Orange Water and Sewer Authority

Virtual Public Hearings and Meeting of the Board of Directors

May 27, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held public hearings and a regular meeting by virtual means in accordance with law, on Thursday, May 27, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, 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), Michelle Mayes, Jacqueline Mills, and Kelly Satterfield.

Motions

1. Robert Morgan made a Motion to close the Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budgets and Proposed Rates, Fees and Charges for Fiscal Year 2022 that begins on July 1, 2021, subject to the rights of the public to submit comments for up to 24 hours after the close of the public hearings, as provided by amended NC General Statutes 166A; the Motion was seconded by Jody Eimers and unanimously approved.

2. Robert Morgan made a Motion to approve the Minutes of the April 22, 2021, Meeting of the Board of Directors, second by John Morris and the Motion was unanimously approved.

3. Robert Morgan made a Motion to approve the Minutes of the May 13, 2021, Closed Session of the Board of Directors for the purpose of discussing a potential real property acquisition, second by John Morris and the Motion was unanimously approved.

4. Todd BenDor made a Motion to direct staff to adjust the Executive Director's performance review schedule to reflect an interim review in January and annual review in May of each year; second by Bruce Runberg and the Motion was unanimously approved.

5. Jody Eimers made a Motion that the Board of Directors hold a Closed Session at the end of the Board meeting on May 27, 2021 to discuss the Executive Director's salary adjustment; second by Bruce Boehm and the Motion was unanimously approved.

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Announcements

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

Mr. DuBose welcomed Todd Bendor, new Chapel Hill Appointee to the OWASA Board of Directors.

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 on May 20, 2021, Mary Tiger and he attended the Orange County Climate Council meeting to discuss the draft Bylaws for the Council. The next meeting of the Orange County Climate Council will be June 17, 2021.

Mary Tiger, Strategic Initiatives Manager, announced that members of the OWASA Board of Directors' will meet on Monday, June 21, 2021, at 6:00 p.m., to interview strategic planning consultants in OWASA's Boardroom.

Petitions and Requests

Mr. DuBose asked for petitions and requests the public, Board and staff; none were received.

Item One: Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and Proposed Rates, Fees and Charges

Ray DuBose opened the concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and proposed Rates, Fees and Charges for Fiscal Year (FY) 2022 that begins July 1, 2021, through June 30, 2022.

Stephen Winters, Director of Finance and Customer Services, said OWASA is a public, non-profit agency providing water, sewer and reclaimed water services to the community. The organization's revenue comes solely from the fees customers pay for services. Any funds remaining after paying for expenses and debt payments is reinvested in the water and wastewater treatment plants and pipelines that makeup OWASA's community-owned water and wastewater systems.

Mr. Winters noted the draft budget includes a 5% rate increase for FY 2022; replacement of over three miles of drinking water mains; critical resiliency and redundancy work at the Jones Ferry Road Water Treatment Plant; East Main Street sewer rehabilitation in Carrboro; 11% reduction in employee health insurance premiums; and merit and cost of labor adjustments for employees.

The FY 2022 Budget includes revenue of about $39.7 million, operating expenses of $23.7 million; $17.6 million in capital improvements expenditures; $8.6 million for debt service payments; and $1.1 million in capital equipment.

Mr. Winters said the projected revenues for FY 2022 assumes a return to pre-pandemic, normal operating conditions. The 5% increase in monthly water and sewer rates will add $3.79 to the average monthly bill of households in OWASA's service area. If approved, the rate increase will become effective October 1, 2021. Mr. Winters said the Board is scheduled to decide on the FY 2022 budget and rates on June 10, 2021.

Mr. DuBose stated that no requests to speak or written public comments were received for tonight's public hearings. Mr. DuBose said the public is invited to provide comments via written materials within 24 hours after tonight's public hearings via e-mail or U.S. Postal Service to the OWASA Board of Directors.

Robert Morgan made a Motion to close the Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budgets and Proposed Rates, Fees and Charges for Fiscal Year 2022 that begins on July 1, 2021, subject to the rights of the public to submit comments for up to 24 hours after the close of the public hearings, as provided by amended NC General Statutes 166A; the Motion was seconded by Jody Eimers and unanimously approved. Please see Motion No. 1.

Mr. DuBose opened the Board discussion on the Preliminary Annual Operating and Capital Improvements Budgets and Proposed Rates, Fees and Charges for Fiscal Year 2022 that begins on July 1, 2021; there were no comments or questions.

Item Two: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Three: Minutes

Robert Morgan made a Motion to approve the Minutes of the April 22, 2021, Meeting of the Board of Directors, second by John Morris and the Motion was unanimously approved. Please see Motion 2.

Item Four: Minutes

Robert Morgan made a Motion to approve the Minutes of the May 13, 2021, Closed Session of the Board of Directors for the purpose of discussing a potential real property acquisition, second by John Morris and the Motion was unanimously approved. Please see Motion 3.

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

Todd Taylor, Executive Director, provided an update on OWASA's response to COVID-19, noting that staff continues to take proactive measures to ensure the community receives high-

quality and reliable water, wastewater, and reclaimed water services. He said staff who were working remotely, returned to OWASA facilities on May 17, 2021. A policy was implemented for routine telework opportunities for employees. Mr. Taylor said OWASA facilities will be open to the public on June 1, 2021, and lake staff will modify the lake recreation protocols in June to increase boating capacity on the reservoirs. Staff is also preparing to transition to in-person Board of Directors meeting in July 2021. Finally, Mr. Taylor reported that future updates on OWASA COVID-19 information to the Board will be provided via email.

Mary Tiger, Strategic Initiatives Manager, provided an update on the extent and severity of past due customer 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. She provided information on how many customers have received bill assistance in the past year. Ms. Tiger said there was relaunch of the North Carolina HOPE Program which uses federal funds to provide rental and utility assistance to eligible households.

Item Six: Guidance on Individual Board Member Interactions with OWASA Staff Members

The Board expressed appreciation for the Guidance on Individual Board Member Interactions with OWASA Staff Members and provided additional suggestions and clarification to update it. The suggestions will be incorporated and provided for the Board's final approval at the June 10, 2021, work session.

Item Seven: Adjusting the Performance Review Schedule for the Executive Director

After discussion, the Board agreed to adjust the Executive Director's performance review schedule to coincide the with adjusted employees' performance review schedule ending on June 30, 2021.

Todd BenDor made a Motion to direct staff to adjust the Executive Director's performance review schedule to reflect an interim review in January and annual review in May of each year; second by Bruce Runberg and the Motion was unanimously approved. Please see Motion 4.

Jody Eimers made a Motion that the Board of Directors hold a Closed Session at the end of the Board meeting on May 27, 2021, to discuss the Executive Director's salary adjustment; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 5.

Item Eight: Summary of Board Meeting Action Items

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

- Incorporate Board feedback on Guidance on Individual Board Member Interactions with OWASA Staff;
- Update 12 Month Board Meeting Calendar with new Executive Director interim and annual performance review dates; and
- Agenda items for the June 10, 2020, virtual Board Work Session:

- Long-Range Water Supply Plan Guiding Principles
- Approve the Fiscal Year 2022 Budget and proposed Rates, Fees and Charges including employee merit pay adjustment
- Resolution Honoring the Service of Robert Morgan as OWASA Board Member and the Carrboro-Chapel Hill-Orange County Community
- Election of Board Officers

Item Nine: Closed Session

Without objection, the Board of Directors convened in a closed session for the purpose of discussing a personnel matter as provided in N.C. General Statutes 143.318.11(6).

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 8:17 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board