Orange Water and Sewer Authority

Virtual Meeting of the Board of Directors

March 10, 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, March 10, 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: Monica Dodson, Jesse DuClau, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Andrea Orbich, Dan Przybyl, Ruth Rouse, Kelly Satterfield, Allison Spinelli, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others attending virtually: Meg Holton (UNC), Dennis Kaebisch, and Daniel Snipes (Town of Carrboro).

Motions

1. John Morris made a Motion to accept Bruce Boehm's petition and refer to staff for presentation at a future meeting; second by Kevin Leibel and the Motion was 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 Bruce Boehm, second by Todd BenDor and the motion unanimously approved.)

3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Setting the Date of May 12, 2022 for a Public Hearing on OWASA's Fiscal Year 2023 Budget. (Motion by Bruce Boehm, second by Todd BenDor and the motion unanimously approved.)

4. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Setting the Date of May 12, 2022 for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees, and Charges. (Motion by Bruce Boehm, second by Todd BenDor 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 Conservation Easement on OWASA Property in Cane Creek Reservoir Watershed. (Motion by Bruce Boehm, second by Todd BenDor and the motion unanimously approved.)

6. Bruce Boehm made a Motion to approve the Minutes of the February 10, 2022, Work Session of the Board of Directors; second by Todd BenDor, and the Motion was unanimously approved.

7. Bruce Boehm made a Motion to approve the Minutes of the February 24, 2022, Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Todd BenDor, and the Motion was unanimously approved.

8. John Morris made a Motion that Board Member compensation be increased to $100.00 per meeting, to include Board meetings, Committee meetings and Special meetings, and the Board Chair compensation be increased to $300 monthly effective March 10, 2022; 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 the 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 announced a virtual Orange County Climate Council meeting on March 17, 2022 at 3:00 p.m.

Chair Eimers announced a virtual Board diversity and inclusion training session on Thursday, March 24, 2022, at 6:00 p.m.

Mary Darr, General Manager of Operations, announced OWASA's lakes will open for recreation on Saturday, March 26, 2022, for the 2022 recreational season.

Petitions and Requests

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

Bruce Boehm made a petition regarding the uncertainty in the Yield Analysis for the Long-Range Water Supply Plan and to provide the information to the public in a way that is easy to understand.

John Morris made a Motion to accept Bruce Boehm's petition and refer to staff for presentation at a future meeting; second by Kevin Leibel and the Motion was unanimously approve. Please see Motion 1.

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

Item One: 2021 Affordability Program Update

The Board accepted this as an information item.

Item Two: 2021 Energy Management Plan Update

Bruce Boehm expressed appreciation for the report and suggested it provide a dollar and time investment information from this annual report

Item Three: 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

Bruce Boehm made a Motion to approve the resolution, second by Todd BenDor and the resolution was unanimously approved. Please see Motion 2.

Item Four: Resolution Setting the Date of May 12, 2022, for a Public Hearing on OWASA's Fiscal Year 2023 Budget Resolution Setting the Date of May 12, 2022, for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges

Bruce Boehm made a Motion to approve the resolution, second by Todd BenDor and the resolution was unanimously approved. Please see Motion 3.

Item Five: Resolution Setting the Date of May 12, 2022, for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges

Bruce Boehm made a Motion to approve the resolution, second by Todd BenDor and the resolution was unanimously approved. Please see Motion 4.

Item Six: Resolution Approving Conservation Easement on OWASA Property in Cane Creek Reservoir Watershed

Bruce Boehm made a Motion to approve the resolution, second by Todd BenDor and the resolution was unanimously approved. Please see Motion 5.

Item Seven: Minutes

Bruce Boehm made a Motion to approve the Minutes of the February 10, 2022, Work Session of the Board of Directors; second by Todd BenDor and the Motion was unanimously approved. Please see Motion 6.

Item Eight: Minutes

Bruce Boehm made a Motion to approve the Minutes of the February 24, 2022, Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Todd BenDor and the Motion was unanimously approved. Please see Motion 7.

Item Nine: Draft Fiscal Year 2023 Budget

Stephen Winters presented information about the draft Fiscal Year (FY) 2023 Budget and explained that drinking water sales volume for the next several years is expected to be about the same amount of water used by the community over 30 years ago. During the pandemic, drinking water sales volume was lower than normal and many expenditures and capital investments were deferred. The community's conservation provides many benefits including delaying the need to expand source water resources and system capacity. However, rising costs and the lack of growth in revenue increases the need to raise the rates charged for services. A 15% increase in monthly drinking water and sewer rates would be required to fund the draft FY 2023 Budget.

Board questions and feedback included: reasons for the increase in chemical and maintenance costs; four proposed positions and purchase of computerized maintenance management system; and effects of delaying a rate increase. The Board requested the next Budget iteration include alternative rate increase scenarios of 9%, 12%, and 15% and identification of what would need to be removed from the Budget and the consequences of removing them. The Board also requested staff's perspective on the various rate increases; how OWASA's rates compare to local and similar towns and/or organizations; additional information on the employee compensation study; and an update on customers currently in arrears.

Item Ten: Increasing Board Member Compensation to Encourage Public Interest in Applying for Appointment to the OWASA Board of Directors

John Morris made a Motion that Board Member compensation be increased to $100.00 per meeting, to include Board meetings, Committee meetings and Special meetings, and the Board Chair compensation be increased to $300 monthly effective March 10, 2022; second by Ray DuBose and the Motion was unanimously approved. Please see Motion 8.

Item Eleven: Review Board Work Schedule

The Board agreed to schedule a field on Mitigation Banking for interested Board Members to observe such projects in operation on the ground.

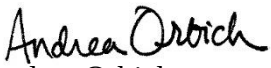
Item Twelve: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items;

- Provide a response to Bruce Boehm's March 9, 2022, petition regarding the Long-Range Water Supply Plan at the April 14, 2022 Meeting;
- Incorporate Board feedback to include dollar and time investment for the annual Energy Management Report; and
- Incorporate Board feedback on draft Fiscal Year 2023 Budget for discussion at the next meeting.

There was no further discussion to come before the Board and the meeting adjourned at 7:43 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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 $4,657,928 for the replacement of the West Cameron Avenue Water Main Replacement project; 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 $4,657,928; 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 10th day of March 2022.

Jo Leslie Eimers, Chair

ATTEST:

John N. Morris, Secretary

Resolution Setting the Date of May 12, 2022, for a Public Hearing on OWASA'S Fiscal Year 2023 Budget

Whereas, Section 159-12 of the General Statutes of North Carolina requires a Public Hearing on the budget for the ensuing fiscal year; and

Whereas, in accordance with Section 7.05 of the Bond Order, and Section 159-13 of the General Statutes of North Carolina, the Board of Directors of Orange Water and Sewer Authority shall adopt an Annual Budget for the Fiscal Year 2023 on or before the first day of July 2022; and

Whereas, said proposed Budget will be placed with the Clerk to the Board and will be available for public inspection;

Now, Therefore, Be It Resolved:

1. That a virtual Public Hearing is hereby set for Thursday, May 12, 2022, at 6:00 P.M., using Microsoft Teams, for the purpose of receiving public comment on the proposed Fiscal Year 2023 budget.

2. That any interested persons may appear in-person, or by agent or attorney, and present any comments they may have regarding the proposed budget.

3. That notice of the time and place of the Public Hearing shall be advertised and provided at least ten days prior to the date fixed above for the Public Hearing to The University of North Carolina at Chapel Hill, and to the Towns of Chapel Hill and Carrboro and to Orange County.

Adopted this 10th day of March 2022.

Jo Leslie Eimers

Jo Leslie Eimers, Chair

ATTEST:

John N. Morris

John Morris, Secretary

Resolution Setting the Date of May 12, 2022, for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges

Whereas, the Orange Water and Sewer Authority must charge fees sufficient to provide financial resources to recover the cost of ongoing operations, pay for capital improvements, and provide sufficient financial resources to ensure sustainable fiscal strength and stability; and

Whereas, due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams; and

Whereas, Section 162A-6 of the General Statutes of North Carolina and Section 7.04 of the Amended and Restated Bond Order adopted September 13, 2001, provide for the revision of such rates, fees and charges;

Now, Therefore, Be It Resolved:

1. That a virtual Public Hearing is hereby set for Thursday, May 12, 2022, at 6:00 P.M., using Microsoft Teams, for the purpose of receiving public comment on any proposed adjustments to Orange Water and Sewer Authority's rates, fees and charges.

2. That any interested persons may appear in person, or by agent or attorney, to present comments on the proposed modifications to the current schedule of rates, fees and charges.

3. That notice of the time and place of the Public Hearing shall be advertised and shall be provided at least ten days prior to the date fixed above for the Public Hearing to the University of North Carolina at Chapel Hill, Town of Carrboro, Town of Chapel Hill, and Orange County.

Adopted this 10th day of March 2022.

Jo Leslie Eimers

Jo Leslie Eimers, Chair

ATTEST:

John A. Morris

John Morris, Secretary

Resolution to Authorize Conservation Easement in Cane Creek Reservoir Watershed on Orange Water and Sewer Authority Land

Whereas, in order to protect water quality in the Cane Creek Reservoir watershed, Orange Water and Sewer Authority (OWASA) supports efforts to preserve and protect properties crossed by streams and wetlands tributary to the Cane Creek Reservoir; and,

Whereas, OWASA purchased 2/3 interest in a parcel containing streams adjacent to Cane Creek Reservoir in 2002 to help protect water quality in the Reservoir; and,

Whereas, OWASA received grant funds from the North Carolina Clean Water Management Trust Fund (Fund, now called the North Carolina Land and Water Fund) to reimburse a portion of the purchase price of the 2/3 interest in the parcel; and,

Whereas, OWASA and the Fund entered into an agreement in 2004 which obligated OWASA to purchase the remaining 1/3 interest and subsequently to protect permanently 300 foot riparian buffers on the streams on the property; and,

Whereas, OWASA purchased the remaining 1/3 interest on July 9, 2021; and,

Whereas, OWASA desires to fulfill on its obligations to the Fund:

Now, therefore be it resolved:

1. That the Orange Water and Sewer Authority (OWASA) Board of Directors, having been fully advised of the details and terms of the Conservation Easement proposed to be conveyed to the North Carolina Land and Water Fund, and having found that providing the proposed Conservation Easements will afford material protection to the water resources of Cane Creek Reservoir and fulfill OWASA's legal obligations to the Fund, hereby approves the proposed Conservation Easement and authorizes the Chair and Secretary of the Board of Directors to execute the Easement on behalf of OWASA.

Adopted this 10th day of March 2022.

Jo Leslie Eimers

Jo Leslie Eimers, Chair

ATTEST:

John N. Morris

John N. Morris, Secretary