are unable to afford their water bills with sources of financial assistance;
3) Reach out to customers to set up flexible, extended payment plans to manage large balances, if they need them; and
4) Continue to empower customers with information and tools to reduce monthly water use and bills.

2020 Affordability Strategies and Initiatives

The 2020 Affordability Plan outlined six core strategies for addressing affordability of our services: rates and billing; information and outreach; bill assistance; water efficiency retrofits; leak identification and repair; and partnerships. Although these over-arching strategies remained effective in 2020, the challenges of the COVID-19 pandemic reprioritized some of the individual initiatives. For example, there was little-to-no in-person outreach, and the focus on utility bill assistance took priority over the promotion of water conservation and efficiency.

The following section provides an update on the key affordability actions taken by OWASA last year.

Rates and Billing

Rate structures, rate levels, and billing arrangements have significant ramifications for the affordability of water and sewer for all OWASA customers.

In acknowledgement of the significant financial impact of the COVID-19 crisis on our community, the OWASA Board of Directors approved a budget for Fiscal Year 2021 that did not increase rates for the services we provide. Prior to the crisis, OWASA staff projected that a 5% increase would be needed to continue to support OWASA's employee compensation program and to support our long-term program to renew and replace aging infrastructure. Eliminating compensation adjustments for our employees and deferring investments in our community's utility infrastructure is not a sustainable solution, but it was important to the Board and our community to mitigate any additional financial stress on our customers during this crisis.

As a result of this, the average bill for 4,000 gallons per month remained the same. Currently, the average bill for 4,000 gallons of water and wastewater service is $75.67, which annually equals 1.33% of the combined 2019 Median Household Income (MHI) for Chapel Hill and Carrboro. OWASA's Board-adopted Financial Management Policy includes a Service Affordability goal that the average annual residential bill shall be no more than 1.5% of median household income (MHI).

Although, against this metric, we are meeting our affordability goal, MHI fails to capture true service affordability in our community. The MHI in our service area is relatively high. Using this metric alone to gauge the affordability of water and sewer service underemphasizes the challenge that some members of our community have in paying their utility bill. About 20% of Chapel Hill residents and 23% of Carrboro residents have an annual household income of $25,000 or less. An average bill of $75.67 represents 3.6% of an annual income of $25,000, representing a significantly larger portion of household income than for those at the median. Put another way, an individual working minimum wage at $7.25 per hour, must work more than ten and a half hours to earn enough to pay an average water bill in our community.

It is important that we remain committed to cost control and prudent investment in the utility.

Information and Outreach

OWASA has worked to be proactive in sharing information and reaching out to individuals and leaders in our community regarding our moratorium on service disconnections and the availability of utility bill assistance. Additionally, we have pursued opportunities to combine this information with resources on water conservation and efficiency.

Moratorium on service disconnections

Web and social media posts: Information about the temporary suspension of disconnects was shared using Twitter, OWASA's main social media channel. Four posts included information about the temporary moratorium and linked to OWASA's web post for more information. In

compliance with requirements set in place by Governor Cooper's Executive Orders 124 and 142, we have maintained a banner at the top of our web site about OWASA's temporary suspension of service disconnections.

Agua Vista notification for all customers: To comply with EO 124, OWASA sent direct emails to over 13,000 customers through the Agua Vista messenger in April 2020 alerting them to the temporary moratorium on service disconnections. These emails had a 63% open rate. Again, in June, OWASA sent over 13,000 emails to customers with information about EO 142. These emails had a 65% open rate. These two emails also included information about how our customers could help their neighbors in need by contributing to Care to Share.

Availability of Utility Bill Assistance

Web and social media posts: We kept our website up-to-date with the latest information on the availability of utility bill assistance and periodically promoted Care to Share on our social media platforms.

Emails and letters: Two letters were mailed and/or emailed to all residential customers with a balance over 30-days past due in June and again in September. These letters informed customers of OWASA's temporary suspension of disconnects and pointed them to resources to help them pay their water bills.

In December, Orange County's Emergency Housing Assistance team reached out to let us know that their CARES funds would expire at the end of the calendar year. Through a mutual aid agreement between Orange County, Chapel Hill's Public Housing Program and OWASA, we emailed all OWASA customers who were over 60-days past due an application to apply. Orange County was also able to relax their application requirement to allow more customers to apply for these funds. As a result of this email campaign, 47 customers received financial assistance, including 30 public housing residents.

Agua Vista Home Water Reports

Our Agua Vista Web Portal platform is equipped to deliver customized letters and emails with information about water use, conservation tips, and other messages to a specific sub-set of customers. In the third and fourth quarter of 2020 (FY21), we used Agua Vista to send customized letters and emails to approximately 500 customers for whom the water bill may be financial burden[1]. The goals of this program were to:

- Encourage low-wealth customers to register for and utilize Agua Vista
- Increase the number of customers who apply for Care to Share and other sources of bill assistance
- Reduce the water bills of low-wealth customers through water saving behavior change
- Pilot the use of Home Water Reports for future community outreach

The results of this pilot were mixed. Of the 500 pilot participants, 56% were registered for Agua Vista before the start of the pilot. The pilot resulted in 25 new registrations, a return rate of

[1] Identified as individually-metered residents of Public Housing, customers that were currently past due on their water bill, or customers that were disconnected for non-payment in 2019.

approximately 5%. Fourteen pilot participants applied for and received some form of bill assistance in 2020.

One positive sign that these emails were well received is open rates. These remained high throughout the pilot. The first welcome letter had an open rate of 49%, which is quite impressive. This rate dropped only slightly to 38% after the fourth communication. This suggests that participants continued to be interested in this information. Click-rates, however, were disappointingly low. If customers clicked on a link within the email, (to register for Agua Vista or investigate sources of financial assistance, for example) they would generate a recorded unique click. In total, the pilot generated 67 clicks.

A post-pilot survey has been sent to all participants to gauge their satisfaction with the materials they received as part of this program and report any water-saving actions taken as a result of the home water reports they received. These results are not yet available to include in this report.

Water Conservation Kits

In previous years, OWASA had a robust outreach and engagement strategy designed to communicate how to keep water bills affordable by conserving water in homes. Our Water Wagon is a popular fixture at local events where we share information and give away water conservation kits. Unfortunately, this program was not possible this year during the pandemic.

Instead, OWASA partnered with Orange County's Sustainability Office and Chapel Hill Transit to distribute water conservation kits at the Fall Family Gift Bag Event (photo below). In November and December, with the help of our partners, we distributed 200 leak detection dye tablets to help customers detect toilet leaks, 100 shower timers and 200 flyers on water conservation and the Agua Vista web portal to low-wealth families in our community.



Information Accessibility

We continue to pursue opportunities to increase the accessibility of our outreach. For example,

in the spring of 2018, our customer-facing staff engaged in an awareness training session to help them become better able to identify and assist a growing segment of our community who may have impairment in memory or cognitive abilities. Our team refreshed their knowledge and understanding further with an interactive training session in January 2020. As a result, we renewed our commitment to the Dementia Friendly Orange County program. Additionally, in October 2020, our Communications Team attended a regional summit on equitable community engagement highlighting the need to intentional action and strategies that find people where they are. Our partnerships in the Affordability Program assist greatly in helping us communicate with people where they are.

Bill Assistance

Promoting donations to Care to Share, as well as supporting additional funding for utility bill assistance provided from local governments, the state, and nation, has been a primary focus of our affordability efforts this year. In addition, we have taken steps to promote the use of these funds.

Care to Share: The Care to Share program, a joint program between OWASA and the IFC, continued to be a focus of the Affordability Program. However, this year, it took on a greater sense of urgency.

Streamline application process: IFC offers up to 12 assistance appointments per day on a first-come, first-served basis. Even in transitioning to virtual appointments during the pandemic, the IFC is limited in the number of appointments they can support. Knowing that the need for utility bill assistance was significantly greater this year, OWASA worked with the IFC to develop a process by which OWASA Customer Service Representatives assist with the referral process, avoiding an appointment.

OWASA's new process has been tested and is running smoothly, although somewhat under-utilized. We anticipate demand for Care to Share funds and the use of this new process will increase when we resume standard collection practices.

Promote donations to Care to Share: Overall, on-bill donations to Care to Share are up by almost 55% since last year. We've seen a steady increase in monthly recurring gifts over and above round-up amounts. In total, we raised over $15,000 for Care to Share this year through on-bill donations. Additionally, the IFC received $14,397 in direct donations specified for Care to Share. Our efforts to promote donations to Care to Share have included the following:

Care to Share Thank you Letters

OWASA mailed out letters to all Care to Share donors in February 2020. The letters thanked donors and encouraged all round-up customers to consider a monthly recurring fixed donation. Fixed-bill donations provide more consistent and higher funds for the program. As a result of the February 2020 letter, 19 customers transitioned from round-up donors to fixed bill donors. This trend continued throughout the year. In November, fixed amount donors gave 72% of the total dollars donated that month.

Month	# of fixed amount donors	Dollars raised by fixed amount donors	# of round-up donors	Dollars raised by round-up donors
January 2020	100	$544.60	879	$426.20
April 2020	119	$781.70	855	$424.39
November 2020	148	$1,084.02	816	$414.41

Starting in May, all new Care to Share donors received a special thank you email. In addition, the automatic message that pops up after donors give online at owasa.org was modified to thank donors for their generosity.

Care to Share Giving Tuesday Now Campaign

This May 5th campaign included a joint press release with Chapel Hill and Carrboro and a social media campaign in which OWASA and local elected officials promoted donations to Care to Share. As a result of this modest campaign, over $2,800 was donated directly to the IFC and on-bill, recurring donations increased by approximately $100 per month. Over 12 months of giving, this equates to $1,200.

Care to Share Day and Giving Tuesday

This November 16-Dec. 2 campaign was entirely virtual due to the pandemic. We coordinated a creative campaign designed to foster empathy and understanding by asking our social media followers to imagine what a day without water might mean to them.

We got the initial word out about Care to Share Day through an *interview* as part of Wonderful Water on WCHL on November 16. Customer Service Manager Denise Battle represented OWASA on the program. We also promoted this message to UNC off-campus housing residents through the Tar Heel Citizen Times and to multi-family residences through our Multi-Family Master Meter email list.

We crafted a social media-based campaign that challenged members of our community to create a video about what a day without water might mean to them and post it to their Facebook and Twitter accounts. These videos, as well as traditional posts featuring compelling images and text that prompted giving, were amplified by our partner, IFC. A snapshot of one such video that was shared on Facebook is included below.

As a result of the Care to Share Day campaign, OWASA generated 17 tweets resulting in more than 13,000 impressions, one of our best results on this platform this year.



In addition, official proclamations by the two towns were presented on Care to Share Day.

Finally, OWASA's Executive Director sent a letter and follow up email to 50 contractors and consulting firms with whom OWASA does business asking that they consider donating to the Care to Share Program. Donors remain anonymous to OWASA. This letter alone resulted in $2,230 of direct donations to the IFC.

In sum, the Care to Share Day campaign raised $8,714 in direct donations to the IFC and corresponded with a $110 monthly increase in on-bill donations, which over twelve months will result in $1,320 more annual donations.

Extended Payment Plans: Prior to the pandemic, OWASA offered extended payment plans through the LIFT-UP program run in partnership with Community Empowerment Fund. While this program has not been discontinued, the circumstances of 2020 resulted in no use of the program. Customers essentially have an extended payment with the suspension of service

disconnection and late fees. Meanwhile, we have planned for a program to offer extended payment plans when standard collection practices are resumed. This plan is described below.

Other funding for bill assistance: We have and will continue to provide support for applications for grant funding. In 2020, we wrote a letter to NC state legislators supporting state funding for utility assistance (House Bill 1200). We have also written letters of support for Orange County's and the Town of Carrboro's applications for Community Development Block Grant – Coronavirus (CDBG-CV) funding. Additionally, OWASA Board Chair Ray Dubose and Mary Tiger presented to the Orange County Board of County Commissioners (BOCC) in December 2020 to update the BOCC on the current state of utility bill non-payment and the assistance available for utility bill assistance. As a result of that presentation, the BOCC is working with State Representatives to draft a bill that could potentially expand state funding for utility bill assistance and expand the authority of water utilities to provide bill relief to low-wealth customers.

Leak Identification

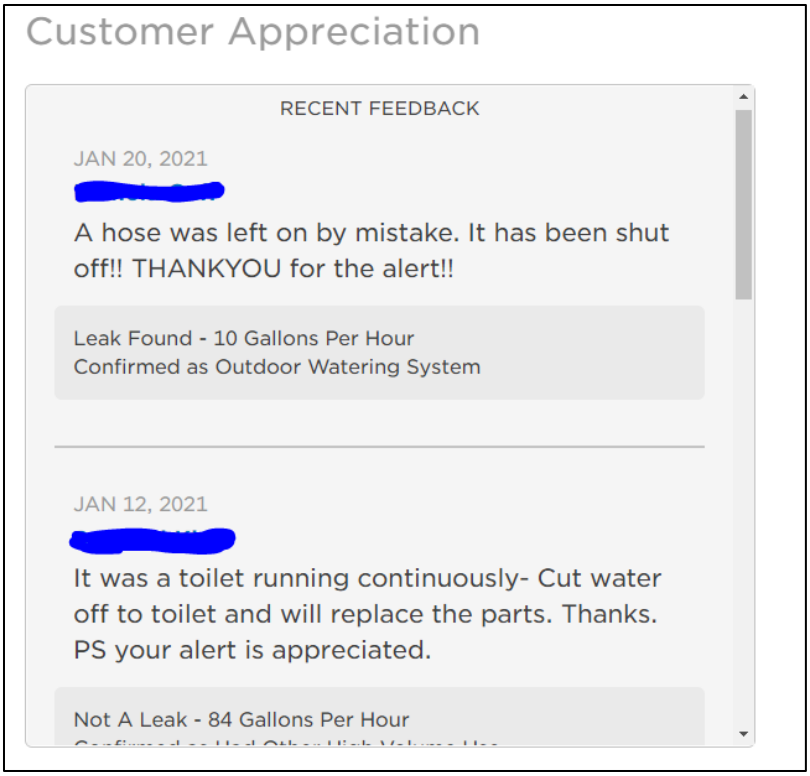
Proactive leak identification can help our customers avoid high bills, home damage, and water waste and is good customer service. The data collected through our investment in Advanced Metering Infrastructure (AMI) allows for faster notification of leaks – before they have a devastating effect on customers' bills.

In March 2019, OWASA rolled out our Agua Vista customer-facing web portal, putting hourly water use data at the fingertips of customers. Moreover, the Agua Vista web portal runs analyses of water use trends and proactively notifies customers (via email, text, voice, or post, if necessary) of water use indicative of a leak. As part of this notification, the system also provides OWASA customers with step-by-step guidance to identify and repair the source of the leak.

All OWASA customers are automatically opted in to leak notification. If they have not yet registered for the Agua Vista web portal, we utilize the email address provided when they signed up for an account. If a residential customer does not have an email on-file with OWASA and has not registered for Agua Vista, we mail a printed leak notification[2].

In 2020, Agua Vista issued over 9,900 leak notifications, about 89% of these notifications were sent electronically. About 1,900 customers have provided feedback that the notification was, in fact, a leak that they fixed. More than likely, the number of actual leaks was greater, and people did not log into the system to provide us feedback. The average affirmed leak was over 1,700 gallons per day. Early notification of a leak of this magnitude results in real savings for a customer, as well as the prevention of property damage. This service is appreciated by our customers (See below for two of the most recent responses we have received)

[2] We have mailed about 1,045 letters at a cost of $1,568 ($1.50/letter). As registration for Agua Vista increases, we expect the cost of printed leak alerts to decline.



In order to assist customers who may not have the resources to address a leak once notified, we have developed and uploaded a leak repair resource guide that refers customers to home repair organizations associated with the Orange County Home Preservation Coalition.

We have had great success in registering customers for Agua Vista. Over 53% of customers are now registered for Agua Vista**.**

Partnership

As described earlier in the Plan, one of the cornerstones of the Affordability Program is our strong partnerships with social service agencies. Through regular emails and one-on-one virtual meetings, we've kept in close communication with these agencies, updating them about the changes in our standard collection practices. A list of the organizations included in our regular outreach is attached as Appendix A.

In addition, OWASA staff regularly attended monthly Orange County Home Preservation Council meetings to remain connected to our affordability partners whose mission it is to keep Orange County residents in their homes. These meetings have been an essential pipeline for receiving information from our partners and communicating updates on our standard collection practices.

Proposed Strategies for 2021

We know that 2021 will be a challenging year. It will be an especially difficult year to plan for what's next, since so much of what happens this year is difficult to completely plan for. What we do know is that we cannot extend the moratorium on disconnects indefinitely. When we do return to normal collection practices, OWASA will mobilize a communication and engagement plan to connect our customers who have struggled to pay their water bills with the assistance and resources they need. We don't want anyone to go without water. We will have three months between the end of the moratorium and the time at which a customer would be eligible for service disconnection. We will need to lean heavily on our partnerships to reach as many customers as possible with three key messages:

1) If you are struggling to pay your water bill, OWASA is here to help. There are multiple sources of financial assistance that can help you pay off your water bills, including OWASA and IFC's Care to Share program.
2) If you fell behind on payments, our Customer Service staff is trained and ready to help you set up an extended payment plan that can spread your payments over up to 18-months without late fees, interest or penalties.
3) If you are able, please give to the Care to Share fund to help your neighbors in need. No one should have to go without water.

After conversations with our community partners, we identified two big takeaways that have informed our strategy for communicating these messages to our customers.

First, it is not enough to simply email our customers with past due balances. Our partners report that our customers are overwhelmed with information. A better strategy is to partner with trusted organizations in the community - organizations that our customers already rely on for resources, assistance and information - to help us spread the word. Luckily, we can leverage our strong, long-term partnerships with key front-line organizations to help. These organizations have volunteered to help us get the word out through their emails, newsletters, neighborhood meetings, food delivery days and in-person visits. This will amplify and extend our own messaging to customers.

In addition, we must translate all our messaging into multiple languages and ensure that it is readable, understandable and actionable for all customers. Again, our partners have a long-history of engaging these populations and have generously offered to assist.

Resumption of Standard Collection Practices

Preparation: In this time period before standard collection practices resume, we will prepare outreach material to advance the aforementioned messages. This outreach material will include:

- New post for the web site and social media updates
- Direct email and letter to customers past-due on their OWASA bill
- Direct email to and discussions with Affordability Partners
- Presentations to the community via our Affordability Partners
- Flyers and "ads" for our Affordability Partners to distribute via their channels

It will be important that the outreach material developed for the public is translated into Spanish. Additionally, we will communicate with the Refugee Support Center and Refugee Community Partnership to ensure that they have the information that they need to support the community they serve.

We will work to establish a process for getting customers signed up for an extended payment plan. This will likely involve an online form. We will continue to identify ways to simplify the Care to Share application process.

Moreover, we will continue to work with our Affordability Partners to address any administrative barriers that may stand in the way of a customer receiving bill assistance.

Resumption of standard collection practices: Once the decision is made, we have committed to the community to provide at least 30 days of notice before resuming our standard collection practices. Once standard collection practices resume, a customer will need to miss two consecutive bills before they are eligible for service disconnection. In the first weeks, it will be important to ensure that the community is aware of the upcoming change in practice. Throughout the three-month time period, we will work diligently to connect customers that are behind on their OWASA bill to resources to assist them. We anticipate that the demands on our Customer Service Team will increase during this time, as they work with customers to connect them with bill assistance and establish payments plans.

Additionally, we will work in close partnership with those agencies administering bill assistance, primarily the Orange County Department of Housing and Community Development and Emergency Housing Assistance, to assist in the application of funds for OWASA Bills. Currently, we are aware of several funding sources for the Emergency Housing Assistance:

- CDBG-CV Funds: Orange County and The Town of Carrboro were each awarded $900,000 of CDBG-CV funds for the purposes of emergency housing assistance, including utility bill assistance. Although the Town of Chapel Hill was not eligible for these funds, due to their size, the Town has communicated that they will make CDBG funds available for this purpose in 2021.
- Emergency Rental Assistance Program: The Consolidated Appropriations Act, signed in late December, made $700 million available to the State of North Carolina for housing assistance, including utility bill assistance. The amount that will be available to Orange County is currently unknown.
- Federal support for water and wastewater bill assistance: The Consolidated Appropriations Act also made $638 million nationally available specifically for water and

wastewater bill assistance. We will continue to monitor this fund and work to apply for it on our community's behalf.

In addition, Central Piedmont Community Action, Inc. has CARES funding that is set to expire at the end of 2022. They have an online application and can translate into Spanish. The Marion Cheek Jackson Center has a modest amount of funds to use for housing assistance. The Care to Share Program will continue to be available to provide utility bill assistance.

Our communication material will provide information to help customers and the agencies that are working with them to connect to utility bill assistance and establish payment plans.

Extended Payment Plans: At this point in time, our plan is to offer customers at least 18 months to repay past due balances, interest-and-fee-free. Initially, we do not plan to automatically enroll customers in a payment plan. Instead, we will ask them to establish a plan that works best for them. We will re-assess the uptake of payment plans during the three-month period and decide whether or not we need to consider automatic enrollment. We will work with Orange County Department of Housing and Community Development to explore the opportunity to sign people up for payment plans with their assistance.

Rates and Billing

OWASA continues to be a good steward of the financial resources entrusted to the agency in order to keep rates as low as possible for everyone in our service area.

Information and Outreach / Water Efficiency Retrofits

We will work with our community partners to distribute and install water-saving technology. This will include, but not be limited to, the following:

a. Partner with HOPE Renovations and possibly Meals on Wheels to install low-flow showerheads, faucet aerators, and test for leaks in the homes they visit
b. Continue to distribute water conservation kits through food drives (PORCH)

Additionally, we will work with our partners to develop educational resources to empower customers with the tools and resources that they need to save money by saving water. This outreach will include, but not be limited to the following:

a. Partner with HOPE Renovations to develop a DIY toilet flapper replacement video
b. Participation in the "Making a House a Home Workshop" with Habitat for Humanity and Jackson Center in the Spring of 2021: This program is focused on Northside neighborhood. We will discuss water conservation and Agua Vista and provide water conservation kits
c. Promote Agua Vista for residents of Chapel Hill Public Housing via Residents Council
d. Promote Agua Vista and water conservation through Orange County Council on Aging outreach material, Habitat for Humanity bi-weekly newsletter, CPCA newsletter, Meals on Wheels direct outreach, PORCH monthly mailer, TABLE monthly newsletter (info translated into in English and Spanish)

e. Participate in educational events put on by partners to discuss Agua Vista, leak detection, and water conservation
f. If safe, table at events, if the opportunity arises (CPCA Back-to-School and PORCH food distribution)

As with our other communications and community engagement efforts, we will work to ensure that the information is accessible to many in our community by translating material and working with our partners. Staff have and continue to participate in training for helping to communicate with a diverse community (e.g. dementia training). We will continue to seek information and opportunities to improve the accessibility of our communications.

Bill Assistance

We will continue to promote donations to Care to Share with the following activities:

a. Include a Care to Share bill insert in all September bills
b. Reprise our successful Care to Share Day/Giving Tuesday Campaign in November
    i. Social media-based campaign
    ii. Wonderful Water segment
    iii. If safe, this will be coupled with an in-person celebration
c. Mail Care to Share annual thank you letters in early February
d. On-going social media outreach
e. Explore Invoice Cloud (current system used for online billing) click donations: Invoice Cloud recently rolled out a new on-bill donation feature that will prompt customers to add a donation to their payment before they check out. This has worked well at other utilities, and we will work to explore the integration of this option with our existing billing and banking systems. Currently, 71% of our customers receive an e-bill, a number that continues to rise. We believe that this option is the most viable option for encouraging one-off on-bill donations.

In addition, we will continue to remain current on the local, state, and federal funding assistance opportunities for bill assistance, will support application to those funds when needed, and coordinate with the administrators of those funds.

Leak Identification

We will continue to promote registration for Agua Vista, so that customers can be alerted of potential leaks in their property. Additionally, we will continue to pay for printed (and mailed) leak alerts for those customers that have not-yet registered.

Additionally, we will work with the Orange County Home Preservation Coalition to incorporate leak detection in the initial home assessment that is conducted for new applicants. Leak detection tablets have been provided to Rebuilding Together of the Triangle and HOPE Renovations for their use in their initial home assessments that inform what type of work needs to be done. In addition, Meals on Wheels has agreed to distribute leak detection tablets to their clients.

Partnership

Remaining in close communication with our partners in the community will remain a key strategy in 2021.

Resources Required

Successful implementation of this program will require approximately ¼ of Strategic Initiative Manager's time, as well as ½ of part-time Sustainability Program Coordinator's time to manage and implement aspects of the program, the assistance of the Communications Specialist and Customer Service Team, the commitment and support of OWASA staff, and a modest budget of $7,400 to produce and translate outreach material, purchase water-saving devices and demonstration material, mail letters, and promote Care to Share.

Conclusion

The foundation laid from years of commitment to service affordability were critical to OWASA's work with the community this year. We are grateful to the support of our Board of Directors and local leaders and the partnership of our local social service agencies that work tirelessly to address the needs and improve the conditions of our community.

APPENDIX A: Affordability Partners

Our community partners are the foundation of the Affordability Outreach Program. They provide insight and input on strategies needed to help improve the affordability of water and sewer services. In collaboration with them, we can more effectively provide relevant and accessible information to the community. Moreover, we increase our understanding of the needs and challenges of our low-wealth customers.

Our partners include:

- Town of Carrboro
- Binkley Baptist Church
- CASA
- Central Piedmont Community Action, Inc.
- Town of Chapel Hill
- Community Empowerment Fund
- Community Home Trust
- Compass Center for Women and Families
- El Centro Hispano
- EmPOWERment Inc.
- Habitat for Humanity of Orange County
- Hillsong Church
- Hope Renovations
- InterChurch Housing Corporation
- Inter-Faith Council for Social Services
- Love Chapel Hill
- Marion Cheek Jackson Center
- Meals on Wheels
- Orange County Affordable Housing Collaborative
- Orange County Family Success Alliance
- Orange County Home Preservation Coalition
- Orange County Justice United
- Orange County Department on Aging
- Orange County Department of Housing and Community Development
- Orange County Department of Social Services
- PORCH
- Rebuilding Together of the Triangle
- St. Thomas More Catholic Church
- TABLE
- University Presbyterian Church
- Waste Reduction Partners

Agenda Item 3:

Department Managers Fiscal Year (FY) 2022 Budget Presentations

Purpose:

To provide the Board of Directors an opportunity to hear from the managers of the Operating Departments (Water Supply and Treatment, Distribution and Collection, Wastewater Treatment and Biosolids Recycling) and discuss the opportunities and challenges each are addressing in preparing their FY 2022 operating budget requests.

Background:

As part of the budget development process last year, and in advance of the formal budget discussions, the Operating Department managers presented information on goals, opportunities and challenges they would be addressing in their budget requests. The information was intended to provide the Board of Directors better insight into the implications rate decisions may have on OWASA's operations. The Board requested the managers continue this practice as part of the annual budget process. The draft FY 2022 budget for all OWASA departments will be presented to the Board at the March 11, 2021 work session.

Since the managers' presentations last February, the pandemic has presented challenges to our operation we never could have imagined. Over the past 12 months, we have focused on protecting the health and safety of our staff; providing safe and reliable water, wastewater, and reclaimed water services to the community; and spending only on essential items due to reduced revenue.

The FY 2022 budget development process will be like no other, with a new set of challenges and constraints. In addition to key initiatives listed below, the managers will provide a brief overview of goals and objectives and share how the pandemic has impacted their department's operation.

Presentation Overview:

Water Supply and Treatment:

- FY 2021 Updates – Taste and Odor Chemical Utilization
    - Staff continues to further optimize testing and treatment protocols to reliably and cost effectively provide safe and aesthetically pleasing drinking water. Data is gathered by our laboratory staff using the gas chromatograph-mass spectrometer (GC-MS) purchased in FY 2019 and the data is utilized by our operators to continue to optimize chemical usage. The GC-MS was recently used to aid in the selection of a new brand of powdered activated carbon which is the primary treatment method for removing taste and odor compounds from the water.

- FY 2022 Opportunity for Improvement – Coordination of Construction and Plant Operations

  - The Water Treatment Plant is in the middle of three simultaneous Capital Improvements Program (CIP) projects to improve system resiliency. Treatment plant staff are coordinating with project managers, consultants and contractors while maintaining compliance, plant operation, and maintenance activities all while following COVID-19 safety protocols.

- FY 2022 Challenge to Address – Lead and Copper Rule Revisions
  - In December 2020, the United States Environmental Protection Agency released revisions to the Lead and Copper Rule (LCR). We are reviewing the details of the LCR now and will develop our implementation plan in FY 2022 to meet the rule requirements.

Water Distribution and Wastewater Collection System:

- FY 2021 Updates - Construction Crew and Utility Locates
  - Construction Crew - In 2020, we re-established the in-house Construction Crew focused on main replacement to supplement the Capital Improvements Program (CIP) while providing cost savings, quality assurance, and critical employee training and development.

  - Utility Locates – Large scale fiber installation continued throughout our service area. We expanded communication with the fiber company and implemented alternative locating methods to address critical conflicts while maintaining an aggressive production schedule.

- FY 2022 Opportunity for Improvement – Sewer Preventative Maintenance
  - The Collection System staff and Engineering Department are working to reevaluate our Preventative Maintenance Program to promote communication and coordination between operations staff and CIP projects to ensure efficiency in our maintenance efforts.

- FY 2022 Challenge to Address - Inflow and Infiltration
  - Inflow and Infiltration (I/I) of rainwater and groundwater into the wastewater collection system is an ongoing challenge because it takes up collection system and treatment plant capacity which increases operational costs. We developed a cross-departmental team to work together in a pilot project area of our system to help better understand the sources of, and issues associated with, I/I in our collection system and identify improvements needed in the pilot project area.

Wastewater Treatment and Biosolids Recycling:

- FY 2021 Updates - Partnership for Clean Water Self-Assessment and Maintenance Program Improvements
  - Partnership for Clean Water Self-Assessment - In February 2018, staff presented to the OWASA Board information about our work for system optimization

through the Partnership Programs. We joined the Partnership for Clean Water program in 2016 and completed Phase II in 2017. The Mason Farm Wastewater Treatment Plant Team along with staff members throughout the organization have completed the self-assessment process and identified our performance limiting factors. Our findings were assembled into a Phase III Self-Assessment Completion Report that defined the activities to be undertaken to move toward optimum performance and the basis for the Directors Award. We submitted our report in June 2020. The report is under review by a panel of optimization experts who will determine whether we received the Directors Award. In the meantime, staff is working to address the performance limiting factors identified in the report.

  - Maintenance Program Improvements – In February 2020, we presented our plan to reduce costs and improve safety, reliability and efficiency of our operations through implementation of a new Computerized Maintenance Management System (CMMS) and better management of our preventative maintenance program. Due to budget impacts from COVID-19, implementation of a new CMMS has been deferred. To improve our preventative maintenance program, as part of the FY 2021 budget, the Board approved adding an additional Maintenance Mechanic to the Wastewater Team. We are currently recruiting to fill this position.

- FY 2022 Opportunity for Improvement - Treatment Plant Optimization
  - In November of 2020, staff placed our new rotary drum thickeners in service. These units, which thicken solids from the treatment process prior to digestion and processed into biosolids, are expected improve our operational efficiency by reducing energy and chemical usage.

- FY 2022 Challenge to Address - Nutrient Limits
  - The Jordan Lake Discharge Rules - Total Nitrogen Limit became effect for the Mason Farm Wastewater Treatment Plant in January of 2021. Staff continues to work to optimize our treatment process to mitigate increased operational costs.

Action Requested:

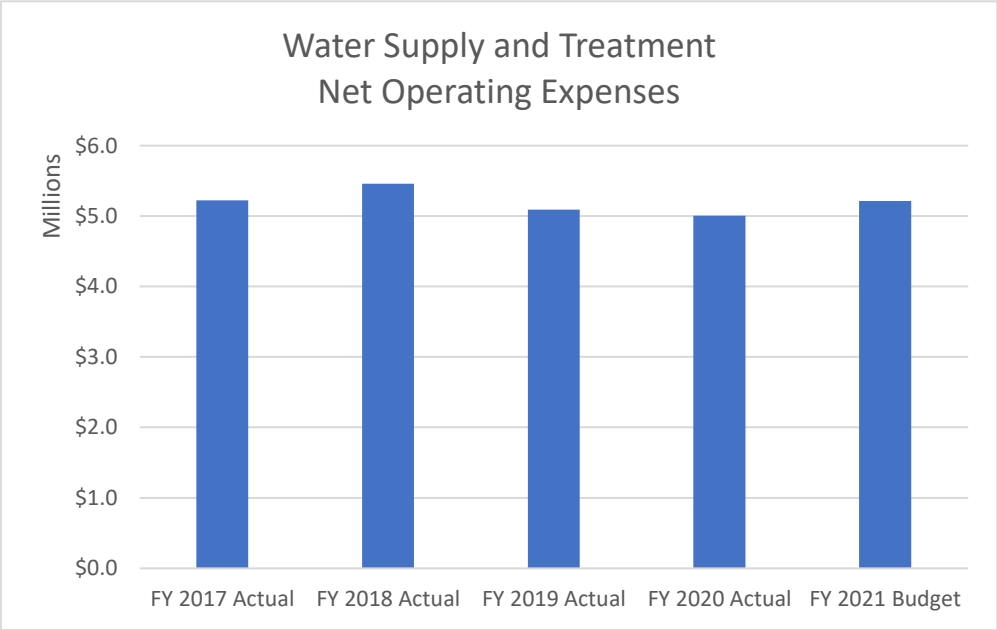
Staff requests that the Board ask questions and provide feedback that will help staff prepare for subsequent budget discussions.

Information:

- FY 2017-2021 Budget Summary Information from Operating Departments

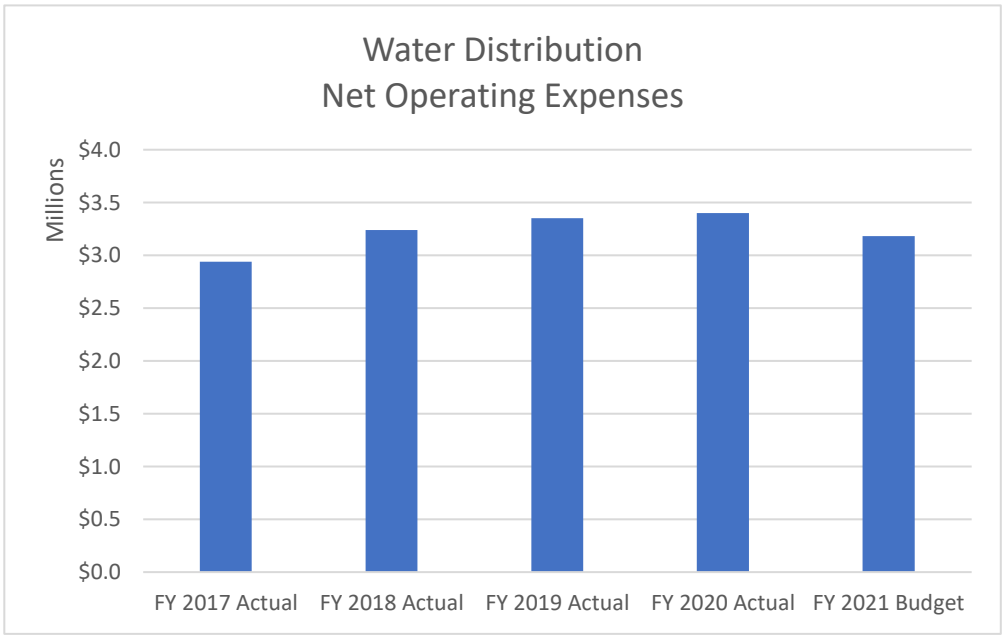
Water Supply and Treatment
Net Operating Expenses

Expense	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Salaries	1,458,715	1,377,591	1,324,357	1,406,878	1,471,741
Payroll taxes and benefits	652,809	640,849	592,126	601,851	605,820
Utilities	377,087	448,265	351,814	423,158	372,206
Material and supplies	182,057	210,714	203,000	179,623	186,992
Chemicals	1,330,413	1,613,128	1,384,327	1,288,512	1,413,495
Maintenance	1,056,884	1,002,399	1,025,869	943,172	963,953
Professional services	146,571	78,380	122,174	76,202	77,300
Communications	1,094	1,535	2,963	1,279	3,000
Printing and reproduction	-	-	-	-	-
Education and development	9,999	9,439	4,338	4,480	9,600
Miscellaneous	7,939	74,817	76,720	77,275	108,809
Construction credits	-	-	-	-	-
Net operating expenses	5,223,568	5,457,117	5,087,688	5,002,430	5,212,916
Percent change from prior yea	7%	4%	-7%	-2%	4%
Number of personnel (funded)	25	25	23	23	23



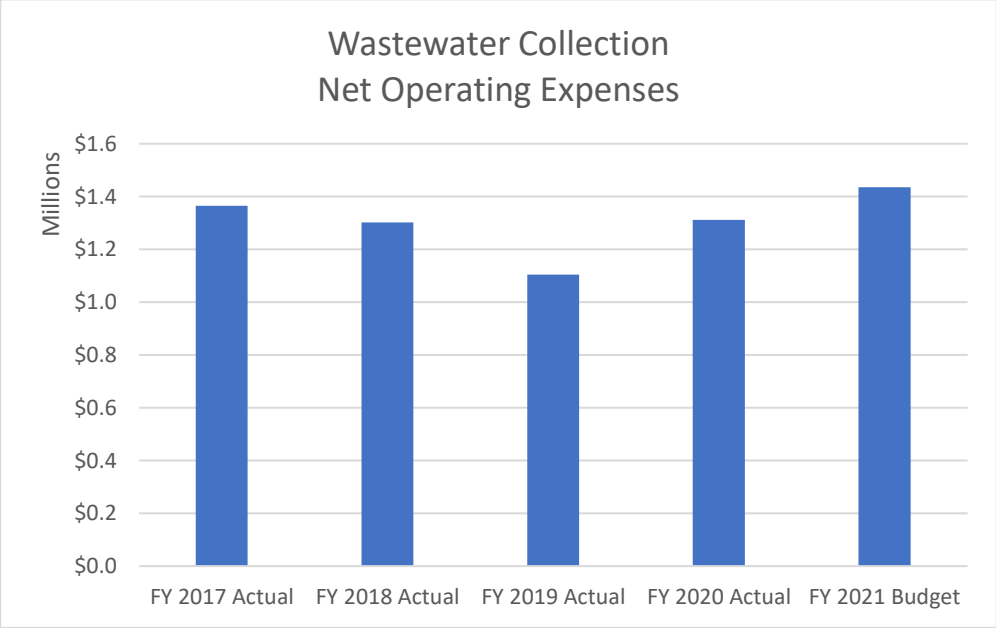
Water Distribution
Net Operating Expenses

Expense	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Salaries	1,468,401	1,637,715	1,720,525	1,649,228	1,721,815
Payroll taxes and benefits	751,099	885,295	838,377	788,176	754,190
Utilities	200,051	196,933	204,576	210,258	210,306
Material and supplies	69,328	88,900	107,531	95,158	105,143
Chemicals	-	-	-	-	-
Maintenance	578,396	498,867	488,478	686,565	539,436
Professional services	9,775	8,837	8,052	8,541	6,900
Communications	1,591	2,764	4,316	3,170	5,000
Printing and reproduction	359	448	36	274	1,500
Education and development	11,198	15,937	16,614	4,693	23,100
Miscellaneous	3,629	2,947	69,807	9,720	1,500
Construction credits	(155,777)	(100,491)	(106,548)	(56,040)	(187,250)
Net operating expenses	2,938,050	3,238,152	3,351,764	3,399,743	3,181,641
Percent change from prior yea	7%	10%	4%	1%	-6%
Number of personnel (funded)	33	33	35	35	33



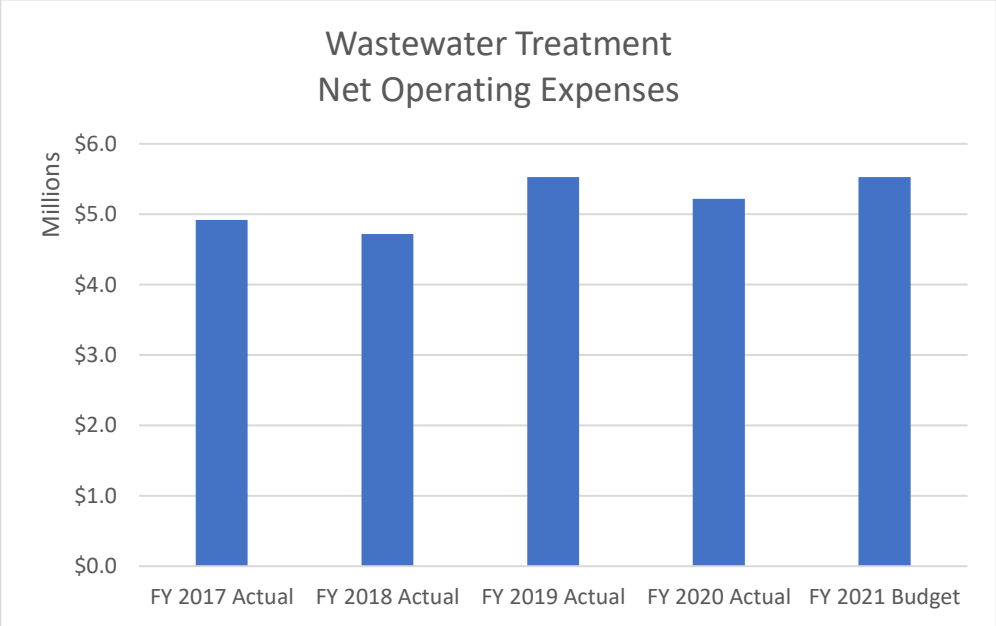
Wastewater Collection
Net Operating Expenses

Expense	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Salaries	535,957	500,522	495,462	520,341	543,498
Payroll taxes and benefits	271,325	282,265	244,988	253,881	257,033
Utilities	130,722	110,638	122,434	121,711	136,974
Material and supplies	29,206	28,134	30,887	26,201	50,681
Chemicals	200,229	186,161	199,726	134,921	230,000
Maintenance	191,417	214,229	89,177	246,193	190,294
Professional services	6,146	8,461	7,358	8,113	6,900
Communications	483	73	131	342	500
Printing and reproduction	2,238	-	-	-	2,000
Education and development	7,093	4,537	6,342	3,182	10,750
Miscellaneous	1,697	5,752	2,130	2,782	6,000
Construction credits	(12,426)	(38,978)	(94,328)	(6,885)	-
Net operating expenses	1,364,087	1,301,794	1,104,307	1,310,782	1,434,630
Percent change from prior yea	14%	-5%	-15%	19%	9%
Number of personnel (funded)	13	11	11	13	11



Wastewater Treatment
Net Operating Expenses

Expense	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
Salaries	1,386,416	1,432,562	1,507,700	1,516,402	1,525,274
Payroll taxes and benefits	608,950	652,392	631,963	606,725	611,431
Utilities	773,154	608,995	898,536	722,068	793,535
Material and supplies	239,470	221,540	277,718	207,704	249,094
Chemicals	659,501	777,145	1,012,434	906,859	965,569
Maintenance	951,600	842,992	998,325	1,047,066	1,167,944
Professional services	230,934	103,679	88,391	101,832	97,721
Communications	7,825	8,242	9,944	7,054	1,000
Printing and reproduction	-	-	-	-	5,000
Education and development	12,452	10,374	19,817	27,759	38,625
Miscellaneous	47,518	57,821	78,754	73,436	69,350
Construction credits	-	-	-	-	-
Net operating expenses	4,917,820	4,715,742	5,523,582	5,216,905	5,524,543
Percent change from prior yea	7%	-4%	17%	-6%	6%
Number of personnel (funded)	22	22	22	23	23



Agenda Item 4:

Apprenticeship Program Update

Purpose:

Information and consideration of the merits of implementing an apprenticeship program, with an emphasis on expanding career opportunities for underrepresented groups.

Background:

The Board's Human Resource Committee met on Wednesday, August 26, 2020 to discuss our current efforts to expose young people to careers in the water industry and consider the merits of adding an apprenticeship program.

The Committee requested:

1. Information regarding OWASA internships over the last five years to include the number of interns we have employed and length of their assignments.
2. That staff explore the opportunities available for OWASA to participate in college level work/study programs (specifically in the fields of Engineering and Environmental Sciences) at Historically Black Colleges and Universities.
3. That staff proceed with exploring a partnership with North Carolina Rural Water Association's (NCRWA) Apprenticeship Program and include the costs of the program for the Board to consider including in the Fiscal Year 2022 Budget.

Information:

1. On September 22, 2020, Stephanie Glasgow e-mailed information to the Board regarding the Position/Assignment to include duration for Interns and Temporary Positions from the past five (5) years (attached).
2. Contact has been made with approximately twenty (20) Historically Black Colleges and Universities including providing information about OWASA and future internship opportunities throughout our organization.
3. The Director of Human Resources and Safety and representatives from OWASA's Diversity Recruitment Group researched and compared Apprenticeship programs offered by other utilities as well as the NCRWA.

It was determined that the NCRWA program meets the needs of our organization. Key facts about their program include:

- Certification and registration with the Department of Labor as well as Apprenticeship NC.
- Commitment to encourage participation of individuals who are underrepresented in the water industry as outlined in their Commitment to Diversity document.
- Duration of two (2) years and includes 288 classroom hours and 4,000 on-the-job hours.

    - Classroom hours include topics such as: Environment 101, Basic Math, Introduction to Soft Skills for Work and OSHA General Industry, B-Surface, Confined Spaces, Digital Literacy, Understanding Work Ethic.
    - On-the-job training includes: Logistics, Reports and Supervision, Quality Control, Operations and Maintenance, Tools, Equipment and Workplace Safety.
- Apprentice applicants must meet minimum qualifications such as be 18 years of age with a high school education and reside in North Carolina. They must successfully complete a drug screen and background check as well as take the TABE assessment in Reading and Math (for remediation).
- Cost of the program is $3,500 per apprentice over the two (2) year period.
- Apprentices are paid and receive the same benefits as other benefit eligible employees and receive training from an experienced mentor. NCRWA checks-in with the Apprentice and Mentor monthly.
- Pay is progressive starting at $12 per hour and moving to $20 per hour as the participant reaches milestones. (OWASA is an Orange County Living Wage Employer and would pay at least the current Living Wage rate which is $15.40 per hour.)
- Apprenticeship does not guarantee a regular, full-time position at the end of the program.

Staff Recommendations:

Due to ongoing budget constraints from the global pandemic, staff will not be requesting funding to proceed with the Apprenticeship Program in the Fiscal Year 2022 budget. This funding may be requested in subsequent years.

Action Requested:

Discussion and questions by the Board of Directors.

Attachment:

- Interns and Temporary Positions from the past five (5) years

Year	Position/Assignment	Program/Type of Assignment	Duration
2020	Engineering Assistant/GIS	Part-time Temporary	1 year; less than 1,000 hours worked
	Sustainability Coordinator	Part-time Temporary	1 year; less than 1,000 hours worked
	Administrative Assistant Support	Part-time Temporary	7 months
	Customer Service Support	Temporary Assignment	2 months
2019	Engineering Assistant/GIS	Part-time Temporary	1 year; less than 1,000 hours worked
	Lake Assistant	Part-time Temporary	5 months
	Customer Service Support	Temporary Assignment	4 months
	Communications/ Engagement Projects	UNC's Sustainable Triangle Program	3 months
	AMI-related research; Agua Vista outreach	Leaders in Environment and Finance Program	3 months
	Customer Service Support	Career Explorers - Empowerment	8 weeks
	Distribution and Collections	Career Explorers - Empowerment	8 weeks
	Lake Assistant	Career Explorers - Empowerment	8 weeks
2018	Engineering Assistant/GIS	Part-time Temporary	1 year; less than 1,000 hours worked
	Lake Assistant	Part-time Temporary	7 months

2018	Lake Assistant	Part-time Temporary	7 months
	Human Resources Administrative Assistant	Part-time Temporary	5 months
	Treatment Plant Laboratory	Intern - NC State Student, Environmental Process Engineering	3 months
	Asset Management Research	Intern - NC State Student, Electrical Engineering	3 months
	Human Resources Administrative Assistant	Intern - Recent High School Graduate	2 months
	Customer Service Support	Career Explorers – Empowerment	8 weeks
	Distribution and Collections	Career Explorers – Empowerment	8 weeks
	Distribution and Collections	Career Explorers – Empowerment	8 weeks
2017	Engineering Assistant/GIS	Part-time Temporary	1 year; less than 1,000 hours worked
	Lake Assistant	Part-time Temporary	7 months
	Lake Assistant	Part-time Temporary	7 months
	Affordability Outreach	Intern - UNC Student	6 months
	Customer Service Support	Career Explorers – Empowerment	8 weeks
	Distribution and Collections	Career Explorers – Empowerment	8 weeks
	Maintenance	Career Explorers – Empowerment	8 weeks

2017	Distribution and Collections	Career Explorers – Empowerment	8 weeks
	Lake Assistant	Career Explorers – Empowerment	8 weeks
2016	Engineering Assistant/GIS	Part-time Temporary	1 year; less than 1,000 hours worked
	Lake Assistant	Part-time Temporary	7 months
	Lake Assistant	Part-time Temporary	7 months
	Lake Assistant	Career Explorers – Empowerment	8 weeks
	Customer Service Support	Career Explorers – Empowerment	8 weeks
	Distribution and Collections	Career Explorers – Empowerment	8 weeks
	Customer Service Support	Career Explorers – Empowerment	8 weeks

Agenda Item 5:

Review Board Work Schedule

Purpose:

a) Request(s) by Board Committees, Board Members, Counsel and Staff
b) February 25, 2021 Virtual Board Meeting
c) March 11, 2021 Virtual Board Work Session
d) Review 12 Month Board Meeting Schedule
e) Review Pending Key Staff Action Items

Information:

- Draft agenda for the virtual February 25, 2021 meeting
- Draft agenda for the virtual March 11, 2021 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

Agenda
Virtual Meeting of the OWASA Board of Directors
Thursday, February 25, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and members of the public will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors.
The Board may take action on any item on the agenda.

Announcements

1. Announcements by the Chair
   A. 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.
2. Announcements by Board Members
   A. Update on the February 23, 2021 Meeting between Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors (John Morris)
3. Announcements by Staff
   A. Lakes Open for Recreation on March 27, 2021 (Mary Darr)
   B. Change to Disinfection of Drinking Water with Free Chlorine instead of Chloramines in the month of March (Mary Darr)
4. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public
2. Board
3. Staff

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Consent Agenda

Information and Reports

1. 12 Month Board Meeting Schedule (Todd Taylor)

Action

2. Adopt Series Resolution for Series 2021 Revenue Bonds (Stephen Winters)
3. Minutes of the January 28, 2021 Minutes of the Board of Directors Meeting (Andrea Orbich)
4. Minutes of the February 4, 2021 Minutes of the Special Meeting of the Board of Directors (Andrea Orbich)
5. Minutes of the February 11, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Jody Eimers)

Regular Agenda

Discussion and Action

6. (Tentative) Approve Conservation Easement on Private Land in Cane Creek Reservoir Watershed (Ruth Rouse)

Information and Reports

7. Update on OWASA's COVID-19 Information and Discussion by the Board (Todd Taylor/ Mary Tiger)

Discussion

8. Review Comments on Sewer Use Ordinance and Sewer Policy Updates to Align with House Bill 873 (Jessica Godreau)
9. Potential to Restore Streams and Wetlands on Biosolids Property (Mary Tiger)

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

Closed Session

11. The Board of Directors will Meet in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statutes 143.318.11(6) (Jody Eimers)

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Agenda
Work Session of the OWASA Board of Directors
Thursday, March 11, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and you will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

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
c. Announcements by Staff
d. Additional Comments, Suggestions, and Information Items by Board Members (Chair)

Consent Agenda

Action

1. Minutes of the February 11, 2021 Work Session of the Board of Directors (Andrea Orbich)
2. Minutes of the February 25, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Jody Eimers)

Regular Agenda

Discussion and Action

3. (Tentative) Resolution Approving a Construction Contract for the Fermenter Mixing Improvements (Brad Barber)

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Discussion

4. Community Engagement Summary on the Update of OWASA's Long-Range Water Supply Plan (Ruth Rouse)
5. Draft Fiscal Year 2022 Budget and Proposed Rates (Stephen Winters)
6. Review Board Work Schedule
   a. Request(s) by Board Committees, Board Members and Staff (Ray DuBose)
   b. March 25, 2021 Board Meeting (Todd Taylor)
   c. April 8, 2021 Work Session (Todd Taylor)
   d. 12 Month Board Meeting Schedule (Todd Taylor)
   e. Pending Key Staff Action Items (Todd Taylor)
7. (Tentative) Discuss Staff and General Counsel Feedback Received on Board Self-Assessment (TBD)

Summary of Work Session Items

8. Executive Director will summarize the key staff action items from the Work Session

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OWASA Board of Directors – 12 Month Board Meeting Schedule (February 5, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
February 2021	Department Managers FY 22 Budget Presentations (↻) Affordability Program Update (↻) Apprenticeship Program Update CS – Prepare for GC Interim Review (↻) 2/11/2021	Update on COVID-19 Adopt Series Resolution for Series 2021 Revenue Bonds Sewer Use Ordinance and Sewer Policy Updates to Align with House Bill 873 Potential to Restore Streams and Wetlands on Biosolids Property (Tentative) Approve Conservation Easement on Private Land CS – GC Interim Review (↻) 2/25/2021	*BOD Strategic Plan Special Meeting (2-4-2021)* *Annual Update and LRWSP staff update to the BOCC (2-16-2021)* *Meeting between the CHTC OWASA Committee & Chapel Hill Appointees to the BOD (2-23-2021)*
March 2021	FY 22 Draft Budget and Rates (↻) (Tentative) Award of Fermenter Mixing Improvements Construction Contract LRWSP – Summary of Community Engagement (Tentative) Discuss Staff & GC Feedback Received on Board Self-Assessment Survey 3/11/2021	Update on COVID-19 Set date for Public Hearings – FY 22 Budget & Rates (↻) (Tentative) Discuss Staff & GC Feedback Received on Board Self-Assessment Survey 3/25/2021	
April 2021	Review Employee Health and Dental Insurance Renewals (↻) FY 22 Draft Budget and Rates Adjustment (↻) BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) (↻) Award of West Cameron Avenue Water Main Replacement Phase 2 Construction Contract Planning for BOD Self-Assessment (↻) CS – Prepare for ED Interim Review (↻) 4/8/2021	Q3 Financial Report (↻) FY 22 Draft Budget and Rates Adjustment Information and Authorize Staff to Publish Proposed Rates (↻) CS – ED Interim Review (↻) 4/22/2021	*Carrboro Appointees Update to CTC (4-20-2021)*
May 2021	(Tentative) LRWSP – Guiding Principles for Jordan Lake Alternatives Approve Employee Health and Dental Insurance Renewals (↻) Employee Merit Pay for FY22 (↻) 5/13/2021	Public Hearings – FY 22 Budget and Rates (↻) Approve Employee Health and Dental Insurance Renewals (if needed) (↻) 5/27/2021	*(Tentative) BOD Self-Assessment in Special Meeting*
June 2021	(Tentative) LRWSP – Guiding Principles for Jordan Lake Alternatives Approve FY 22 Budget and Rates (including Employee Merit Pay decision) (↻) Election of Officers (↻) 6/10/2021	TBD 6/24/2021	*(Tentative) BOD Self-Assessment in Special Meeting*
July 2021	D&I Update (↻) 7/8/2021	TBD 7/22/2021	*Possible welcome of new Board member(s)*
August 2021	CS – Prepare for GC Annual Review (↻) 8/12/2021	Preliminary 12 Month Financial Report (↻) CIP Semiannual Report (↻) CS – GC Annual Review (↻) 8/26/2021	
September 2021	Annual Report on Disposal of Surplus Personal Property (↻) EEO/Affirmative Action Report and D&I Update (↻) 9/9/2021	Annual Report and Financial Audit (↻) Approve GC Engagement (↻) Forest Management Program Update (Annual Meeting of the BOD) 9/23/2021	

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 5, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
October 2021	CS – Prepare for ED Annual Review 10/14/2021	Strategic Trends Report Annual Update of the Energy Management Plan Reliability and Resiliency Improvements Update Q1 Financial Report CS – ED Annual Performance Review 10/28/2021	
November 2021	TBD 11/11/2021	*Holiday – no meeting*	
December 2021	TBD 12/9/2021	*Holiday – no meeting*	
January 2022	Appoint Audit Firm Employee Health and Dental Insurance Update for FY 23 D&I Update 1/13/2022	2021 Annual Lakes Recreation Report Discuss FY 23 Budget Calendar and Planning Assumptions CIP Semiannual Report Q2 Financial Report 1/27/2022	

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 OWASA's Strategic Plan will continue with a Special Meeting of the Board in February 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 (February 5, 2021)

Abbreviations Used in Draft Schedule:

↻	Recurring agenda item (generally these are "required" items)
AV/AMI	Agua Vista/Advanced Metering Infrastructure
BOCC	Orange County Board of County Commissioners
BOD	Board of Directors
CE	Community Engagement
CEP	Community Engagement Plan
CHTC	Chapel Hill Town Council
CIP	Capital Improvements Program
CTC	Carrboro Town Council
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
EPA	Environmental Protection Agency
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

Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
1.	1-28-2021	Schedule Board discussion and mediator on feedback received from Staff and General Counsel on the Board Assessment Survey.	TBD in March 2021	Taylor Orbich	
2.	1-14-2021	Forest Management Program Update added to the 12 Month Board Meeting Schedule.	9-23-2021	Riley Darr	Complete – added to 9-23-2021 agenda
3.	12-10-2020	Review water Main Replacement Model effectiveness metric.	NA	Gangadharan	
4.	12-10-2020	Email assessment by staff on opportunities for forest management at OWASA's land near Seaforth at Jordan Lake and provide update on the Western Intake project schedule.	NA	Darr Riley Rouse	Complete – email sent on 1-11-2021.