Orange Water and Sewer Authority

Virtual Meeting of the Board of Directors

January 27, 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 27, 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), Todd BenDor, Bruce Boehm, Raymond (Ray) DuBose, and Kevin Leibel.

OWASA staff attending virtually: Amy Armbruster, Mary Darr, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Christopher Giesting, Andrea Orbich, Johnny Riley, Ruth Rouse, Allison Spinelli, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others attending virtually: Greg Characklis (Aqua Risk Management), Monica Dodson, Karen Karvazy, Reed Palmer (Hazen), and Kelly Satterfield.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding an Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract. (Motion by John Morris, second by Kevin Leibel and the motion unanimously approved.)

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents. (Motion by John Morris, second by Kevin Leibel and the motion unanimously approved.)

3. Todd BenDor made a Motion that the Board of Directors authorizes staff to discuss with the Western Intake Partners the parties' interests and values in securing access to Jordan Lake with west side intake project; second by Bruce Boehm and the Motion was unanimously approved.

4. Todd BenDor made a Motion that the Board of Directors approves the proposed Water Conservation Plan Guiding Principles as amended; second by Ray DuBose and the Motion was 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 this meeting virtually utilizing Microsoft Teams software. Ms. Eimers stated that Board Members, General Counsel, and staff participated in the meeting remotely.

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 said on January 19, 2022, an OWASA Orientation was held for newly elected Carrboro Town Council Member Danny Nowell.

Chair Eimers said on January 20, 2022, she attended the Orange County Climate Council meeting, and the Council received an update on the local governments' deliberations on the purpose of the Council as well as discussed officer terms and elections. The next meeting is scheduled for February 17, 2022.

Ray DuBose announced that on January 19, 2022, Jody Eimers, Todd Taylor and he met with Orange County Board of County Commissioners Renee Price (Chair) and Jamezetta Bedford (Vice Chair). OWASA topics included: resuming standard collection practices; update on Long-Range Water Supply Plan; Energy Management; update on the Mountains-to-Sea Trail; Diversity and Inclusion Program update; Strategic Plan update; and forming a temporary working group to encourage minority application to the OWASA Board.

John Morris announced the Chapel Hill Town Council's OWASA Committee and the Chapel Hill Appointees to the OWASA Board of Directors will meet via Zoom on Tuesday, February 15, 2022, 10:00 a.m. OWASA topics for the meeting: Long-Range Water Supply Plan update including community engagement; information on rates charged to affordable housing providers; Strategic Plan update; and OWASA Board Membership.

Mary Tiger, Strategic Initiatives Manager, announced the Board and leadership staff held the third Strategic Planning Work Session on January 26, 2022, to reviewed draft vision, mission, and values as well as to identify top strategic priorities for the new Strategic Plan.

Petitions and Requests

Chair Eimers said no petitions or requests were received from the public.

Without objection, the Board agreed to forego presentations on items 8 and 9 (Financial Report for the Six-Month Period Ended December 31, 2021 and Fiscal Year 2023 Budget Calendar and Assumptions).

Chair Eimers requested the Board's February 10, 2022 Agenda include an item to discuss increasing Board Member compensation to encourage public interest in applying for appointment to the OWASA Board of Directors; the Board agreed.

Chair Eimers asked for petitions and requests from staff; there were none.

Item One: 12 Month Board Meeting Schedule

The Board accepted this as an information item.

Item Two: Capital Improvements Program Semiannual Report

The Board accepted this as an information item.

Item Three: Resolution Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract

John Morris made a Motion to approve the resolution, second by Kevin Leibel and the resolution was unanimously approved. Please see Motion 1.

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

John Morris made a Motion to approve the resolution, second by Kevin Leibel and the resolution was unanimously approved. Please see Motion 2.

Item Five: Long-Range Water Supply Plan: Select Water Supply Alternative

The Board agreed to add a future agenda item regarding methods to value OWASA's property on Jordan Lake.

After considerable Board and staff discussion, Todd BenDor made a Motion that the Board of Directors authorize staff to discuss with the Western Intake Partners the parties' interests and values in securing access to Jordan Lake with west side intake project; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 3.

Without objection, the Board agreed staff will provide the Long-Range Water Supply Plan (LRWSP) Community Engagement Plan on February 10, 2022.

Staff will E-mail the Board information on LRWSP sensitivity analysis completed on the yield of OWASA's reservoirs previously presented in 2020.

Item Six: Approve Water Conservation Plan Guiding Principles and Introduce Preliminary Gap Analysis

Bruce Boehm suggested Guiding Principles 2, second sentence be reworded to include "per gallon saved."

Todd BenDor made a Motion that the Board of Directors approves the proposed Water Conservation Plan Guiding Principles as amended; second by Ray DuBose and the Motion was unanimously approved.

Item Seven: 2021 Annual Lakes Recreation Report

The Board requested a future agenda item to discuss lake recreation including a draft plan with answers to common questions.

Item Eight: Financial Report for the Six-Month Period Ended December 31, 2021

The Board received this as an information item.

Item Nine: Fiscal Year 2023 Budget Calendar and Assumptions

The Board received this as an information item.

Item Ten: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items;

- Add a discussion of Board Member compensation to encourage public interest in applying for appointment as an OWASA Board Member at the February 10th Board Meeting;
- Add land evaluation item to a future Board agenda;
- Email the Board the Long-Range Water Supply Plan yield curve sensitivity analysis; and
- Add a lake recreation discussion item to a future Board meeting; and

Item Eleven: Closed Session

There was no further discussion to come before the Board and 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 adjourned at 8:22 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Approving and Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute the Contract

Whereas, Orange Water and Sewer Authority (OWASA) is required by the General Statutes of the State of North Carolina and the Series 2001 Bond Order to have its financial records audited at the termination of each fiscal year; and

Whereas, in November 2021, the Authority solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission; and

Whereas, four firms prepared bid proposals that were fully and completely reviewed by staff, and three of these firms were selected to be interviewed by an audit selection panel consisting of one member of the Board of Directors and three OWASA staff members, which the panel has now completed; and

Whereas, the audit selection panel recommends the selection of Martin Starnes & Associates, CPAs, P.A., based upon their solicitation presentations and their previous years of excellent service as OWASA's audit firm during the fiscal years 2011- 2021:

Now, Therefore, Be It Resolved:

1. That the contract between Orange Water and Sewer Authority and Martin Starnes & Associates, CPAs, P.A. for financial audit of the Fiscal Year Ending June 30, 2022, for charges not to exceed $32,650 is hereby approved subject to approval by the North Carolina Local Government Commission.

2. That the Chair of the OWASA Board of Directors and the Finance Officer are hereby authorized to execute such contract.

Adopted this 27th day of January 2022.

Jo Leslie Eimers

Jo Leslie Eimers, Chair

ATTEST:

John N. Morris

John N. Morris, Secretary

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

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

Whereas, the North Carolina Department of Environmental Quality has offered a State Revolving Loan in the amount of $5,585,890 for the replacement of the Water Treatment Plant Belt Filter Press; and

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

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority does hereby accept the State Revolving Loan offer in the amount of $5,585,890; and

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

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

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

Adopted this 27th day of January 2022.

Jo Leslie Eimers

Jo Leslie Eimers, Chair

ATTEST:

John N. Morris

John N. Morris, Secretary