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 22, 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.
   - B. Update on the April 15, 2021 Orange County Climate Council
   - C. Update on the April 21, 2021 Meeting Between Members of the Orange County Board of County Commissioners and Orange County Appointees to the OWASA Board
2. Announcements by Board Members
   - A. Update on the April 20, 2021 OWASA Update to the Carrboro Town Council (Yinka Ayankoya/Robert Morgan)
3. Announcements by Staff
4. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public – Loren C. Davis
2. Board
3. Staff

Consent Agenda

Information and Reports

1. 12 Month Board Meeting Schedule (Todd Taylor)

Action

2. Authorize Staff to Publish Proposed Fiscal Year 2022 Budget and Rate Information (Stephen Winters)
3. Minutes of the March 25, 2021 Meeting of the Board of Directors (Andrea Orbich)
4. Closed Session of the April 8, 2021 Meeting of the Board of Directors Meeting (Jody Eimers)

Regular Agenda

Information and Reports

5. Evaluate Options to Improve Access to Boat Launch Area at University Lake and Lakes Recreation Schedule for Calendar Year 2021 (Mary Darr/Johnny Riley)
6. Update on OWASA's COVID-19 Information and Discussion by the Board (Todd Taylor/ Mary Tiger)
7. Financial Report for the Nine Month Period Ended March 31, 2021 (Stephen Winters)

Discussion

8. Discuss Draft Process for Developing Strategic Plan (Todd Taylor/Mary Tiger)
9. OWASA Board Members Eligible for Nomination for Election as Board Members (Robert Epting)

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)

OWASA Board of Directors – 12 Month Board Meeting Schedule (April 16, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
April 2021	Modifications to the One-Time Additional Employee Personal Leave Merit Bonuses Review Employee Health and Dental Insurance Renewals ↻ FY 22 Draft Budget and Rate Adjustment ↻ OWASA Board Member Recruitment Outreach Discussion BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) ↻ Planning for BOD Self-Assessment ↻ CS – Prepare for ED Interim Review ↻ 4/8/2021	Evaluate Options to Improve Access to Boat Launch Area at University Lake and Lakes Recreation Schedule for CY 2021 Update on COVID-19 ↻ Q3 Financial Report ↻ Authorize Staff to Publish FY22 Budget and Rate Information Discuss Draft Process for Developing Strategic Plan BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) ↻ CS – ED Interim Review ↻ 4/22/2021	*Carrboro Appointees Update to CTC (4-20-2021)* *Meeting between the BOCC Members & Orange County Appointees to the BOD (4-21-2021)*
May 2021	Resolution Honoring the Service of Sherman Betts Approve Employee Health and Dental Insurance Renewals ↻ Finalize Process for Developing Strategic Plan LRWSP – Guiding Principles Employee Merit Pay for FY22 ↻ 5/13/2021	Update on COVID-19 Public Hearings – FY 22 Budget and Rates ↻ Approve Employee Health and Dental Insurance Renewals (if needed) ↻ (Public Hearings) 5/27/2021	
June 2021	LRWSP – Guiding Principles Approve FY 22 Budget and Rates (including Employee Merit Pay decision) ↻ Election of Officers 6/10/2021 ↻	Update on COVID-19 6/24/2021	
July 2021	D&I Update ↻ Award of West Cameron Avenue Water Main Replacement Phase 2 Construction Contract 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	
October 2021	CS – Prepare for ED Annual Review ↻ 10/14/2021	Strategic Trends Report ↻ Annual Update of the Energy Management Plan ↻ 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 ↻ CIP Semiannual Report ↻ Q2 Financial Report ↻ Discuss FY 23 Budget Calendar and Planning Assumptions ↻ 1/27/2022	

OWASA Board of Directors – 12 Month Board Meeting Schedule (April 16, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
February 2022	Department Managers FY 23 Budget Presentations ↻ Reliability and Resiliency Improvements Update ↻ Affordability Program Update ↻ CS – Prepare for GC Interim Review ↻ 2/10/2022	CS – GC Interim Review ↻ 2/24/2022	
March 2022	FY 23 Draft Operating and Capital Equipment Budgets ↻ 3/10/2022	Set date for Public Hearings – FY 23 Budget & Rates ↻ FY 23 Budgets and Rate Adjustment ↻ 3/24/2022	

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.

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.

Abbreviations Used in Draft Schedule:

↻	Recurring agenda item (generally these are "required" items)	CEP	Community Engagement Plan
AV/AMI	Agua Vista/Advanced Metering Infrastructure	CHTC	Chapel Hill Town Council
BOCC	Orange County Board of County Commissioners	CIP	Capital Improvements Program
BOD	Board of Directors	COLA	Cost of Labor Adjustment
CE	Community Engagement	CS	Closed Session of the Board
		CTC	Carrboro Town Council

OWASA Board of Directors – 12 Month Board Meeting Schedule

(March 2021 to February 2022)

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
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

- **Authorize Staff to Publish Fiscal Year (FY) 2022 Budget and Rate Information**

Background

- At Board Meetings on March 11, 2021, March 25, 2021, and April 8, 2021, staff presented drafts of OWASA's operating, capital equipment, and capital improvements program budgets.

- To support the proposed budget, staff is recommending a five percent increase in monthly water and sewer rates.

- The purpose of this agenda item is to receive authorization from the Board to publish FY 2022 budget and rate information in advance of the public hearings which are scheduled for May 27, 2021.

Action Needed

Approve motion to authorize staff to publish FY 2022 budget and rate information.

April 22, 2021

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:	Todd Taylor, P.E.
From:	Stephen Winters, CPA
Date:	April 16, 2021
Subject:	Authorize Staff to Publish Fiscal Year 2022 Budget and Rate Information

Purpose

At Board Meetings on March 11, 2021, March 25, 2021, and April 8, 2021, staff presented drafts of OWASA's operating, capital equipment, and capital improvements program budgets (collectively, the budget). To fund the budget, staff is recommending increasing monthly water and sewer rates by five percent.

No changes have been made to the information previously reviewed by the Board. However, Agenda Item 5 for the April 22, 2021 Board meeting includes a recommendation to expand recreation hours at our reservoirs beyond what was originally planned. If the Board agrees with staff's recommendation, we will add $15,000 to the operating budget to account for part-time staff; this change will not impact staff's rate increase recommendation.

Public hearings on the FY 2022 budget and rates are schedule for May 27, 2021. The purpose of this agenda item is to receive authorization from the Board to publish FY 2022 budget and rate information in advance of the public hearings.

Budget and rate setting next steps:

1. Public hearings on the FY 2022 budget and rates are scheduled for May 27, 2021.
2. At the hearings, the Board will receive and consider comments from the public.
3. After considering public input, the Board of Directors will discuss and provide guidance to staff on the final draft of the FY 2022 budget and proposed rate increase.
4. Staff will finalize the FY 2022 budget and schedule of rates, fees and charges and is scheduled to present them for adoption by the Board of Directors at its work session on June 10, 2021.

Action Requested:

Approve motion to authorize staff to publish FY 2022 budget and rate information.

Proposed Motion to Authorize Staff to Publicize Budget and Rates Information:

In advance of public hearings scheduled for May 27, 2021, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2022 proposed budget and schedule of rates, fees and charges which includes a five percent increase in monthly water and sewer rates.

Stephen Winters, CPA
Director of Finance and Customer Service

Orange Water and Sewer Authority

Virtual Meeting of the Board of Directors

March 25, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular meeting by virtual means in accordance with law, on Thursday, March 25, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Monica Dodson, Jesse DuClau, Vishnu Gangadharan, Stephanie Glasgow, Jessica Godreau, Robert Epting, Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs, Esq. (Epting and Hackney), Andrea Orbich, 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), Kelly Satterfield and Tom Wedsworth.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Setting the Date May 27, 2021 for a Public Hearing on OWASA's Fiscal Year 2022 Budget. (Motion by Robert Morgan, second by Bruce Boehm and the Motion unanimously approved.)

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Setting the Date May 27, 2021 for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges. (Motion by Robert Morgan, second by Bruce Boehm and the Motion unanimously approved.)

3. Robert Morgan made a Motion to approve the Minutes of the February 25, 2021 Meeting of the Board of Directors, second by Bruce Boehm and the motion was unanimously approved.

4. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving Amendments to OWASA's Sewer Use Ordinance dated March 25, 2021. (Motion by John Morris, second by Bruce Runberg and the Motion unanimously approved.)

5. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving Policy on Extension of Sewer Mains and Sewer Laterals to Replace Certain Existing Policies on Sewer Mains and Sewer Laterals dated March 25, 2021. (Motion by Robert Morgan, second by Bruce Runberg and the Motion unanimously approved.)

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Announcements

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

Mr. 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 announced that Mary Tiger and he attended the March 18, 2021, virtual Orange County Climate Council meeting. He said the Council met new members from Orange County Schools, Hillsborough, and the NAACP. The Council also received reports from various committees as well as an update on the Governor's Decarbonization Report. The next meeting will be held virtually on April 15, 2021.

Kevin Leibel provided an update on the virtual March 1, 2021, ad hoc Committee meeting to discuss how to raise awareness of OWASA's Care to Share customer assistance program and increase donations to the program. Mr. Leibel noted the Committee requested background information on affordability partners, a timeline for electronic bill (e-bill) Care to Share donations, and a draft network correspondence.

Petitions and Requests

Ray DuBose said two petitions have been received from the public, from Mr. Tom Wedsworth and Mr. Mike Hammersley.

Mr. Wedsworth petitioned the Board to make improvements to the University Lake cartop boat launching site by installing a longer concrete walkway and clearing out some of the rocks, to facilitate lake access use for persons with disabilities. Mr. Wedsworth said he uses a motorized scooter, and improvements would allow he and his son access from the parking area to the lake, where they enjoy fishing.

Todd Taylor, Executive Director, proposed Mr. Wedsworth's petitioned improvements could be made as part of a University Lake recreational facilities capital improvements project already scheduled in Fiscal Year 2024.

The Board agreed and requested staff evaluate an interim solution to improve the access boat launch area at University Lake.

Mr. Taylor observed that Mr. Hammersley's petition requested suspending the COVID-19 restrictions and limitations on lake use for the 2021 University Lake recreation schedule. He proposed staff provide an update at a future Board meeting.

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Without objection, the Board referred both petitions to staff who will provide an update at a future meeting as follows: evaluate interim and permanent solutions to improve access to the boat launch area at University Lake; and a Lakes recreation schedule for Calendar Year 2021.

Mr. DuBose asked for petitions and requests from Board and staff; none were received.

Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Resolution the Date of May 27, 2021 for a Public Hearing on OWASA's Fiscal Year 2022 Budget

Robert Morgan made a Motion to approve the Resolution; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 1.

Item Three: Resolution the Date of May 27, 2021 for a Public Hearing on the Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges

Robert Morgan made a Motion to approve the Resolution; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 2.

Item Four: Minutes

Robert Morgan made a motion to approve the Minutes of the February 25, 2021 Minutes of the Board of Directors, second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 3.

Item Five: Review Comments and Approve the Updated Sewer Use Ordinance and Sewer Policy to Align with NC Session Law 2020-61 (House Bill 873)

Jessica Godreau, Engineering Manager – Development Services, said no comments were received on the Ordinance but that UNC provided minor clarifying suggestions on the Policy. Ms. Godreau also noted two changes in the Policy regarding variances: adding the definition of a failing septic system; and sewer laterals in regard to new construction instead of new building.

John Morris made a Motion to approve the Resolution Approving Amendments to OWASA's Sewer Use Ordinance dated March 25, 2021, second by Bruce Runberg and the Motion was unanimously approved. Please see Motion 4.

Robert Morgan made a Motion to approve the Resolution Approving Policy on Extension of Sewer Mains and Sewer Laterals to Replace Certain Existing Policies on Sewer Mains and Sewer Laterals dated March 25, 2021, second by Kevin Leibel and the Motion was unanimously approved. Please see Motion 5.

Item Six: Update on OWASA's COVID-19 Information and Discussion by the Board

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Todd Taylor, Executive Director, provided an update on OWASA's response to COVID-19, noting staff continues to take proactive measures to ensure the community receives with high-quality and reliable water, wastewater, and reclaimed water services. He reported that Orange County extended the State of Emergency through June 30, 2021. This extends the moratorium on service disconnection for non-payment through July 31, 2021 and that the OWASA Board of Directors will continue to meet virtually through June. Mr. Taylor said Representative Verla Insko introduced a bill to the General Assembly regarding payment assistance program for low-income customers; staff will continue to follow the bill's progress and provide updates. Finally, Mr. Taylor said staff continues to monitor the vaccination effort for employees and office staff will report back to work in May 2021.

Mary Tiger, Strategic Initiatives Manager, provided a brief update on the extent and severity of past due accounts, including staff's continued work to contact those customers who are in arrears to provide information on where they may apply for financial assistance.

Bruce Boehm asked for analysis of customers who are past due on their bills and have received financial assistance.

Item Seven: Fiscal Year 2022 Budget and Rate Adjustment

Stephen Winters, Director of Finance and Customer Service, provided an overview of the draft Fiscal Year 2022 budget and rate adjustment projections. Mr. Winters noted the next steps include continued budget review at both April 2021 Board meetings and authorizing staff to publish information about the FY 2022 budget and proposed rates in advance of the public hearings scheduled for May 27, 2021.

Bruce Boehm requested explanations for major deferrals of Capital Improvements Program expenses (raw water supply sources; distribution system pipes; pump and motor replacement; sewer rehabilitation costs; and water main replacement projects).

Jody Eimers requested an analysis of the impact on rates including the Western Intake Partnership project funding in the CIP budget.

Item Eight: Discuss OWASA Board Member Recruitment

The Board discussed and agreed that Board Member recruitment will focus on increasing the candidate pool for future vacancies utilizing their contacts, the use of OWASA's Wonderful Water radio segments, use of bill inserts and staff's assistance on other outreach options. Staff will follow up at a future meeting with outreach ideas for Board Member recruitment including the reach and costs for Wonderful Water segments and bill inserts.

Item Nine: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items and provided an overview of the next Board meeting;

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- Explore and evaluate interim and permanent solutions to improve boat access at University Lake and follow up with Tom Wedsworth.
- Add a Lakes Recreation schedule discussion for Calendar Year 2021 and follow up with Mike Hammersley.
- Provide analysis of customers who are past due on their bills and have received financial assistance.
- Provide explanations for major deferrals of CIP expenses and an analysis of the impact on rates including Western Intake Partnership project funding.
- Provide outreach ideas for Board recruitment including the reach and costs for Wonderful Water and bill inserts.
- Provide background information on affordability partners, a timeline for e-bill Care to Share donations, and a draft network letter.
- Agenda items for the April 8, 2020 virtual Work Session:
    - Approval of a modification to the One-Time Additional Leave Merit Bonuses
    - Review employee health and dental insurance renewals
    - Draft Fiscal Year 2022 Budget and Proposed Rates
    - Board Members eligible for nominations for election as Board Officers
    - Decision on whether to complete a Board of Directors self-assessment
    - Closed Session to prepare for the Executive Director's interim review
- Agenda items for the April 22, 2020 virtual Work Session:
    - Quarterly Financial Report for period ended March 31, 2021
    - Draft Fiscal Year 2022 budget and proposed rates information and authorize staff to public proposed rates
    - Discuss draft process for developing Strategic Plan
    - Closed Session interim review with the Executive Director

There being no further business to come before the Board, the Chair adjourned the meeting at 7:25 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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Orange Water and Sewer Authority

Closed Session of the Board of Directors

April 8, 2021

The Board of Directors of Orange Water and Sewer Authority met virtually in Closed Session on Thursday, April 8, 2021, following the Board meeting.

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

Staff present: None

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Item One

The Board of Directors met in Closed Session without the Executive Director to evaluate the Progress Report of the Executive Director's Key Focus Areas from September 2020 to April 2021.

No official action was taken at the meeting.

The meeting was adjourned at 8:08 p.m.

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Jo Leslie Eimers, Chair
Human Resources Committee

DRAFT

Agenda Item

- Evaluate Options to Improve Access to Boat Launch Area at University Lake and Lakes Recreation Schedule for Calendar Year 2021

Background

- Two petitions related to recreation at OWASA's reservoirs were received at the March 25, 2021 meeting of the Board of Directors.
    - A petition from Tom Wedsworth requests access improvements to the boat launch area at University Lake.
    - A petition from Mike Hammersley requests modifications to the schedule for 2021 lakes recreation activities, which are currently reduced due to our COVID-19 response. Since March 25, we have also received a letter from Loren C. Davis and an email from Margaretta Yarborough both related to the 2021 lakes recreation schedule.
- Staff conducted a preliminary investigation of alternatives to improve access to the shore launch area at University Lake and recommends improving access by extending the paved sidewalk from where it currently ends at the fishing pier to the shore launch area.
- The 2021 recreation season opened Saturday, March 27 at Cane Creek Reservoir and University Lake following the same protocols used for the 2020 recreation season including opening both reservoirs to a reduced number of visitors via a reservation system and not renting equipment.
- As staff considered the recreation schedule for 2021, we noted that Orange County remains under a local State of Emergency until June 30; OWASA offices and facilities remain closed to visitors; traditionally many visitors to our lakes come from outside the county and state; and other local recreation programs are also continuing to operate under reduced capacities.
- We reviewed the ability of our Lake staff (without the assistance of our normal part-time summer help) to safely check-in visitors, inspect boats, assist visitors, take payments, and monitor lake activities.
- Staff recommends increasing boating reservations at Cane Creek Reservoir to 50 and University Lake to 15 starting April 30, 2021; adding a picnic/lawn reservation for visitor arrival between 11:00 AM and 1:00 PM starting April 30, 2021; and adding $15,000 to the Fiscal Year 2022 Operating budget for part-time help in anticipation of returning to equipment rental and boating at full capacity later this summer as conditions related to the pandemic improve.

Action Needed

- Review report, provide feedback, and consider staff recommendations in response to the petitions.

April 22, 2021

MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor, P.E.

FROM: Mary Darr, P.E.
Johnny Riley

DATE: April 14, 2021

SUBJECT: Evaluate Options to Improve Access to Boat Launch Area at University Lake and Lakes Recreation Schedule for Calendar Year 2021

Background

Two petitions related to recreation at OWASA's reservoirs were received at the March 25, 2021 meeting of the Board of Directors. The first petition is a request from Tom Wedsworth to improve access to the boat launch area at University Lake (Attachment 1). The second petition is a request from Mike Hammersley to modify the schedule for 2021 lakes recreation activities, which are currently reduced due to our COVID-19 response (Attachment 2a). Since the Board meeting on March 25th, we have also received a letter from Loren C. Davis (Attachment 2b) and an email from Margaretta Yarborough (Attachment 2c) both related to the 2021 lakes recreation schedule.

Improve Access to Boat Launch at University Lake

The recreation facilities at University Lake include a boat dock, fishing pier, and shore launch area for customers that bring their own boats or rent kayaks from OWASA (See Figure 1). Paved sidewalks connect the handicapped parking spaces to the boat dock and fishing pier. However, the shore launch area, which was established more recently, does not have sidewalk access.

The draft Fiscal Year (FY) 2022-2026 Capital Improvements Program (CIP) includes a project in FY 2024 to remove the boat dock, replace the fishing pier and make other improvements. When the project is constructed, all boat access will be by shore launch. A similar project was completed at the Cane Creek Reservoir in FY 2015 and has improved access and safety for visitors boating and fishing. The University Lake CIP project was scheduled to be constructed in the current fiscal year. However, it has been delayed until FY 2024 due to budgetary constraints as a result of reduced revenue from the pandemic. Since the CIP project has been delayed by

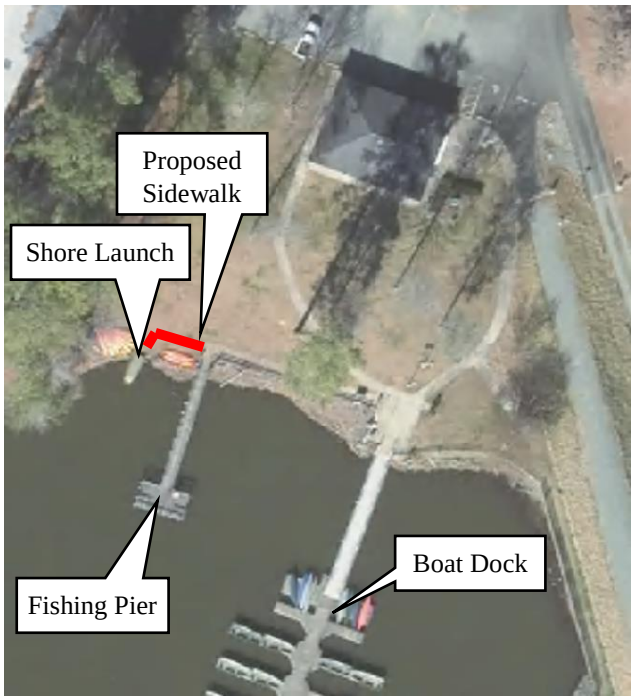
three years, the Board requested staff look at options to improve access to the shore launch area in the interim.

Staff have completed preliminary investigations and believe access can be improved by extending approximately 35-feet of paved sidewalk from where it currently ends at the fishing pier to the shore launch area (the red line on Figure 1) for about $7,000. We considered other options such as gravel or wooden decking, but do not recommend them for safety and accessibility reasons. We have sufficient funds available in the FY 2021 Operating budget to cover the expense.

Staff recommends:

- *The Board approve staff moving forward with extending a paved sidewalk to the shore launch at University Lake.*

Figure 1 – University Lake Recreation Facilities



Recreation Schedule for Calendar Year 2021

The 2021 recreation season opened Saturday, March 27 at Cane Creek Reservoir and University Lake following the same protocols used for the 2020 recreation season including: opening both reservoirs to a reduced number of visitors (see Table 1) via a reservation system; visitors are only permitted to arrive between 6:30 AM and 9:00 AM; and OWASA is not providing rental equipment (boats, motor, personal floatation devices). The number of pier/shore/birdwatching

reservations was increased based on 2020 experience of pier and shore users being able to maintain 6-foot separation from each other. In order to visit a reservoir, customers apply online for an access permit ahead of time. If there are more applications than available slots, a computer program selects the names of the applicants that will be granted permits.

Table 1. Current 2021 Recreation Capacities

	Boating Reservations[1,3]	Pier/Shore/Birdwatching Reservations[2,3]
Cane Creek Reservoir	25	15
University Lake	10	7

[1] If selected for one of the available boating slots, permit holders are allowed to bring one visitor; the visitor can either be in the permit-holder's boat or bring their own boat.
[2] Slots for fishing from the bank/pier or any other shore activity are not allowed a visitor.
[3] Gates open for boating and Pier/Shore/Birdwatching reservation 6:30 AM – 9:00 AM.

We have seen a high volume of requests for reservations the first three weeks of the recreation season and appreciate the community's interest in returning to normal activities and enjoying recreational opportunities at OWASA's reservoirs. The safety of our staff and those that visit OWASA's reservoirs is our number one priority. Lake staff have received positive feedback from visitors thanking OWASA for the precautions taken to safely offer recreation activities at our reservoirs. As we considered the recreation schedule for 2021, we noted that Orange County remains under a local State of Emergency until June 30, 2021; OWASA offices and facilities remain closed to visitors; traditionally many visitors to our lakes come from outside the county and state; and other local recreation programs are also continuing to operate under reduced capacities.

In response to the petition to increase recreation activities, we reviewed the ability of our Lake staff (without the assistance of our normal part-time summer help) to safely check-in visitors, inspect boats, assist visitors, take payments, and monitor lake activities; and recommend increasing the number of boating reservations to 50 at Cane Creek Reservoir and to 15 at University Lake (see Table 2). The maximum number of boats allowed on Cane Creek Reservoir and University Lake is 75 and 21, respectively. The proposed limits allow some visitors to bring a guest with a boat without exceeding the maximum number of boats that can be on our reservoirs at one time. In addition to increasing the number of boating reservations, we also recommend adding an online reservation system for visitors that would like to picnic or to enjoy the lawn areas. We recommend arrival times of 11:00 AM – 1:00 PM for picnic/lawn users to allow staff time to finish checking-in boating, fishing and bird watchers before the picnickers/lawn users arrive. We recommend implementing these changes the weekend of April 30-May 2.

Table 2. Proposed Recreation Capacities

	Boating Reservations[1,2]	Pier/Shore/Birdwatching Reservations[3,2]	Picnic/Lawn Reservations[4]
Cane Creek Reservoir	50	15	✓
University Lake	15	7	✓

[1] If selected for one of the available boating slots, permit holders are allowed to bring one visitor; the visitor can either be in the permit-holder's boat or bring their own boat.
[2] Slots for fishing from the bank/pier or any other shore activity are not allowed a visitor.
[3] Gates open for boating and Pier/Shore/Birdwatching reservation 6:30 AM – 9:00 AM.
[4] Gates opens for picnic/lawn use entry 11:00 AM – 1:00 PM.

Looking ahead to further increasing recreation activities later this summer, assuming pandemic conditions continue to improve, we will need to hire part-time summer help to assist with equipment rental and sanitization, assisting customers, grounds maintenance activities, etc. The draft FY 2022 Operating budget does not include funding for the part-time staff needed to expand recreation activities in calendar year 2021 (it does include funding for part-time help in calendar year 2022). We recommend adding $15,000 to the FY 2022 operating budget to hire part-time summer help.

Staff recommends:

- *Increasing boating reservations at Cane Creek Reservoir to 50 and University Lake to 15 starting April 30, 2021.*
- *Adding a picnic/lawn reservation for visitor arrival between 11:00 AM and 1:00 PM starting April 30, 2021.*
- *Adding $15,000 to the FY 2022 Operating budget for part-time help in anticipation of returning to equipment rental and boating at full capacity later this summer as conditions related to the pandemic improve.*

Please let us know if you have any questions.

Sincerely,

Mary Darr, P.E.
General Manager of Operations

Johnny Riley
Reservoir and Land Resources Supervisor

Attachments: Attachment 1 – Tom Wedsworth Petition
Attachment 2a – Mike Hammersley Petition
Attachment 2b – Loren C. Davis Letter
Attachment 2c – Margaretta Yarborough Email

From: ThePoppie225 <twedsworth@gmail.com>
Sent: Monday, March 1, 2021 2:55 PM
To: Board and Leadership <board_and_leadership@owasa.org>
Cc: TJ Wedsworth Jr <wedsworth@gmail.com>
Subject: University Lake, cartop boats launching site improvements

[EXTERNAL]

To the OWASA board of directors,

My son and I love University Lake, and we have fished there in rental boats since he was a small boy in the mid 1980s. Over the last two years, we have brought my son's canoe.

I have multiple sclerosis and rely on a motorized scooter to get around. The slope of the grassy hill down to the cartop boat launching site presents challenges for me. If the grass is wet from dew or rain, is too slippery for my scooter. A concrete sidewalk laid around the side of the property down to the site would make a world of difference for me.

Another improvement could be made on the shore area of the launch site itself by widening the area and clearing out a few rocks that are usually under shallow water.

I understand that the Covid-19 pandemic is challenging all businesses today. I just ask that you consider my requests and do the best you can whenever you can.

Thank you, with kind regards,

Tom Wedsworth

From: Teresa Hammersley <thammersley11@gmail.com>
Sent: Sunday, March 14, 2021 9:50 AM
To: University Lake <ulake@owasanc.onmicrosoft.com>
Subject: covid restrictions for Lake use

[EXTERNAL]

My name is Mike Hammersley and I wanted to request that you suspend the covid restrictions for University Lake. Recreation is so important as we recover from the last year. The lake use is such that no interaction between users is necessary. It's a large Lake with plenty of room. In all my years of using it, I haven't been within 6' of anyone after check in. I bring my own equipment and kayaks and so no safety protocols would be in jeopardy. Please pass this on to your Board of directors as it very important to your customers and this community. Thanks.

Mike



` cLoren C. Davis
229 Rose Walk Lane, Carrboro, NC 27510
919-259-0166 lorencdavis@gmail.com

March 24, 2021

Orange Water and Sewer Authority
400 Jones Ferry Rd.
Carrboro, NC 27510

Re: OWASA 2021 Recreation Season Dates and Guidelines

To The OWASA Board of Directors:

I'm writing this letter requesting reconsideration of the OWASA 2021 Recreation Season Dates and Guidelines.

During the week of March 7th, the Center for Disease Control and Prevention (CDC) announced that persons who had been vaccinated could safely meet in closed rooms without masks. President Biden also stated that by July 4th, families and friends could look forward to holding outdoor barbecues. And, North Carolina, now vaccinating people in Phase 4, will be opening vaccine registration to everyone over the age of 16 by May 1st. Your employees should soon be vaccinated if they aren't already. Perhaps the Board missed, or ignored, this information when effectively closing the lakes for 2021 to family recreation. Certainly, OWASA receives science-based information to keep its water safe. So, I am wondering where the medical advice originated to again severely limit access to outdoor recreation as it was last year. Certainly you are aware of the thousands of people in our area who live in apartments, condos, and townhomes who are suffering various mental health issues from a year of combating Covid-19 and desperately need outdoor activity. The lakes and grounds provide an excellent, affordable and close location to the citizens of Chapel Hill and Carrboro.

Governor Cooper and Dr. Cohen have been providing weekly updates and revising requirements for Covid-19 protection. However, your board seems to be unable to change regulations with the reduction of danger to the public health. Have you consulted with area doctors or the Orange Co. Health Department on outdoor activity? Are you aware that the Carrboro recreation park on HWY 54 is open, including the "dog park"?

I can now safely go to a bar, gym, church, ABC Store, restaurant, grocery store, movie, and many more venues but I can't enter the lake grounds with my grandchildren for a picnic! I hope that you can enlighten me as to why this is the case. Please reconsider your 2021 Recreation Season Dates and Guidelines to open it to the public.

Sincerely,

Loren C. Davis

Loren C. Davis Cc: WCHL Radio, The Raleigh News and Observer, Carrboro Mayor's office, Chapel Hill Mayor's office.

From: Margaretta Yarborough <mjyunc@gmail.com>
Sent: Saturday, April 3, 2021 11:18 AM
To: Todd Taylor <ttaylor@owasa.org>
Subject: OWASA lakes question

[EXTERNAL]

Dear Mr. Taylor:

I am writing with a sincere question about the weekly OWASA lakes lottery.

The OWASA lake wardens are wonderfully competent people—of course I want them to remain safe during this difficult pandemic. I have immense respect for the hard work they do and think of them especially when severe weather rolls through. It makes perfect sense to me to keep the offices closed and to no longer offer equipment rentals as long as the pandemic exists. But as far as I can tell, the only chance of Covid exposure occurs when visitors hand over a credit card in the great outdoors, which is hardly a high chance of exposure (and surely this process could be automated so even that contact is not necessary).

The allowed limit on the lakes is set at 1/3 of capacity, which seems arbitrary (restaurants formerly were set at 1/3 for indoor dining, which is in no way comparable to outdoor settings). North Carolina reopened outdoor venues at generally 100% capacity the day before the 2021 OWASA season opened: https://carolinapublicpress.org/43662/covid-restrictions-eased-for-bars-restaurants-sports-and-entertainment-venues/ While lakes are not specifically addressed, NC amusement parks and recreation venues are now allowed to be open at 100% capacity with masks and 6 feet of social distancing. Yet Cane Creek remains at 25 boaters for a lake 3.5 miles long (or about 7 people for every mile of lake).

I have often thought of a piece written by Zeynep Tufecki, a UNC professor, for a national audience nearly a year ago: https://www.theatlantic.com/health/archive/2020/04/closing-parks-ineffective-pandemic-theater/609580/ While she is not suggesting that parks should operate at wall-to-wall capacity, she makes many good points about finding sensible and sustainable policies: “The outdoors, exercise, sunshine, and fresh air are all good for people’s immune systems and health, and not so great for viruses. There is a compelling link between exercise and a strong immune system. A lack of vitamin D, which our bodies synthesize when our skin is exposed to the sun, has long been associated with increased susceptibility to respiratory diseases. The outdoors and sunshine are such strong factors in fighting viral infections that a 2009 study of the extraordinary success of outdoor hospitals during the 1918 influenza epidemic suggested that during the next pandemic (I guess this one!) we should encourage “the public to spend as much time outdoors as possible,” as a public-health measure.”

I’ve happily paddled Cane Creek for over 10 years, weekly before the pandemic, armed with binoculars and camera (Johnny Riley has used many of my photos in his talks about the OWASA lakes). I’m fully vaccinated and continue to wear a mask in public settings where any chance of close contact could occur. I hope that OWASA will seriously consider easing the restrictions in the lake lottery.

Thank you for your consideration.

Sincerely,
Margaretta Yarborough

Agenda Item

- Update on OWASA's COVID-19 Information and Discussion by the Board

Purpose

- To provide the Board of Directors and public an update on OWASA's response to COVID-19 to ensure we continue to provide the Carrboro and Chapel Hill communities with high-quality and reliable water, wastewater, and reclaimed water services during the pandemic.

- Staff will provide a verbal update on activities since March 25, 2021.

Action Needed

- Discussion and questions by the Board of Directors.

April 22, 2021

Agenda Item

- Financial Report for the Nine-Month Period Ended March 31, 2021

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 but one of our financial performance targets were met.

    - Total income for the period was about $484,000 greater than the budget.

    - System development fees were about $965,000 greater than budget.

    - Operating Expenses were about $1.5 million less than budget.

    - Net Income less Debt Service was about $2.2 million 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 expenditures for the nine-month period were approximately $13.0 million. FY 2021 expenditures are currently projected to be approximately $17.3 million or 85% of budget.

Action Needed

- Receive and discuss the financial report for the nine-month period ended March 31, 2021.

April 22, 2021

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:	Todd Taylor, P.E.
From:	Stephen Winters, CPA
Date:	April 16, 2021
Subject:	Financial Report for the nine-month period ended March 31, 2021

Purpose

The financial report for the nine-month period ended March 31, 2021 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 but one of our financial performance measurement targets were met for the period. Our working capital reserve fund was about $9.1 million less than our target of $12.2 million. In April 2021, we closed the $20.1 million Series 2021 bond issue and we expect our working capital reserve balance to equal or exceed our target at the end of the fiscal year.

- In March 2020, the COVID-19 pandemic began impacting our service area. The University of North Carolina and many businesses were closed or significantly scaled back their operations. For the nine-month period ending March 31, 2021, water volume demand was down from normal levels and water and sewer revenue was under budget by 1.5% or about $409,000.

- Average drinking water sales for the period was 5.48 million gallons per day (MGD), 5.99 MGD was projected. Combined drinking and reclaimed water sales for the period averaged 6.15 MGD versus a projection of 6.73 MGD.

- Total income was over budget by 1.7% or about $484,000 greater than the budget.

- System development fees were over budget by about $965,000. Several large meters that were scheduled to be set in FY 2020 were instead set in FY 2021.

- Total operating expenses for the period were 8.9% or about $1.5 million less than the budget. Due to the impact of the pandemic, staff is limiting non-essential operating expenses.

- General and administrative expenses were under budget by 3.6% or about $206,000. The difference is primarily due to deferring consulting expenses.
- Water supply and treatment department expenses were under budget by 13.0% or about $497,000. Energy costs, chemicals and supplies, and maintenance expenses made up most of the variance.
- Water distribution expenses were under budget by 9.0% or about $211,000. Position vacancies, energy, and maintenance made up most of the variance.
- Wastewater treatment expenses were under budget by 11.7% or about $475,000. The variance is due to being under budget in energy, chemicals, and maintenance.
- Wastewater collection expenses were under budget by 11.1% or about $124,000. Most expense categories were under budget.

Net Income less Debt Service for the period was approximately $2.2 million more 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

During the period, approximately $13.0 million (64% of the planned CIP budget) was invested in 56 capital projects to rehabilitate, replace or improve various components of OWASA's water and wastewater infrastructure, most notably the equipment used to thicken or concentrate the solids produced in various parts of the Wastewater Treatment Plant (WWTP) process; concrete tanks used for secondary clarification of the treated wastewater stream at the WWTP; several chemical storage and pumping facilities at the Water Treatment Plant (WTP); water mains along Barclay Road, Kensington Drive, and the intersection of Cameron Avenue and Columbia Street; water and sewer mains along Dobbins Drive; and pipes and manholes throughout the wastewater collection system.

Construction activity was generally reduced in the third quarter, with the substantial completion of many of the projects listed above. The notable exception to this was progress on two important resiliency projects at the WTP (Chemical Facilities Improvements and Finished Water Pumping Improvements).

The CIP Expenditure Chart in the Financial Report shows the actual and forecast FY 2021 CIP expenditures against the monthly baseline, as well as the expenditure target of 90% to 105% of budgeted funds. The forecast FY 2021 expenditures of $17.3 million represents 85% of the budgeted funds, which falls below the Board-adopted target of executing between 90 to 105% of the CIP budget. This expenditure forecast is considerably lower than the forecast provided in the second quarter financial report (98%) in January, primarily due to delays on two projects: 1) WWTP Fermenter Mixing Improvements, where high bids resulted in a decision to delay the construction contract award in order to redesign the project; and 2) the Gravity Sewer Rehabilitation project, where additional time was needed to address conditions encountered during construction.

Fiscal Year 2021 Forecast

The table below shows the financial forecast for FY 2021. We expect the shortfall in operating revenue to be more than offset by higher than budgeted system development fee revenue and reductions in operating expenses and capital expenditures.

	Forecast	Budget	Forecasted Budget Variance
Water, sewer, and reclaimed water revenue	$34,773,651	$35,182,804	($409,153)
Other operating revenue	731,158	743,380	(12,222)
Total operating revenue	35,504,809	35,926,184	(421,375)
System development fees and other nonoperating income	2,050,545	1,162,786	887,759
Total revenue	37,555,354	37,088,970	466,384
Operating expenses	22,287,166	23,190,344	903,178
Net revenue	15,268,188	13,898,626	1,369,562
Debt service	8,479,112	9,068,258	589,146
Net revenue less debt service	6,789,076	4,830,368	1,958,708
Capital improvements program expenditures	17,249,000	20,319,000	3,070,000
Capital equipment expenditures	622,486	704,500	82,014
Net increase (decrease) in reserves from operations and capital expenditures	($11,082,410)	($16,193,132)	$5,110,722

Action Requested

Receive and discuss the financial report.

Stephen Winters, CPA
Director of Finance and Customer Service

Attachment

Orange Water and Sewer Authority

Financial Report
For the Nine-Month Period Ended
March 31, 2021

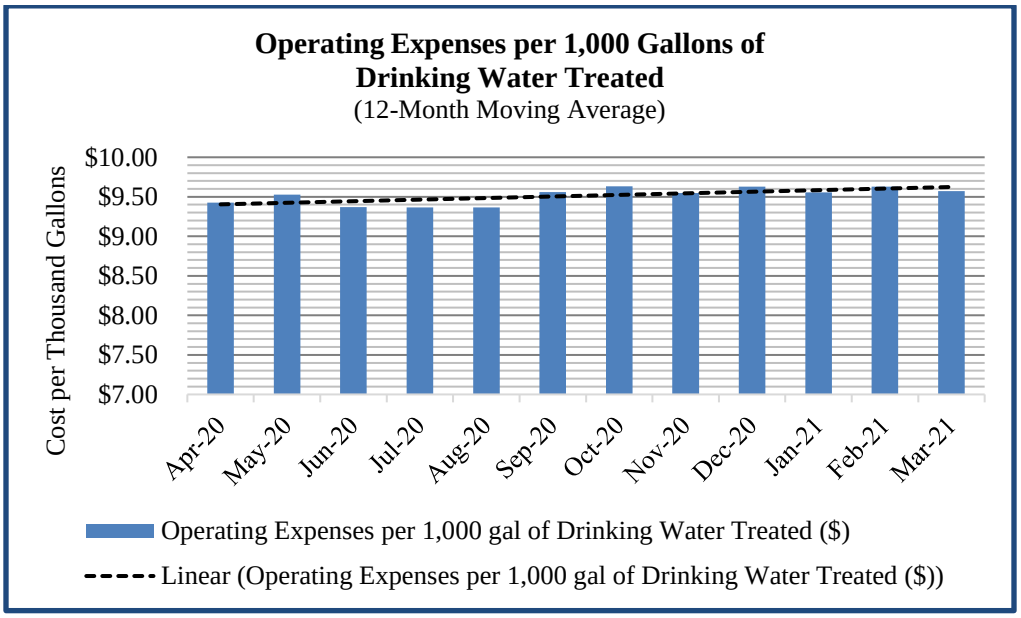
Orange Water and Sewer Authority
Statement of Net Position
March 31, 2021
(unaudited)

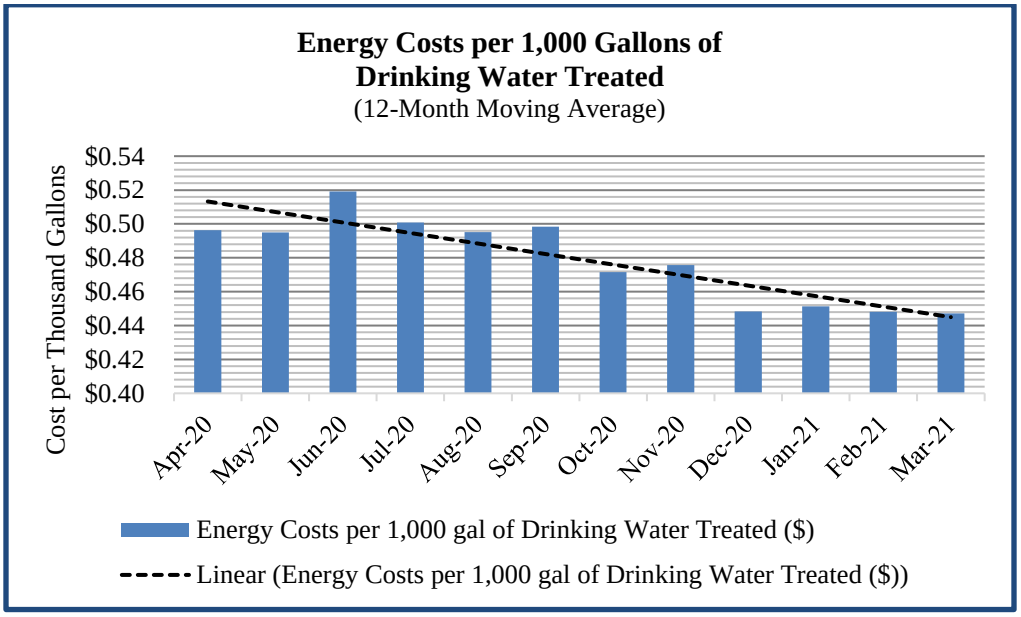
Assets	
Current Assets	
Cash	$9,627,929
Receivables	4,616,683
Inventory	1,356,836
Prepaid expenses	725,158
Restricted cash	3,963,166
Total Current Assets	20,289,772
Noncurrent Assets	
Capital assets (net of depreciation)	285,125,511
Other noncurrent assets	65,183,094
Total Noncurrent Assets	350,308,605
Total Assets	$370,598,377
Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued expenses	$2,036,193
Unearned income	182,048
Customer deposits	1,239,643
Total Current Liabilities	3,457,884
Noncurrent Liabilities	
Bonds payable	71,403,647
Other noncurrent liabilities	14,626,203
Total Noncurrent Liabilities	86,029,850
Net Position	
Contributed capital	125,347,298
Net position at the beginning of the year	152,025,895
Year-to-date accrual basis net income	3,737,450
Total Liabilities and Net Position	$370,598,377
Net income reconciliation:	
Accrual basis net income	$3,737,450
Depreciation, interest, other post-employment benefits expenses	9,042,894
Modified accrual basis net income	$12,780,344

Orange Water and Sewer Authority
Income Statement
For the Nine-Month Period Ended March 31, 2021
(unaudited)

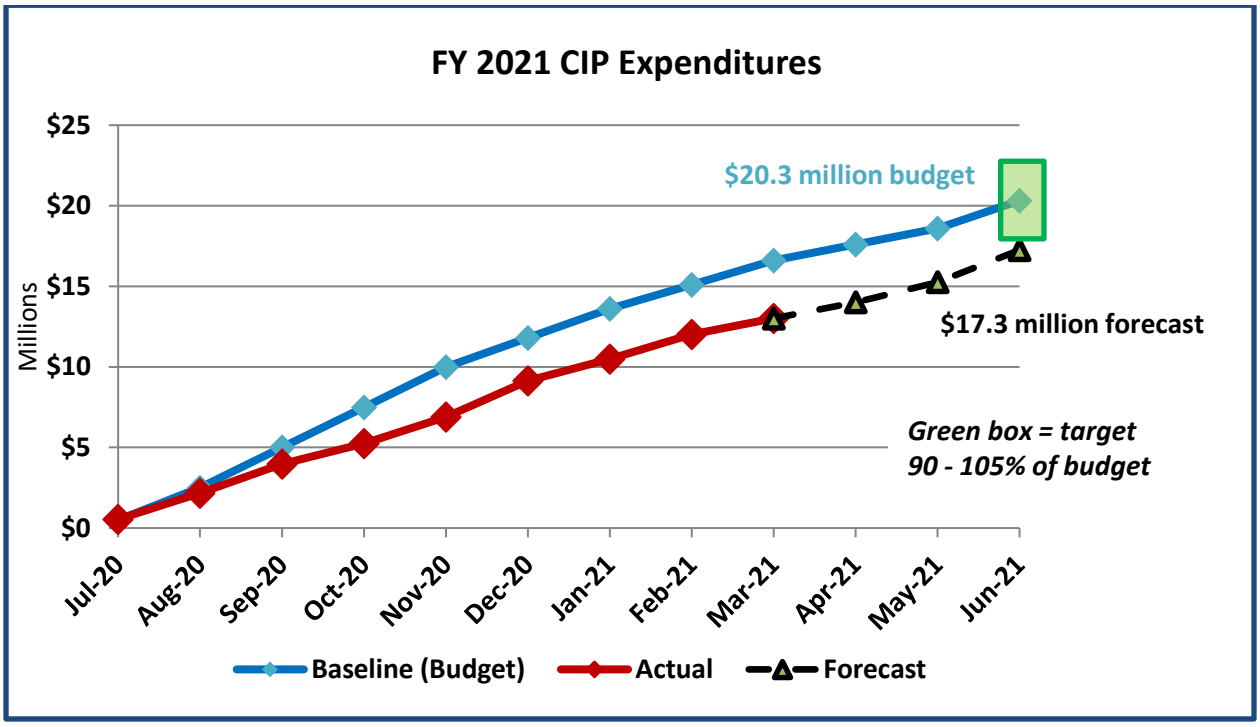
	Actual through March 31, 2021	Budget through March 31, 2021	Variance (effect on net change in Fund Balance)	Percent Variance
Operating Revenue				
Water	$13,215,763	$13,308,666	($92,903)	(0.7%)
Sewer	12,464,256	12,795,449	(331,193)	(2.6)
Reclaimed Water	338,766	323,822	14,944	4.6
Service Initiation Fees	10,950	14,112	(3,162)	(22.4)
Other	612,458	681,746	(69,288)	(10.2)
Refunds and Allowances	(88,365)	(148,590)	60,225	40.5
Total Operating Revenue	26,553,828	26,975,205	(421,377)	(1.6)
Non-Operating Income (Expense)				
System Development Fees	1,776,496	811,116	965,380	119.0
Interest and Other Non-Operating Income	676	60,975	(60,299)	(98.9)
Total Non-Operating Income	1,777,172	872,091	905,081	103.8
Total Income	28,331,000	27,847,296	483,704	1.7
Operating Expense				
General and Administrative	5,487,524	5,693,743	206,219	3.6
Water Supply and Treatment	3,328,071	3,825,071	497,000	13.0
Water Distribution	2,143,288	2,354,404	211,116	9.0
Wastewater Treatment	3,599,782	4,075,212	475,430	11.7
Wastewater Collection	991,991	1,116,390	124,399	11.1
Total Operating Expense	15,550,656	17,064,820	1,514,164	8.9
Net Income (modified accrual)	12,780,344	10,782,476	997,858	18.5
Debt Service	5,624,964	5,856,070	231,106	3.9
Net Income less Debt Service	7,155,380	4,926,406	2,228,974	45.2
CIP Expenditures	13,008,482	16,600,000	3,591,518	21.6
Capital Equipment Expenditures	622,486	704,500	82,014	11.6
Net Change in Fund Balance	($6,475,588)	($12,378,094)	$5,902,506	

Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2021





Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2021

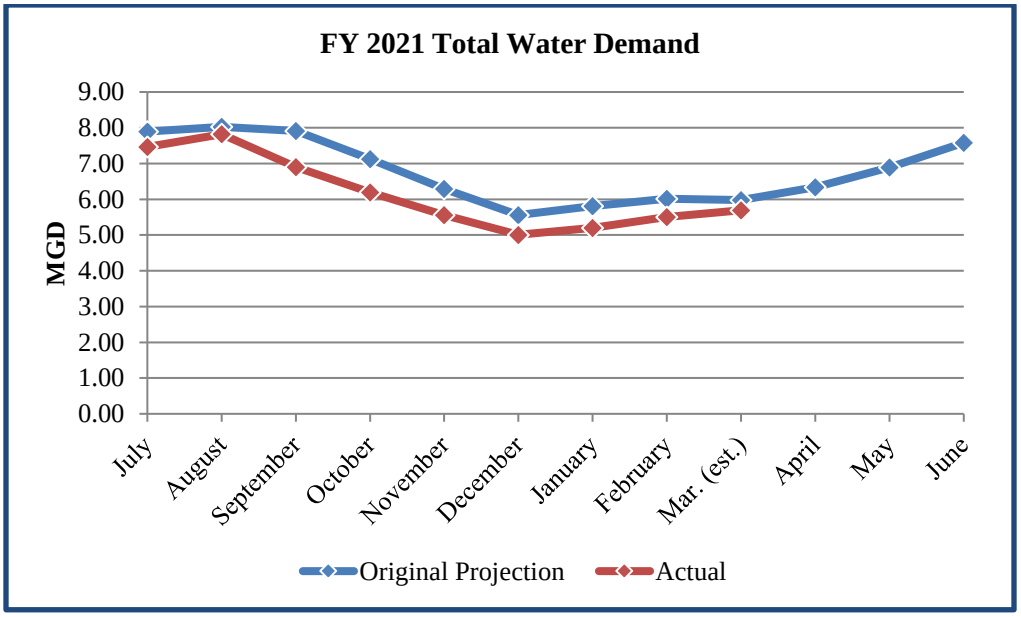


Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2021

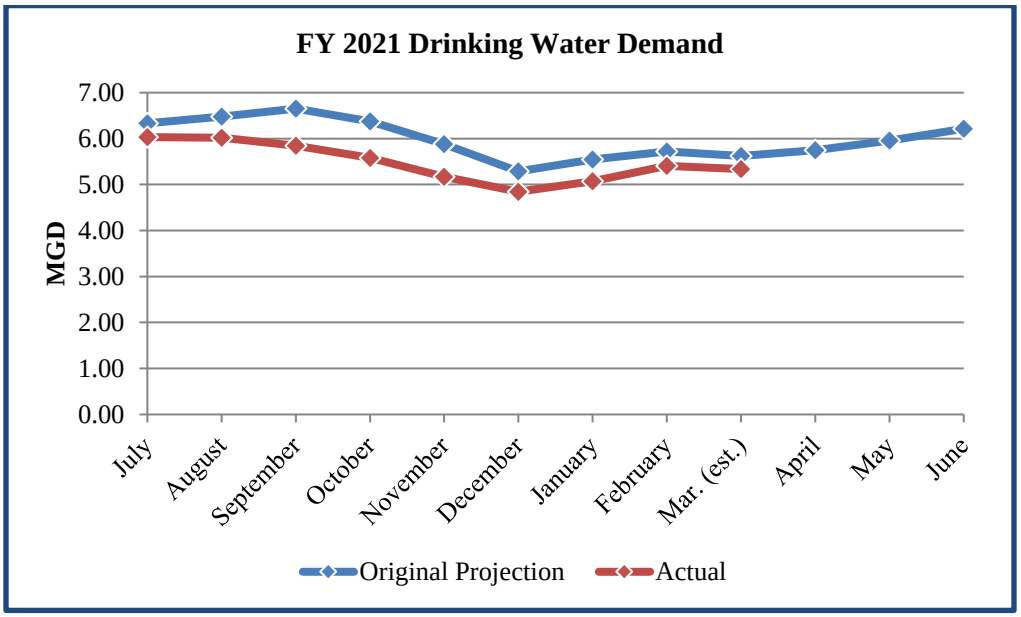
FY 2021 Water Sales Projection (Average Day)

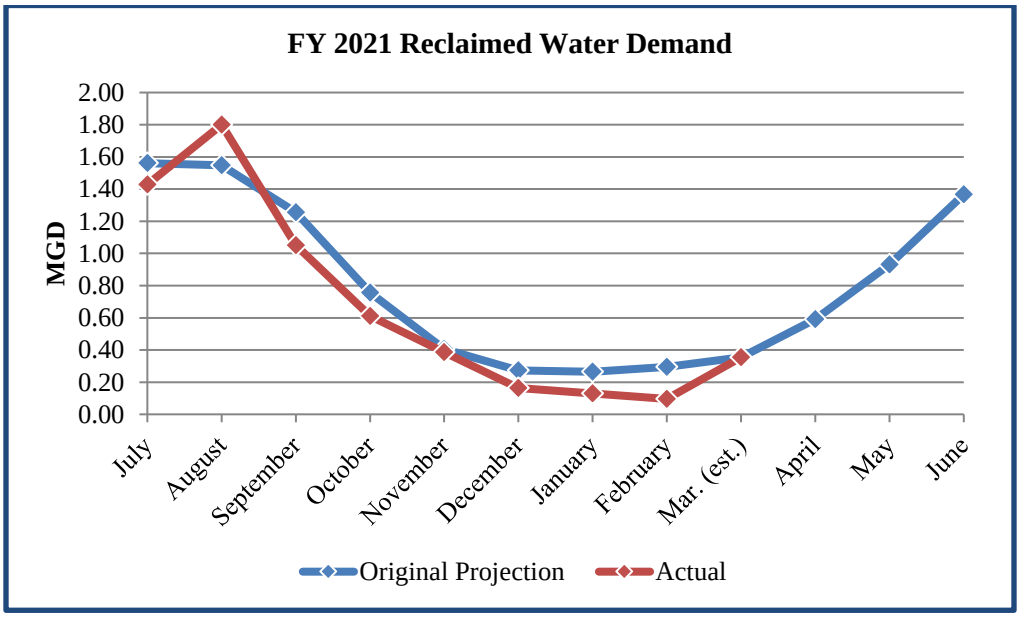
	Original Projections		Actual Water Sales		Revised Projections	
	DW	RCW	DW	RCW	DW	RCW
July	6.33	1.56	6.03	1.43	6.03	1.43
August	6.48	1.55	6.02	1.80	6.02	1.80
September	6.65	1.26	5.85	1.05	5.85	1.05
October	6.37	0.76	5.58	0.61	5.58	0.61
November	5.88	0.41	5.17	0.39	5.17	0.39
December	5.29	0.27	4.85	0.16	4.85	0.16
January	5.54	0.26	5.07	0.13	5.07	0.13
February	5.72	0.29	5.41	0.10	5.41	0.10
March	5.62	0.35	5.34	0.35	5.62	0.35
April	5.75	0.59			5.75	0.59
May	5.96	0.93			5.96	0.93
June	6.22	1.37			6.22	1.37
Average	5.98	0.80	5.48	0.67	5.63	0.74

Estimates shown in red

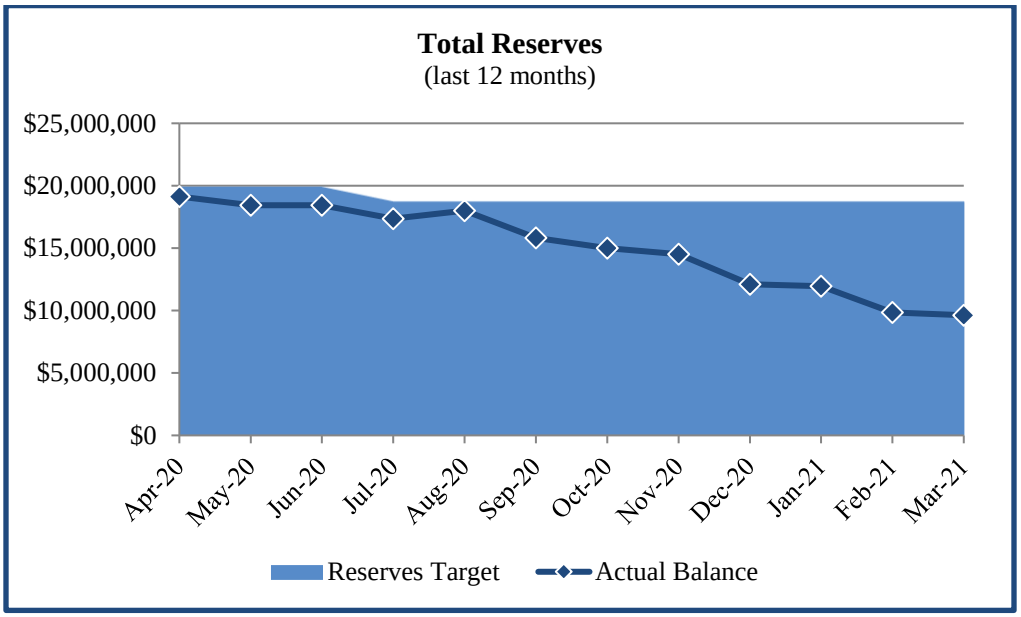


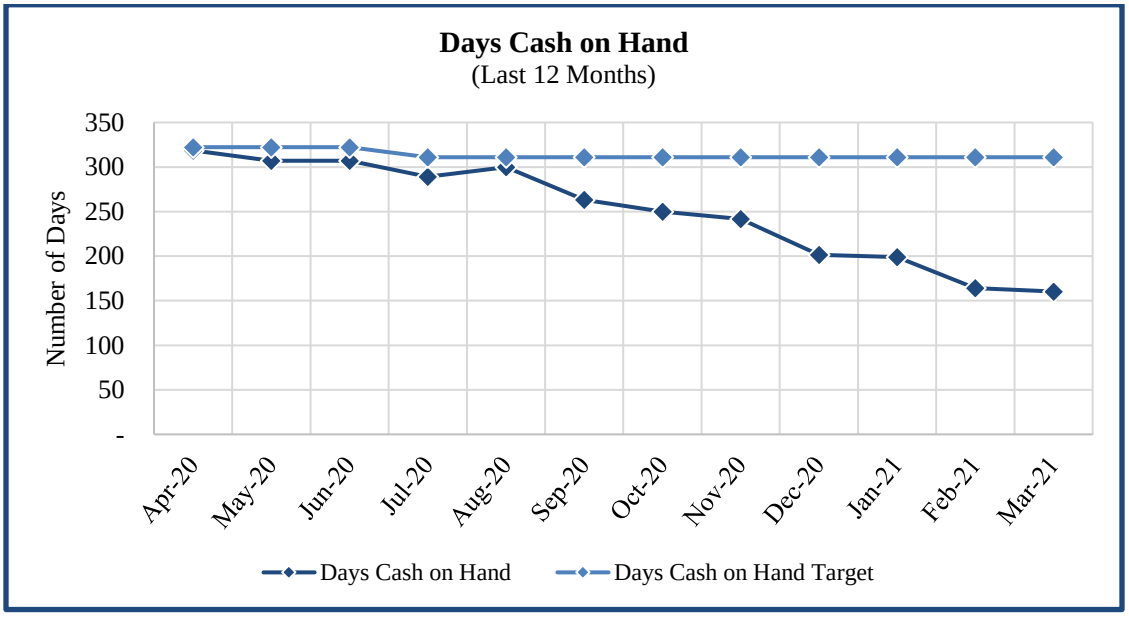
Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2021



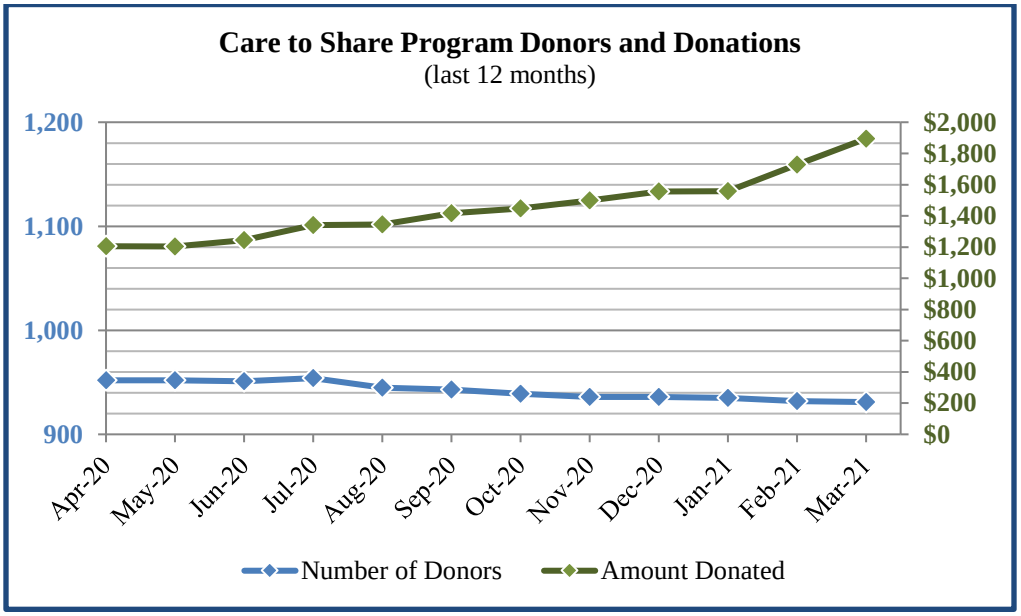


Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2021





Orange Water and Sewer Authority
Select Financial Data
For the Nine-Month Period Ended March 31, 2021



Orange Water and Sewer Authority
Financial Management Policy Report Card
For the Nine-Month Period Ended March 31, 2021

Measurement	Objective	FY20 Results	FY21 Goal	YTD FY21 Results
Working Capital Reserves	Greater of four months Operating Expenses or 20% of succeeding three years CIP	$12.1M	$12.2M	$3.0M
Capital Improvements Reserve	2% of Net Capital Assets (Funding $400,000 per year until reach goal of approximately $6M)	$4.4M	$4.8M	$4.8M
Rate/Revenue Stabilization Reserve	5% of annual Water and Sewer Revenue	$1.9M	$1.8M	$1.8M
Debt Burden to Asset Value	Total Debt not more than 50% of Total Assets	26%	≤ 50%	23%
Sufficiency of Revenues above Debt Requirements[3]	Annual Debt Service no more than 35% of Gross Revenue	19%	≤ 35%	24%
Cash Financing of Capital[1]	Annual revenues and reserves provide at least 30% of CIP funding	32%	≥ 30%	32%
Debt Service Coverage Ratio[3]	Annual Net Income not less than two times Annual Debt Service	2.1	2.0	1.5[4]
Service Affordability Ratio[2]	Average annual OWASA bill not more than 1.5% of area median household income	1.31%	1.5%	1.31%

M = million

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

[2] FY 2021 calculation based on median household income of $69,308 (weighted average of 2020 median household income of Carrboro and Chapel Hill) and average monthly household water use of 4,000 gallons.

[3] Calculation based on the FY 2021 Annual Budget until full-year results are available.

[4] Revenue for FY 2021 is projected to be lower than normal due to the impact of the COVID-19 pandemic. Per our Financial Management Policy, the minimum coverage ratio for any single year when severe weather anomalies or other unforeseen circumstances occur which negatively impact revenues and/or expenses shall not be less than 1.5 during the fiscal year.

Agenda Item

- Discuss Draft Process for Developing Strategic Plan

Purpose

- To provide feedback on a draft process for developing OWASA's new strategic plan

Background

- The OWASA Board of Directors have identified principles to guide the development OWASA's new strategic plan. Staff developed a proposed process in light of these guiding principle (attached).

- OWASA staff have reviewed and discussed the draft process and recommend it for the Board's consideration.

Action Needed

- Provide feedback on the proposed draft process for developing OWASA's new strategic plan. A revised version will be provided for final approval at the May 13, 2021 OWASA Board meeting.

April 22, 2021

DRAFT Process for Developing OWASA's Strategic Plan (FY 2023-2027)

Guiding Principles for Strategic Plan Process

1. An updated strategic plan is needed to ensure that we are anticipating and preparing for the future that we want and setting a course for aligning scarce resources with our strategic goals and objectives.
2. The strategic planning process will consider and/or reinforce OWASA's mission, vision, and values.
3. This process is a time to think comprehensively and identify broad-reaching strategic goals and initiatives.
4. The horizon for the strategic plan will be five to six years, during which updates can be proposed by the Board and/or staff leadership, as necessary.
5. The strategic planning process will involve and engage the Board, staff, the community, and other stakeholders. We will actively seek feedback to include and consider diverse perspectives. An active communications strategy will be integral to the process.
6. The strategic planning process will be managed by OWASA staff.
7. Staff leadership will work together with the Board of Directors to develop the strategic plan. The final strategic plan will be approved by the Board of Directors.
8. The strategic plan will set goals that align with our mission, vision, and values.
9. The plan will be operationalized throughout the Plan's implementation with SMART (Specific, Measurable, Attainable, Relevant, and Time-based) strategic objectives.
10. Staff will define a process for reporting on progress, including performance measures.
11. The strategic plan will be used to align resources and guide budgets in the coming decade.

Overview of Process

The overall process starts by engaging staff and stakeholders by soliciting their input and collecting data and analyses that will provide a common foundation for staff and Board consideration. From this foundation, the OWASA Board of Directors and Staff Leadership will work together to reconsider OWASA's mission, vision, and values and identify and prioritize strategic initiatives and goals. The OWASA Board will approve the final strategic plan, which staff will operationalize through the development of SMART objectives, action plans, and budget requests.

Key Phases, Process Considerations, and Timeline for Plan Development

Phase	Key Questions	Activities	Purpose	Resources	Timeframe
Develop a Plan; Set Guiding Principles	• Why and how do we want to develop a strategic plan? • How far into the future do we want to plan? • How will we include input and buy-in from all those needed to accomplish it? • What will be different as a result of having developed a strategic plan? • How do we intend to use our plan? • What resources are needed to conduct the strategic planning process? • What is our process for reviewing and updating the Plan once created?	Board Work Session(s) discussing staff proposed process	Develop consensus on the purpose and process for developing the strategic plan	Board and Staff Leadership time (2-3 Work Sessions)	December 2020 –May 2021
Conduct Scan of Environment and Organization	Environmental Questions • What is currently happening or emerging that presents opportunities and challenges for OWASA? • What does the community value, as it relates to OWASA? • What are emerging trends in the industry that present opportunities or challenges to OWASA? • Organization Questions • What have we done well over time? • Where have we fallen short in the past, and how have we recovered? • What historical trends help us understand where we have been and where we are going?	Stakeholder Work Sessions	Engage key stakeholders to better understand and inform organizational priorities	Staff and stakeholder time	July - August 2021
		Departmental strategic priority setting	Collectively identify major issues and opportunities on the horizon on a departmental level	Staff time	July – September 2021
		Current and past Board Member survey	Collect current and historical perspective	Outside consultant to work with staff and Board to develop survey and summarize results; For community and staff surveys – staff will offer to present at community and staff meetings and invite participation	July – September 2021
		Staff survey	Collect perspective and projection of challenges ahead		
		Community survey (in English and Spanish)	Collect community input on OWASA and their priorities for the utility		

Phase	Key Questions	Activities	Purpose	Resources	Timeframe
				in survey following meeting	
		Peer review	Identify "best in class" utilities that we want to emulate and develop case studies (focusing on strategic direction and plans)	Staff time (leadership and advisory group) to identify utility examples and collect their strategic plans	July – September 2021
		Report Review, including: • AWWA State of Industry Report • Effective Utility Management Report • OWASA's Strategic Trends Report • OWASA Summary of Strategic and Key Initiatives • Chamber of Commerce State of the Community • Strategic Plans for Chapel Hill, Carrboro, Orange County, and UNC	Develop understanding and alignment with industry, local, and organizational issues	Staff time to curate and summarize good examples	July - September 2021
Synthesize Environment and Organization Scan	• How do our strengths position us to be successful moving forward? • Where can we improve? • How do we turn our strengths into opportunities? • What obstacles do we face?	Staff focus group	Review and discuss environmental and organizational scan; summarize key trends	Staff time	October 2021
		Work session	Review and discuss environmental and organizational scan; consider key trends identified by staff; summarize key trends	Consultant to facilitate 1 session Board and staff time (1-2 dedicated work sessions)	November – December 2021

Phase	Key Questions	Activities	Purpose	Resources	Timeframe
Review Mission, Vision, and Values	• Why does OWASA exist? • What services do we provide to what people, and at what quality and cost? • If OWASA was the best it could be, what would it look like? • How would you describe OWASA's ideal future? • How does our mission relate to our vision? • What values guide us every day and in every aspect of our work?	Work sessions	Imagine and agree upon a shared picture of who OWASA is and what our future should be	Consultant to facilitate 1 Session Board and Staff Leadership Time (1 Dedicated Work Session)	January 2022
Identifying and Prioritizing Strategic Initiatives and Goals	• What are our organizational priorities? • What broad conditions or results do we desire to see? • What do we think will be different if we do this? • When will we see results? • What partnerships are needed to achieve our goals?	Board and Staff Leadership Work Sessions	Identify and prioritize goals and initiatives that advance OWASA towards our vision	Consultant to facilitate 1 session Board and Leadership Team time (1-2 Dedicated Work Sessions)	February 2022
		Staff engagement	Consult with staff on draft goals and initiatives; draft implementation plan, including budget requests for Year 1 (FY23)	Staff time	March – April 2022
		Community outreach	Inform community of strategic planning process and draft goals and initiatives	Staff time	May – June 2022
Finalize Plan		**Work session**	**Approve the Strategic Plan**	**Staff and Board time**	**Fall 2022**

Strategic Plan Implementation:

- Align strategic plan with Budget: Fiscal Years 2023-2027
- Implement strategic plan: Fiscal Years 2023 - 2027
- Develop, evaluate progress, and communicate results against SMART objectives: 2022 – 2027
- Conduct interim review and update: As necessary

Communications Strategy

As stated in the Guiding Principles, an active communications strategy is integral to the process. The second phase of the process (Conduct Scan of Environment and Organization) will involve a high level of stakeholder and community engagement and input. To build community enthusiasm and interest in participating in this phase, we will utilize our existing networks (WCHL, social media, email lists, etc.) to introduce our goals for the strategic plan and invite members to take the survey. In addition, staff will offer to present to community groups and discuss how community feedback will be considered in the development of the strategic plan.

After this phase, the process is designed to allow the Board and staff to consider and prioritize this input. During the later phases, it will be important to keep the community informed and to provide information about how additional input can be submitted for consideration. To provide this information, we will maintain and use an email list of interested stakeholders and community members whom we will keep apprised of meetings, decisions, and milestones. We will maintain a dedicated website to summarize information on OWASA's strategic plan. The strategic plan will be an ongoing topic of update for local government elected officials.

Key Roles in the Process

1. **Board of Directors:** The Board of Directors will set the Guiding Principles for the strategic planning process and approve the final process framework. Throughout the strategic planning process, the Board will participate in dedicated work sessions with the Staff Leadership Team outside of regularly scheduled Board meetings. Ultimately, the Board of Directors will approve the final strategic plan.
2. **Staff Leadership Team:** The Executive Director and OWASA Directors will participate in discussions with the Board of Directors to review OWASA's Mission, Vision, and Values; synthesize the environment and organization scan, and set strategic goals and initiatives. These discussions will take place in dedicated work sessions, outside of regularly scheduled Board meetings.
3. **Project Manager:** The Strategic Initiatives Manager will manage the overall process, including the organization of meetings, facilitation of some meetings, and selection and oversight of consultants. In addition, the SIM will manage the communications strategy.
4. **Strategic Planning Advisory Resource Counsel (SPARC)**: A group of OWASA staff will serve as a sounding board throughout the entire strategic planning process, including the development of the process itself. They will review key documents and provide feedback that will be summarized for the Board and Leadership Team. They will participate in focus groups and serve as ambassadors of the strategic plan process within their workgroups. The SPARC will be critical to developing the strategic implementation plan.
5. **All OWASA Staff**: All OWASA staff will be invited to participate in the survey and provide feedback on draft strategic goals and initiatives.
6. **Community Stakeholders:** Representatives from key stakeholders in the community will be invited to participate in an interactive priority setting exercise designed for water utilities. This event provides a meaningful opportunity to (a) solicit feedback of their priorities for OWASA and (b) provide insight into the various priorities of a water and wastewater utility.

7. **Past OWASA Board Members:** Past OWASA Board Members will be invited to provide historical context through a survey.
8. **Consultants:** The consultant will assist staff with two primary tasks, as well as provide input throughout the entire process.
    a. Survey development
    b. Board discussion facilitation
        i. Review of Mission, Vision and Values: 1 session
        ii. Synthesize Environmental and Organizational Scan (SWOC Analysis): 1 session
        iii. Setting Strategic Goals and Initiatives: 1 session

Additional Budget for Strategic Planning Process

1. Consultants: $15,000
    a. Survey development
    b. Board and staff discussion facilitation
    c. General consulting
2. Translation Services: $500

Definitions

1. **Vision:** The Vision statement is aspirational, reflecting a shared sense of where OWASA wants to be in the future.
2. **Mission:** The Mission statement describes what OWASA does that contributes to the vision.
3. **Values:** Our Values describe how OWASA carries out our work.
4. **Strategic Initiatives:** Broad actions that move OWASA closer to our vision, in alignment with our highest priorities.
5. **Strategic Goals:** Specific objectives and results that OWASA aims to achieve during the implementation of the strategic plan. Strategic goals are the desired outcome of an action. Staff will develop Specific, Measurable, Achievable, Realistic and Time-Limited ways to measure achievement of the goals.
6. **Strategic Actions:** Means through which OWASA will achieve strategic goals. Strategic action plans assign responsibility and estimate costs.

Agenda Item

- OWASA Board Members Eligible for Nomination for Election as Board Officers

Purpose

- The Board of Directors will nominate candidates for election as Chair, Vice Chair, and Secretary of the Board for the Fiscal Year 2022. Election of officers will take place in the first meeting in June, in accordance with the Bylaws.

Background

- The Board of Directors will elect its Chair, Vice Chair and Secretary at its June 10, 2021 meeting. Those officers will hold office for one year or until their successors are elected and qualified. Every Board Member is considered eligible for election, except those who indicate their wish not to serve as Officers, or in a particular office.

- On April 11, 2019, the Board amended its Bylaws to provide that the full Board of Directors shall serve as the Nominating Committee, and to that end, shall receive nominations for election to each office of the Board, at a Board meeting prior to the meeting in which the election of Board officers is to be held. And further, that any Board Member may nominate or self-nominate for such offices, and those nominated shall constitute the slate of eligible candidates for election to each office.

- At the April 8, 2021 meeting, all Board members will be eligible for nomination for election to those offices; any Board Member may nominate or self-nominate, and if seconded, those nominated shall constitute the slate of eligible candidates for election to each office.

- In accordance with the Bylaws, the following is a list of those Board Members eligible for nomination and election to each office for the fiscal year beginning July 1, 2021:

Chair	**Vice Chair**	**Secretary**
Yinka Ayankoya	Yinka Ayankoya	Yinka Ayankoya
Bruce Boehm	Bruce Boehm	Bruce Boehm
Ray DuBose	Ray DuBose	Ray DuBose
Jody Eimers*	Jody Eimers*	Jody Eimers*
Kevin Leibel	Kevin Leibel	Kevin Leibel
John Morris	John Morris	John Morris

*pending reappointment to the OWASA Board of Directors scheduled on May 4, 2021.

- From this list, Board Members will nominate candidates for election to each office on April 22, 2021. The election of Officers will be conducted at the June 10, 2021 meeting, and the ballot shall consist of those persons nominated, and whose nominations were seconded, at the April 22nd meeting.

- For the Election of Officers at the June 10, 2021 Board meeting and in accordance with amended N.C. General Statutes 166A (Public Bodies/Remote Meetings During Declared Emergencies, Section 4.31.(a) Article 1A), Board Members, will vote verbally by roll call in alphabetical order, will announce their votes for each office, for one of the members nominated in the April 22, 2021 meeting. The verbal election will continue in successive rounds until an Officer is elected by five votes. In each successive round, the eligible candidates shall be those who received the greater number of votes in the previous round.

- A Board member who must be absent from the June 10, 2021 meeting may vote by proxy in the Election of Officers by submitting a written, dated and signed statement of his or her vote for each office, to the Clerk to the Board prior to beginning of the June 10th Board meeting. Proxy votes will be read aloud and counted so long as the person named on the written statement remains in the running through successive rounds of voting.

- OWASA Board of Director Bylaws officer descriptions:

  CHAIR. The Chair shall preside at all meetings of the Authority and shall have and exercise such authority and do and perform such other duties as may be assigned by the Authority.

  VICE CHAIR. At the request of the Chair, or in the event of the absence or disability of the Chair, the Vice Chair shall perform the duties and possess and exercise the powers of the Chair; and to the extent authorized by law the Vice Chair shall have such other powers as the Authority may determine, and shall perform such other duties as may be assigned to him by the Authority.

  SECRETARY. The Secretary shall have charge of such books, documents and papers as the Authority may determine, and shall have the custody of the official seal. She/He shall attend and keep the Minutes of all the meetings of the Authority, unless the Authority uses the services of a stenographer for that purpose, and in such case she/he shall review the Minutes to see that they are accurately taken and transcribed in the Minute Book. She/He shall keep a record, containing the names, alphabetically arranged, of all persons who are Directors of the Authority, the dates of their appointments and dates of expiration of their terms, showing their places of residence, and such book shall be open for inspection as prescribed by law. She/He shall in writing notify the Mayor or Chairman of the Board, as the case may be, of the appointing governing body at least 30 days prior to the expiration of the term for which a member of the Authority was appointed by such governing body so that such appointing governing body may have sufficient time in which to either reappoint such person for an additional term or to appoint some other person to the Authority in his or her place. She/He shall, in general, perform all the duties incident to the office of Secretary, subject to the control and direction of the Authority, and shall do and perform such other duties as may be assigned by the Authority.

Action Needed

Finalize the nominations for the Officers of Chair, Vice Chair and Secretary for the OWASA Board of Directors for Fiscal Year 2022 in preparation for the June 10, 2021 meeting.