

Orange Water and Sewer Authority
Virtual Meeting of the Board of Directors
April 28, 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, April 28, 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: Mary Darr, Monica Dodson, Jesse DuClau, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Robin Jacobs, Wil Lawson, 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) and Ben Poulson (UNC).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Amending the Fiscal Year 2022 Budget. (Motion by Todd BenDor, 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 Authorizing Executive Director to File an Application for American Rescue Plan Act Funding to the North Carolina Division of Water Infrastructure for Western Intake Partnership Studies. (Motion by Todd BenDor, second by Bruce Boehm and the Motion unanimously approved.)
3. Todd BenDor made a Motion to approve the Minutes of the February 24, 2022, OWASA Board of Directors Meeting; second by Bruce Boehm, and the Motion was unanimously approved.
4. Todd BenDor made a Motion to approve the Minutes of the March 10, 2022, OWASA Board of Directors Meeting; second by Bruce Boehm, and the Motion was unanimously approved.
5. Todd BenDor made a Motion that in advance of public hearings scheduled for May 12, 2022, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2023 proposed Budget and Schedule of Rates, Fees and Charges which includes a 16% increase in monthly water and sewer rates; second by Bruce Boehm and the Motion was unanimously approved.

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Announcements

Chair Jody Eimers announced that due to the ongoing North Carolina State of Emergency, 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.

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 tonight's rescheduled Board meeting (from April 14, 2022 Board) was due to a lack of a quorum and reminded the Board that the next two Board Meetings (May 12 and June 9, 2022) were important to attend and to notify staff quickly if unable to attend.

Chair Eimers said the Orange County Climate Council met March 17th and April 21st and in April, it was announced that, through the work of Council members, Orange County has been awarded LEED Gold for Cities and Communities by the US Green Building Council. The next virtual Climate Council meeting is scheduled for Thursday, May 19, 2022, at 3:00 p.m.

Chair Eimers announced a virtual meeting between members of the Orange County Board of County Commissioners and Orange County appointees to the OWASA Board on Monday, May 2, 2022, to discuss items of mutual interest.

Ruth Rouse, Planning and Development Manager, said she provided an update at the Chapel Hill Town Council Meeting regarding OWASA's Long-Range Water Supply Plan (LRWSP) on April 27, 2022. Ms. Rouse also announced a LRWSP update will be provided to the Carrboro Town Council on Tuesday, May 3rd and that Yinka Ayankoya and Chair Eimers will provide OWASA's annual update to the Council. An overall update on the public outreach will be provided to the Board on June 9th.

Petitions and Requests

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

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

Item One: Formal Purchase of Oakwood North and Oakwood South Water Main Pipe

The Board accepted this as an information item.

Item Two: Response to a Petition Regarding the Uncertainty and Level of Conservatism in the Yield Analysis for the Long-Range Water Supply Plan

The Board accepted this as an information item and staff will note on previous agendas the addendum.

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

The Board accepted this as an information item.

Item Four: Resolution Amending the Fiscal Year 2022 Budget

Todd BenDor made a Motion to approve the resolution, second by Bruce Boehm and the resolution was unanimously approved. Please see Motion 1.

Item Five: Resolution Authorizing Executive Director to File an Application for American Rescue Plan Act Funding to the North Carolina Division of Water Infrastructure for Western Intake Partnership Studies

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

Item Six: Minutes

Todd BenDor made a Motion to approve the Minutes of the February 24, 2022, Board of Directors Meeting; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 3.

Item Seven: Minutes

Todd BenDor made a Motion to approve the Minutes of the March 10, 2022, Board of Directors Meeting; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 4.

Item Eight: Discuss Draft Fiscal Year 2023 Budget and Authorize Staff to Publish Fiscal Year 2023 Budget and Rate Information

The Board received and discussed a staff presentation on the draft Fiscal Year (FY) 2023 budget and proposed rate increase to fund operating costs and capital investments. After discussing three different budget and rate adjustment scenarios, the Board supported publishing information about a draft budget which includes a 15% rate increase for monthly water and sewer services. (See motion in Item Nine.) Public hearings on the proposed budget and rate increase are scheduled for May 12, 2022.

Item Nine: Update on Long-Range Water Supply Plan and Western Intake Partnership

The Board received, discussed, and supported including an alternative to access our Jordan Lake allocation that evaluates investing in the intake and transmission infrastructure at a capacity that allows OWASA to access our full allocation from Jordan Lake during Phase 1 of the proposed Western Intake Partnership (City of Durham, Town of Pittsboro, Chatham County and OWASA) project.

Without objection, the Board supported funding OWASA's share of the cost of the studies and planning of the Western Intake Partnership. To provide the necessary funding, the Board supported adding 1% point to the rate increase for FY 2023.

Todd BenDor made a Motion that in advance of public hearings scheduled for May 12, 2022, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2023 proposed Budget and Schedule of Rates, Fees and Charges which includes a 16% increase in monthly water and sewer rates; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 5.

Item Ten: Discussion on Whether to Complete a Board of Directors Self-Assessment

The Board agreed to delay the self-assessment this year and to delay evaluation of the effectiveness of one Board Meeting a month until later this year.

Item Eleven: OWASA Board Members Eligible for Nomination for Election as Board Officers

The Board agreed to begin nominations in sequence for the Office of Chair, Vice Chair and Secretary.

John Morris nominated Jody Eimers as Chair of the Board and the nomination was seconded by Todd BenDor.

Jody Eimers nominated Bruce Boehm as Chair of the Board and the nomination was seconded by Ray DuBose.

Jody Eimers expressed appreciation for the nomination as Chair but respectfully withdrew her name.

There were no further nominations for Chair, and the Board agreed the nominee for the Election of Chair of the Board for Fiscal Year 2023 is Bruce Boehm.

Ray DuBose nominated Todd BenDor as Vice Chair of the Board and the nomination was seconded by Bruce Boehm.

Todd BenDor nominated Jody Eimers as Vice Chair of the Board and the nomination was seconded by Kevin Leibel.

Yinka Ayankoya nominated Ray DuBose as Vice Chair of the Board and Ray DuBose respectfully withdrew his name.

Jody Eimers respectfully withdrew her name as Vice Chair.

Todd BenDor nominated Kevin Leibel as Vice Chair of the Board and the nomination was seconded by Bruce Boehm.

There were no further nominations for Vice Chair, and the nominees for the Election of Vice Chair of the Board for Fiscal Year 2023 are Todd BenDor and Kevin Leibel.

Jody Eimers nominated Todd BenDor as Secretary of the Board and the nomination was seconded by John Morris.

Jody Eimers nominated Kevin Leibel as Secretary of the Board and the nomination was seconded by Yinka Ayankoya.

Todd BenDor nominated John Morris as Secretary of the Board and the nomination was seconded by Yinka Ayankoya.

John Morris respectfully withdrew his name as Secretary.

Kevin Leibel respectfully withdrew his name as Secretary.

Todd BenDor nominated Ray DuBose as Secretary of the Board and the nomination was seconded by Kevin Leibel.

There were no further nominations for Secretary, and the Board agreed the nominees for the Election of Secretary of the Board for Fiscal Year 2023 are Todd BenDor and Ray DuBose.

Mr. Epting reminded the Board of the availability of proxy voting on June 9, 2022.

Item Twelve: Review Board Work Schedule

The Board requested, if possible, a third Jordan Lake alternative for comparison to the two Jordan Lake alternatives be provided at the May 12th Board meeting.

Item Thirteen: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items:

- indicate updates on the Long-Range Water Supply Plan yield analysis on prior Board agendas;
- advertise information about the Fiscal Year 2023 proposed Budget and Schedule of Rates, Fees and Charges which includes a 16% increase in monthly water and sewer rates; and
- provide preliminary information about the comparison of the three Jordan Lake alternatives at the May 12th Board meeting.

There was no further discussion to come before the Board and the meeting adjourned at 8:08 p.m.

Orange Water and Sewer Authority

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Respectfully submitted by:

A handwritten signature in black ink that reads "Andrea Orbich". The signature is written in a cursive, flowing style.

Andrea Orbich

Executive Assistant/Clerk to the Board

Attachments

Resolution Amending the Fiscal Year (FY) 2022 Annual Budget

Whereas, the Board of Directors adopted the FY 2022 Annual Budget of Orange Water and Sewer Authority; and

Whereas, North Carolina General Statute 159-15 provides the authority for the Board of Directors to amend the adopted budget; and

Whereas, staff is forecasting that capital equipment expenditures will be approximately \$90,000 more than budgeted; and

Whereas, staff is projecting that capital improvements program expenditures will be approximately \$7 million less than budgeted;

Now, Therefore, Be It Resolved:

1. That pursuant to the provisions of North Carolina G.S. 159-15, the Official Budget of Orange Water and Sewer Authority for FY 2022 is amended as set forth in Attachment A.
2. That \$90,000 in the capital improvements program budget be transferred to the capital equipment budget as set forth in Attachment A.
3. That the Executive Director is authorized and instructed to implement the revised budget as herein set forth.

Adopted this 28th day of April 2022.



Jo Leslie Eimers, Chair

ATTEST:



John M. Morris, Secretary

ORANGE WATER AND SEWER AUTHORITY
FISCAL YEAR 2022 ANNUAL BUDGET
STATEMENT OF INCOME, EXPENSE AND DEBT SERVICE

	FY 2022 Annual Budget	Amendment	FY 2022 Amended Budget
Operating Revenue			
Water	\$18,194,238		\$18,194,238
Sewer	18,856,847		18,856,847
Reclaimed Water	463,200		463,200
Service Initiation Fee	16,510		16,510
Other	898,581		898,581
Refunds and Adjustments	(107,101)		(107,101)
Total Operating Revenue	<u>38,322,275</u>	<u>0</u>	<u>38,322,275</u>
Operating Expense			
General and Administrative	7,994,126		7,994,126
Operations	15,675,466		15,675,466
Total Operating Expense	<u>23,669,592</u>	<u>0</u>	<u>23,669,592</u>
Net Operating Income	14,652,683	0	14,652,683
Non-operating Revenue			
Customer Fees	1,249,897		1,249,897
Interest	97,759		97,759
Total Net Income	<u>16,000,339</u>	<u>0</u>	<u>16,000,339</u>
Debt Service			
Existing	7,945,522		7,945,522
New	677,664		677,664
Total Debt Service	<u>8,623,186</u>		<u>8,623,186</u>
Net Income Less Debt Service	<u>\$7,377,153</u>	<u>\$0</u>	<u>\$7,377,153</u>
General Fund			
Resources			
Transfer From Revenue	\$7,377,153		\$7,377,153
Transfer from Construction Fund (loan proceeds)	887,073		887,073
Grants and Contributions	0		0
Annual Income Available for Capital	<u>8,264,226</u>	<u>0</u>	<u>8,264,226</u>
Capital Expenditures			
Project Ordinances			
General Fund Contribution	11,185,000	(90,000)	11,095,000
Funded by Bond Proceeds	6,444,000		6,444,000
Total Project Resolutions	<u>17,629,000</u>	<u>(90,000)</u>	<u>17,539,000</u>
Capital Assets	1,057,250	90,000	1,147,250
Total Capital Outlay	<u>18,686,250</u>	<u>0</u>	<u>18,686,250</u>
Annual General Fund Balance	(10,422,024)		(10,422,024)
General Fund Beginning Balance	<u>28,048,578</u>		<u>28,048,578</u>
General Fund Ending Balance	17,626,554		17,626,554
Project Funding			0
Reserves	17,626,554		17,626,554
Unallocated General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Resolution to Authorize Executive Director to File an Application for Funding to the State of North Carolina for Western Intake Partnership Studies

Whereas, the Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies of drinking water intakes, treatment facilities, and distribution systems; and

Whereas, Orange Water and Sewer Authority (OWASA) has need for and intends to conduct a study for a new regional water supply intake, treatment facility and distribution system on the west side of Jordan Lake; and

Whereas, OWASA intends to request State loan and/or grant assistance for the project:

Now Therefore Be It Resolved, by the Board of Directors of the Orange Water and Sewer Authority:

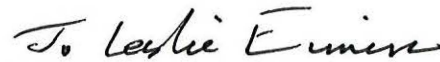
1. That OWASA, the Applicant, and its Partners will arrange financing for all remaining costs of the project, if approved for a State loan and/or grant award.
2. That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.
3. That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.
4. That Todd Taylor, Executive Director, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.
5. That the Authorized Official, 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.
6. That the Applicant has substantially complied or will substantially comply 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.

Resolution to Authorize Executive Director to File an Application for Funding to the State of NC for WIP
Studies

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Adopted this the 28th day of April, 2022.



Jo Leslie Eimers

Jo Leslie Eimers, Chair

ATTEST:



John N. Morris

John N. Morris, Secretary