

Orange Water and Sewer Authority  
Virtual Public Hearings and Meeting of the Board of Directors  
May 12, 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, May 12, 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, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Monica Hill, Stephanie Glasgow, Andrea Orbich, Dan Przybyl, Allison Spinelli, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others attending virtually: Monica Dodson, Ellen Tucker (Gallagher), Meg Holton (UNC), Rick O'Hara, and Kelly Satterfield.

Motions

1. Ray DuBose 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 2023 that begins on July 1, 2022, 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 Bruce Boehm and unanimously approved
2. Bruce Boehm made a Motion to approve the Minutes of the April 28, 2022, Board of Directors Meeting; second by Kevin Leibel and the Motion was unanimously approved.
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Authorizing the Executive Director Execute Contracts with Blue Cross and Blue Shield of North Carolina for Employee Health and Dental Insurance Plans. (Motion by Ray DuBose, second by Bruce Boehm and the motion 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.

Ray DuBose provided an update on May 2, 2022, meeting between members of the Orange County Board of County Commissioners and Orange County appointees to the OWASA Board, Mr. DuBose announced that the Orange County Climate Council was suspended until further notice.

Yinka Ayankoya provided an update on the May 3, 2022, Carrboro Town Council meeting where Chair Eimers and she provided OWASA's annual update to the Council and Ruth Rouse provided an update on the Long-Range Water Supply Plan.

Todd Taylor announced a mitigation banking field trip beginning Friday, May 20, 2022, at 8:30 a.m. Board Members, OWASA staff and staff from Restoration Systems will tour OWASA property and visit sites that are in various construction and monitoring phases.

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

Chair Eimers opened the concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and proposed Rates, Fees and Charges for Fiscal Year (FY) 2023 that begins July 1, 2022, through June 30, 2023.

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 make up OWASA's community-owned water and wastewater systems.

Mr. Winters said that projected water and sewer sales are expected to remain flat for the next several years. The FY 2023 draft budget includes plans to make upgrades to critical business systems, replace three (3) miles of drinking water and two (2) miles of sewer mains. The draft budget also includes the impact of inflation on operating expenses and merit and cost of labor adjustments for employees. To support these items, a 16% rate increase is required.

Mr. Winters noted the higher than projected increase is due to the lack of growth in water and sewer sales volume, significant inflation, and funding to complete prior year deferrals and new strategic initiatives.

The FY 2023 Budget includes revenue of about \$42 million and \$1.3 million in system development fees as well as other income. Mr. Winters said for FY 2023 budget includes

operating expenses of \$26.4 million, capital improvements expenditures of \$21.9 million, and debt service payments of \$10.4 million.

Chair Eimers announced that no requests were received to speak for the public hearings, but the Board received a comment via e-mail on May 11, 2022. She also said the public is invited to provide comments via written materials within 24 hours after the public hearing via e-mail or U.S. Postal Service to the OWASA Board of Directors.

Ray DuBose 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 2023 that begins on July 1, 2022, 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 Bruce Boehm and unanimously approved. Please see Motion 1.

Chair Eimers opened the Board discussion on the Preliminary Annual Operating and Capital Improvements Budgets and Proposed Rates, Fees and Charges for Fiscal Year 2023 that begins on July 1, 2021. Chair Eimers said the Board is expected to approve the budget at the Board's June 9, 2022, meeting and requested Board Members notify her and Todd Taylor (Executive Director) if they are unable to attend.

The Board requested follow up information on the fees for miscellaneous services and billing data regarding frequency of water consumption volumes.

Item Two: Formal Purchase of Biosolids Liquid Spreader

The Board accepted this as an information item.

Item Three: Quarterly Financial Report for the Nine-Month Period Ending March 31, 2022

The Board accepted this as an information item.

Item Four: Minutes of the April 28, 2022 OWASA Board of Directors Meeting

Bruce Boehm made a Motion to approve the Minutes of the April 28, 2022, Board of Directors Meeting; second by Kevin Leibel and the Motion was unanimously approved. Please see Motion 2.

Item Five: Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross and Blue Shield of North Carolina for Employee Health and Dental Insurance

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

Item Six: Employee Merit Pay for Fiscal Year 2023

The Board requested additional information on the dollar amount and value of personal leave bonuses provided to employees in Fiscal Year 2021.

A majority of the Board supported authorizing the proposed employee merit increase recommendation, to adjust the Fiscal Year 2023 Budget and provide a cost of labor increase of 4% and a merit increase of 2.9% for eligible employees in accordance with OWASA's Pay Administration Guidelines at the June 9, 2022, meeting.

Item Seven: Long-Range Water Supply Plan: Discuss Preparations for Jordan Lake Alternative Selection

Board feedback included the following edits (underlined) to the Summary of Evaluation Criteria as follows for consideration and approval on June 9, 2022:

- Ability for OWASA to have access to its Jordan Lake allocation at any time
- Likelihood that the water treatment plant, intake, and transmission infrastructure are built to meet OWASA's future demands
- Likelihood that corporate structure and agreements developed for the alternative will match the goals set and approved by the Board

The Board also agreed to authorize staff to evaluate the three Jordan Lake alternatives as well as review the three Jordan Lake alternatives against their capital and net present costs through 2050 and the impact on rates through 2030.

Item Eight: Review Board Work Schedule

The Board agreed that following the May 20, 2022, wetland mitigation banking field trip, Chair Eimers will determine whether to schedule a Natural Resources and Technical Services (NRTS) Committee meeting to provide a recommendation to the Board regarding this topic.

The Board agreed to move the Long-Range Water Supply Plan item on June 9, 2022, Agenda to Discussion and Action item. A doodle poll will be sent to schedule a Board Strategic Plan Work Session in June.

Item Nine: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items:

- Provide an update on questions regarding fees for miscellaneous services and billing data,
- Provide information regarding the value of personal leave bonuses provided to employees in FY 21 when merit increases were not given, and
- Following the May 20, 2022, wetland mitigation banking field trip, determine whether to schedule a NRTS Committee meeting.

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Item Ten:      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 9:16 p.m.

Respectfully submitted by:

A handwritten signature in black ink that reads "Andrea Orbich". The signature is written in a cursive style with a large initial 'A'.

Andrea Orbich

Executive Assistant/Clerk to the Board

Attachments

**Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross Blue Shield of North Carolina (BCBSNC) for Employee Health and Dental Insurance**

**Whereas**, OWASA employees are provided health and dental insurance coverage through BCBSNC; contracts with BCBSNC will expire on June 30, 2022; and

**Whereas**, OWASA employees have expressed their satisfaction with their present coverage through BCBSNC, and the Board of Directors has determined that continuing the contract for such coverage with BCBSNC is desirable and in OWASA's best interests; and

**Whereas**, with the capable assistance of consultant Gallagher, OWASA has obtained proposals from BCBSNC for continuing health coverage with an increase in annual premiums of 7.5%, and 3.5% increase in annual premiums for dental coverage for the period of July 1, 2022 through June 30, 2023; and

**Whereas**, with the capable assistance of Gallagher the Board of Directors has determined that the rates proposed by BCBSNC are reasonable and appropriate, and that it is in best interests of OWASA to accept the proposals;


**Now, Therefore, Be It Resolved:**

1. That the Board of Directors has determined to accept BCBSNC's proposals for Health and Dental insurance coverage for the term and on the conditions proposed.
2. That the Executive Director is hereby authorized and directed to execute the contracts.

Adopted this 12th day of May 2022.

  
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Jo Leslie Eimers, Chair

ATTEST:

  
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John N. Morris, Secretary