Orange Water and Sewer Authority

Virtual Work Session of the Board of Directors

January 13, 2022

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 13, 2022, at 6:00 p.m. utilizing Microsoft Teams software.

Board Members attending virtually: Jody Eimers (Chair), Yinka Ayankoya (Vice Chair), John N. Morris (Secretary), Bruce Boehm, Raymond (Ray) DuBose, Todd BenDor and Kevin Leibel.

OWASA staff attending virtually: Amy Armbruster, Mary Darr, Robert Epting (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others attending virtually: Jeff Adkins, Monica Dodson, Margaret Holton (UNC Water Resources Manager), Ben Poulson (UNC), and Ellen Tucker (Gallager).

Motions

1. Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Work Session of the Board of Directors; second by Todd BenDor, and the Motion was unanimously approved.

2. Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Closed Session for the purpose of discussing a personnel matter in accordance with N.C. General Statutes 143-318.11.6; second by Todd BenDor, and the Motion was unanimously approved.

3. Ray DuBose made a Motion to authorize staff to include Jordan Lake as the preferred supply augmentation alternative in the draft Long-Range Water Supply Plan. Staff will continue to work with the Board of Directors and the Western Intake Partners to identify the preferred alternative to access our allocation of water in Jordan Lake; the Motion was second by Todd BenDor and unanimously approved.

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Announcements

Chair Jody Eimers announced that due to COVID-19 public health concerns, the OWASA Board of Directors held the meeting virtually utilizing Microsoft Teams software. Chair Eimers stated that Board Members, General Counsel, and staff participated in the meeting remotely by virtual means.

Chair Eimers 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.

Chair Eimers announced the Orange County Climate Council meet on December 16, 2021, and the primary topic of discussion was the work underway by local elected officials to clarify the purpose of the Council. The next meeting of the Orange County Climate Council is scheduled for Thursday, January 20, 2022, at 3:00 p.m.

Chair Eimers announced that members of the Orange County Board of County Commissioners and Orange County Appointees to the OWASA Board will meet via Zoom to discuss items of mutual interest on January 19, 2022, at 1:00 p.m.

Chair Eimers announced an OWASA Orientation for Carrboro Town Council Member Danny Nowell via Microsoft Teams on January 19, 2022, at 3:00 p.m.

Mary Tiger, Strategic Initiatives Manager, announced the Board will hold its third Strategic Plan Work Session on Wednesday, January 26, 2022, at 3:00 p.m. The goal of the session will be to consider strategic opportunities and identify the top 5 to 6 strategic priorities for the new strategic plan. Ms. Tiger noted that the Work Session will be held via Zoom and pre-registration is required.

Stephen Winters, Director of Finance and Customer Service, informed the Board the audit selection process is complete, and a recommendation will be provided to the Board for approval at the January 27, 2022, meeting.

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

The Board received this as an information item.

Item Two: Minutes

Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Work Session of the Board of Directors; second by Todd BenDor, and the Motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Closed Session for the purpose of discussing a personnel matter in accordance with N.C. General Statutes 143-318.11.6; second by Todd BenDor, and the Motion was unanimously approved. Please see Motion 2.

Item Four: Update on Employee Health and Dental Insurance for Fiscal Year 2023

The Board received this as an information item.

Item Five: Diversity and Inclusion (D&I) Update (September – December 2021)

The Board received this as an information item.

Item Six: Long-Range Water Supply Plan: Evaluation of Supply Alternatives

Ruth Rouse, Planning and Development Manager, provided a presentation on the evaluation of supply alternatives to provide access to OWASA's allocation of water in Jordan Lake as it relates to the Long-Range Water Supply Plan and staff's recommendation that Jordan Lake is the preferred water supply alternative to meet OWASA's water supply needs through 2070.

Chair Eimers directed the Board's discussion to consider whether a Jordan Lake alternative is what the Board will pursue and any additional information that might be needed for the January 27, 2022, discussion.

The Board and staff discussion included: differences between ranking and scoring the alternatives; impact of two Jordan Lake approaches on rates; incremental cost on intake structure and transmission lines to OWASA; what is the confidence in the cost of the alternatives and how it would translate to rates; hesitancy that the Board should make a decision on January 27th because of the uncertainties in the differences between the Jordan Lake alternatives without input from the Western Intake Partners; define interests prior to talking to the Western Intake Partners, which include among others ensuring an adequate water supply well into the future and protecting our Jordan Lake allocation; determining the value of OWASA property adjacent to Jordan Lake, and how to obtain that value in practical and/or financial terms.

Todd Taylor asked the Board to discuss and hopefully determine tonight that Jordan Lake is the preferred alternative for long term augmentation of OWASA's water supply; further consideration can be given to how to access the Jordan Lake allocation through arrangements with other Jordan Lake partners, and how to beneficially use OWASA's land to allow OWASA and others to access the Jordan Lake from its west side.

The Board agreed to remove the Direct Potable Reuse and Deep Quarry Reservoir alternatives. The Board requested additional information on the impact of the two Jordan Lake options on rates; and what is the incremental cost of intake structure and transmission lines to OWASA.

Ray DuBose made a Motion to authorize staff to include Jordan Lake as the preferred supply augmentation alternative in the draft Long-Range Water Supply Plan. Staff will continue to work with the Board of Directors and the Western Intake Partners to identify the preferred alternative to access our allocation of water in Jordan Lake; the Motion was second by Todd BenDor and unanimously approved. Please see Motion 3.

While direct potable re-use is not legal in North Carolina, staff will continue to monitor direct potable reuse initiative discussions in various professional journals, regulatory efforts, and by water interest agencies and organizations and will provide updates to the Board as needed.

Item Seven: Review and Discuss Draft Water Conservation Guiding Principles

The Board expressed appreciation to staff for the presentation, provided comments and feedback which will be incorporated for the Board's final review and approval at the January 27, 2022, meeting.

Item Eight: Discuss Suggested Actions OWASA Might Take to Encourage Public Interest in Service as OWASA Board Members

Robert Epting, General Counsel, provided a summary of North Carolina law regarding compensation of OWASA Board Members since the inception of OWASA.

Chair Eimers offered three suggestions for action that may increase public interest in Board Member applications: 1) increase compensation for attendance (proposed increase to $100 per meeting including orientation meetings (OWASA Board Member and newly elected officials) and $330 per month for the Chair of the Board); 2) Board approval that Chair Eimers as well as other Board Members may approach organizations to encourage interest in applying to the OWASA Board; and 3) the Board might seek to initiate and develop a temporary working group with elected officials to encourage public interest to apply to the OWASA Board.

The Board supported Chair Eimers' suggestion that she reach out to selected staff at the NAACP, Southern Environmental Law Center, and Rogers Road Community to encourage interest in applying to the OWASA Board.

The Board agreed to vote on the question, "Who is in favor of increasing Board Member compensation (proposed increase to $1,000 per quarter) which would be presented in a draft resolution for Board approval on January 27, 2022. The vote resulted in four yes votes (Ray DuBose, Jody Eimers, Kevin Leibel, and John Morris) to three no votes (Yinka Ayankoya, Todd BenDor, and Bruce Boehm,), and the vote failed. Bruce Boehm said he would change his vote if the increase in compensation was supported by data.

The Board agreed to vote on whether to support the development of a temporary working group with elected officials in Chapel Hill, Carrboro, and Orange County, to encourage public interest to apply to the OWASA Board. The vote passed with five yes votes (Todd BenDor, Bruce Boehm, Ray DuBose, Jody Eimers, and John Morris) to two no votes (Yinka Ayankoya and Kevin Leibel).

Chair Eimers directed staff to reach out to interested Board Members in an effort to reduce agenda items and documentation.

Item Nine: Review Board Work Schedule

Due to length of the Board Meeting and without objection the Board agreed to defer the Closed Session for the purpose of discussing a personnel matter until the January 27, 2022 Board Meeting.

Todd Taylor said the January 27, 2022, agenda will include a new item: Resolution Accepting a Low-Interest Load Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer All Related Loan Offer and Acceptance Documents.

Item Ten: Summary of Work Session Items

Todd Taylor said staff will update the Pending Key Staff Action items to include:

- Utilize feedback received to prepare for the Jordan Lake alternative discussion on January 27, 2022;
- Incorporate feedback into the draft Water Conservation Guiding Principles for Board approval on January 27, 2022; and
- Reschedule January 13, 2022 Closed Session for the purpose of discussing a personnel matter to January 27, 2022.

There being no other business to come before the Board, the meeting was adjourned at 9:04 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board