



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Agenda

Work Session of the OWASA Board of Directors

Thursday, November 14, 2019, 6:00 P.M.

OWASA Community Room

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service (aorbich@owasa.org/400 Jones Ferry Road, Carrboro, NC 27510).

For items on the agenda, public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors.

The Board may take action on any item on the agenda.

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
 - Update on the Orange County Board of Commissioners and Orange County Appointees to the OWASA Board Meeting on Thursday, November 14, 2019
 - Orange County Climate Council Meeting (TBD)
 - Care to Share Customer Assistance Day on November 21, 2019
- b. Announcements by Board Members
 - Update on the November 12, 2019 Finance Committee Meeting (Bruce Boehm)
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Consent Agenda

Action

1. Approval to Execute Contract between the State of North Carolina and OWASA for Water Supply Storage in B. Everett Jordan Lake (Ruth Rouse)
2. Minutes of the September 12, 2019 Meeting of the Board of Directors (Andrea Orbich)
3. Minutes of the September 26, 2019 Annual Meeting of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion

4. Long-Range Water Supply Plan – Update on Schedule and Process (Ruth Rouse)
5. Discuss Key Focus Areas for OWASA's Executive Director (Ed Kerwin)
6. Review Board Work Schedule (Ray DuBose/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff

- b. December 12, 2019 Work Session
- c. January 9, 2020 Work Session
- d. 12 Month Board Meeting Schedule
- e. Pending Key Staff Action Items

Summary of Work Session Items

- 7. Executive Director will summarize the key staff action items from the Work Session

Closed Session

- 8. The Board of Directors will convene in a Closed Session for the Purpose of Discussing a Personnel Matter (Robert Morgan)

Agenda Item 1:

Approval to Execute Contract between the State of North Carolina and OWASA for Water Supply Storage in B. Everett Jordan Lake

Purpose:

Approve staff's recommendation to authorize Executive Director to execute a contract with the State of North Carolina for water supply storage in B. Everett Jordan Lake (Jordan Lake).

Background:

- OWASA has had an allocation of water from Jordan Lake since 1988, the first round of allocations issued by the State of North Carolina.
- OWASA's original allocation of water was a Level II allocation for 10 percent of Jordan Lake's water supply pool (approximately 10 million gallons per day (mgd)). A Level II allocation is one based on a 30-year projection of water need and there is no time frame in which to access the water. This allocation of water was reapproved during the second round of allocations in 1997.
- During the third round of allocations, OWASA requested a Level II allocation of 5 percent of the water supply pool (approximately 5 mgd). This request to reduce our allocation was based on a reduction in our projected water supply demands. The North Carolina Environmental Management Commission (EMC) approved this request in 2001.
- The 2010 Long-Range Water Supply Plan (LRWSP) recognized the Jordan Lake allocation as an important part of OWASA's water supply portfolio, particularly during periods of extended drought or operational emergency. The LRWSP also noted that OWASA would be increasingly vulnerable to drought and operational emergencies until the expanded Quarry Reservoir is online in approximately 2035.
- The North Carolina Division of Water Resources advised OWASA that any use of Jordan Lake water must come from a Level I allocation, even for temporary or emergency use. (Level I allocations are based on 20-year water supply projections and may be used within five years of receiving the allocation). Subsequently, OWASA applied to modify our Level II allocation to Level I, and the EMC approved this request on March 14, 2013.
- The State of North Carolina most recently held its fourth round of allocations to Jordan Lake; OWASA applied to maintain its allocation of 5 percent of the water supply pool of Jordan Lake. The EMC approved this round four request from OWASA on March 9, 2017.
- OWASA can currently access its allocation from Jordan Lake by obtaining drinking water from the Towns of Cary and Apex, who own the only water supply intake on Jordan Lake, and sending that water through the interconnections between the Town of Cary and City of Durham, and the interconnections between the City of Durham and OWASA.

- OWASA needs to enter into the attached contract with the State of North Carolina to implement and access our Jordan Lake allocation.

Staff Recommendation:

Staff and General Counsel recommend authorizing the Executive Director to execute a contract for OWASA with the State of North Carolina for water supply storage in Jordan Lake.

Information:

- Resolution of the Board of Directors of Orange Water and Sewer Authority Authorizing Execution of Contract Between the State of North Carolina and Orange Water and Sewer Authority for Water Supply Storage in B. Everett Jordan Lake
- Contract Between the State of North Carolina and Orange Water and Sewer Authority for Water Supply Storage in B. Everett Jordan Lake

**Resolution of the Board of Directors of Orange Water and
Sewer Authority Authorizing Execution of Contract Between the State of North
Carolina and Orange Water and Sewer Authority for Water Supply Storage in B.
Everett Jordan Lake**

Whereas, on March 9, 2017, the North Carolina Environmental Management Commission approved Orange Water and Sewer Authority's request to maintain its allocation of five percent of Jordan Lake's water supply pool which is the equivalent of about 5 million gallons per day; and

Whereas, the allocation became effective on the date it was approved, March 9, 2017, and, by and through its terms and conditions, this Contract implements the allocation:

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

1. That the Executive Director of Orange Water and Sewer Authority is hereby authorized and directed to execute the contract between the State of North Carolina and Orange Water and Sewer Authority for Water Supply Storage in B. Everett Jordan Lake.

Adopted this the 14th day of November 2019.

Raymond E. DuBose, Chair

ATTEST:

Bruce Boehm, Secretary

**CONTRACT BETWEEN THE STATE OF NORTH CAROLINA
AND
ORANGE WATER AND SEWER AUTHORITY
FOR
WATER SUPPLY STORAGE IN B. EVERETT JORDAN LAKE**

This contract (“Contract”), entered into by and between the STATE OF NORTH CAROLINA (“State”) and ORANGE WATER AND SEWER AUTHORITY (“Allocation Holder”);

WITNESSETH THAT:

WHEREAS, the Flood Control Act of 1963 (Public Law 88-253, 88th Congress) authorized the construction, operation and maintenance of the B. Everett Jordan Dam and Lake Project on Haw River and New Hope River, North Carolina (“Project”); and

WHEREAS, the State contracted with the United States of America (“Government”) for the use of storage included in the Project for municipal and industrial water supply (“Jordan Water Supply Storage”), and for payment of the cost thereof in accordance with the provisions of the Water Supply Act of 1958, as amended; and

WHEREAS, the State through the Environmental Management Commission (“Commission”) is authorized by N.C. Gen. Stat. §143-354(11) to assign to any county or municipality or any other local government having a need for water supply storage in federal projects any interest held by the State in such storage, upon assumption of repayment obligation therefore or compensation to the State by such local government; and

WHEREAS, on March 9, 2017, the Commission allocated a total of five (5) percent of the water supply storage held by the State to the Allocation Holder for its use; the allocation consisting of a Level I allocation of five (5) percent; and

WHEREAS, the allocation became effective on the date it was approved (i.e. March 9, 2017) and, by and through its terms and conditions, this Contract implements the allocation.

NOW, THEREFORE, the State and the Allocation Holder (hereinafter jointly referred to as the “Parties”) agree as follows:

ARTICLE I – DEFINITIONS.

- (A) Annual Operation and Maintenance (O&M) Expense – The daily Project O&M costs over the calendar year.
- (B) Calendar Year – A one-year period beginning January 1 and ending December 31.
- (C) Capital Costs – The amount of principal paid by the State to the Government as part of the construction of the Project, i.e. \$4,317,884.28.
- (D) Division – The Division of Water Resources within the North Carolina Department of Environmental Quality.
- (E) Interest Costs – The amount of interest paid by the State to the Government as part of the construction of the Project, i.e. \$ 2,363,375.66.
- (F) Jordan Water Supply Storage – The portion of the water supply included in the Project for municipal and industrial water supply.
- (G) Level I Allocation – An assignment of Jordan Water Supply Storage that is made to an applicant that has an immediate need for water and plans to commence withdrawals within five years.
- (H) Level II Allocation – An assignment of Jordan Water Supply Storage that is made to an applicant that has a long-range need for water five to thirty years into the future.
- (I) Life of the Project – The physical life of the Project.
- (J) Major Replacement Costs – Infrequent costs to replace major structures, facilities and associated equipment at the Project.
- (K) Major Rehabilitation Costs – Infrequent significant costs to rehabilitate structures, facilities and equipment at the Project.
- (L) Net Inflow – The change (positive or negative) in the amount of water stored in Jordan Lake, as measured by the difference in elevation from one day to the next (i.e., a 24-hour period), plus the amount of water withdrawn from Jordan Lake during that same one-day period, plus the amount of water released from the dam or spillway during that same one-day period.
- (M) Project – The B. Everett Jordan Dam and Lake Project on Haw River and New Hope River, North Carolina.
- (N) Total Capital and Interest Cost – the total amount paid by the State to the Government as part of the construction of the Jordan Water Supply Storage, i.e. \$6,681,259.94.

ARTICLE II – RELATIONSHIP TO OTHER AGREEMENTS.

This Contract is predicated on the State’s right to utilize the Jordan Water Supply Storage as provided in the contract between the State and the Government, dated April 10, 1988, which is attached hereto as Attachment A. Upon execution of this Contract any and all previous contracts between the State and the Allocation Holder regarding water supply in Jordan Lake are merged into this Contract and all outstanding rights and duties under previous contracts are continued and governed by this Contract. If there is a conflict between prior contracts and this Contract, the provisions in this Contract shall prevail.

ARTICLE III – JORDAN WATER SUPPLY STORAGE.

- (A) Total Water Supply Storage Available. As provided in Attachment A, the State has the right to utilize an undivided 32.62 percent of the storage space at the Project between elevation 202 feet above mean sea level and 216 feet above mean sea level. The storage space held by the State is estimated to equal 45,800 acre-feet before adjustment for sediment deposits.
- (B) Jordan Water Supply Storage Amounts. The Division will maintain records on the amount of water supply available in the water supply storage pool and will inform each Allocation Holder of the amount of water available in its portion of that pool.
- (C) Sediment Adjustments. From time to time, the Government will survey the amount of sediment accumulated in Jordan Lake. When necessary, the Government will re-allocate the storage remaining in the lake among the Project purposes, maintaining the same proportional storage space for each purpose. This adjustment of storage may reduce the amount of space available to each Allocation Holder. Note, because a sediment storage pool designed to last over 100 years is included in Jordan Lake, such reductions in water supply storage are not expected to occur until after the year 2082.

ARTICLE IV – RIGHTS OF THE ALLOCATION HOLDER.

- (A) Right to Withdraw Level I Allocation: The Allocation Holder has a five (5) percent Level I Allocation. Subject to the limitations set forth in this Contract and any other requirements provided by law, the Allocation Holder has the right to withdraw up to five (5) percent of the Jordan Water Supply Storage. The Allocation Holder’s water withdrawals will be restricted during water shortage conditions according to the Allocation Holder’s approved drought and water shortage response plan under Article V, and in accordance with other laws. If the Allocation Holder’s storage space becomes depleted, the Allocation Holder’s right of withdrawal will be limited to a maximum withdrawal of five (5) percent of the portion of Net Inflow allocated to water supply (five (5) percent of 32.62 percent, which equals 1.6310 percent of the Net Inflow), for as long

as the Allocation Holder's water supply storage space is depleted.

- (B) The Allocation Holder's right to withdraw is contingent upon compliance with this Contract. The Allocation Holder's allocation may be revised or rescinded as set forth in 15A NCAC 02G .0507.
- (C) The Allocation Holder shall have the right to construct all such works, plants, pipelines and appurtenances as may be necessary and convenient for the purpose of diversion or withdrawals, subject to the approval of the Government and of the State as to design and location. Notwithstanding such approval, the Allocation Holder shall comply with all applicable laws, including all permitting requirements. The grant of an easement for right-of-way across, in and upon land of the Government at the Project shall be by a separate instrument in a form satisfactory to the Secretary of the Army, without additional cost to the Allocation Holder under the authority of and in accordance with the provisions of 10 USC 2668 and as may be necessary. Subject to the conditions of such easement, the Allocation Holder shall have the right to use as much of the Project land as may reasonably be required in the exercise of the rights and privileges granted under this Contract.
- (D) During any construction, operation and maintenance by the Allocation Holder of any facilities, the Allocation Holder will take specific actions to control environmental pollution that could result from such activity and to comply with applicable Federal, State, and local laws and regulations concerning environmental pollution.
- (E) The Allocation Holder shall be responsible for operation and maintenance of all installations and facilities that it may construct for the diversion or withdrawal of water, and shall bear all costs of construction, operation and maintenance of such installations and facilities. The responsibility for operating and maintaining any facilities constructed under this Article shall be separate from, and in addition to, the Allocation Holder's responsibility to pay Annual O&M Expenses as described in Article VII.

ARTICLE V – DROUGHT AND WATER SHORTAGE RESPONSE PLAN.

The Allocation Holder shall develop a Drought and Water Shortage Response Plan that is acceptable to both the Division and the Government prior to withdrawing any water. The Allocation Holder shall implement this Plan during droughts and other water shortages.

ARTICLE VI – MEASUREMENT OF WITHDRAWALS AND RELEASES.

The Allocation Holder agrees to furnish and install, without cost to the State, suitable meters or measuring devices satisfactory to the Government and to the Division for the measurement of water that is withdrawn by the Allocation Holder from the Project by any

means other than through the Project outlet works. Such devices shall be available for inspection by Government and Division representatives at all reasonable times. The Allocation Holder shall furnish to the Division monthly statements of all such withdrawals, showing the total amount withdrawn each month. The Allocation Holder shall also furnish to the Division monthly statements showing the amount withdrawn through their intake each day. Water supply releases through the Project outlet works shall be made in accordance with written schedules furnished by the Allocation Holder and approved by the Government. The measure of all such releases shall be by means of a rating curve of the outlet works, or by such other suitable means as may be agreed upon prior to use of Jordan Water Supply Storage.

ARTICLE VII – PAYMENTS.

In consideration of the right to utilize the aforesaid allocation of water supply from the Jordan Water Supply Storage for municipal and industrial water supply purposes, and for other contractual rights specified in this Contract, the Allocation Holder shall pay the following sums to the State.

(A) Construction and Interest Costs:

(1) Level I Allocation Costs Amount: Level I Allocation Holders are responsible for a proportional share of the State's Total Capital and Interest Costs. The Commission allocated to the Allocation Holder a five (5) percent allocation on March 9, 2017, which represents no increase in the Allocation Holder's previous Level I Allocation.

(2) Payment: The Allocation Holder has already paid its proportional share of the State's Total Capital and Interest Costs for its five (5) percent allocation pursuant to the Round 3 Jordan Lake Contract.

(B) Annual Operation and Maintenance (O&M) Expenses: The Allocation Holder is responsible for and shall pay five (5) percent of the State's share of annual O&M expenses for each calendar year the allocation is effective. The amount of each annual payment will be based on the actual O&M expense for the preceding calendar year. Payment of annual O&M costs shall be made within 30 days of invoice from the Division.

(C) Administrative Costs: The Allocation Holder shall pay the State \$500 per year to cover the State's administrative costs. Payment shall be made within 30 days of receipt of invoice from the Division.

- (D) Major Replacement Costs: The Allocation Holder shall pay five (5) percent of the State's share of major replacement costs. Payment of major replacement costs shall be made in a lump sum. The State will send an invoice to the Allocation Holder upon substantial completion of construction. This payment shall be due within 30 days of receipt of invoice from the Division.
- (E) Major Rehabilitation Costs. The Allocation Holder shall pay five (5) percent of the State's share of annual major rehabilitation costs. This rate of payment shall apply to all invoices received from the Government following the effective date of this Contract regardless of the date on which such rehabilitation costs were incurred by the Government or any other entity. The amount of each annual payment will be based on the actual rehabilitation costs for the preceding calendar year. The annual payment of these rehabilitation costs shall be made within 30 days of receipt of invoice from the Division.

ARTICLE VIII – EFFECTIVE DATE OF ALLOCATION AND DURATION OF CONTRACT.

Pursuant to 15A NCAC 02G .0502(5), the effective date of the allocation is the date that the Commission approved the allocation (i.e. March 9, 2017). This Contract is predicated on the Commission's allocation decision and shall remain in full force and effect unless and until the Commission acts to revise or rescind the Allocation Holder's allocation. This Contract may be modified by the parties by mutual agreement.

ARTICLE IX – RELEASE OF CLAIMS AND PRESERVATION OF AUTHORITY.

To the extent permitted by law, the Allocation Holder shall hold and save the Government and the State, including its officers, agents and employees, harmless from liability of any nature or kind for or on account of any claim for damages which may be filed or asserted as a result of the storage in the Project or withdrawal or release of water from the Project made or requested by the Allocation Holder, or as a result of the construction, operation or maintenance of the water supply facilities and appurtenances thereto owned and operated by the Allocation Holder, except for damages due to the sole fault or negligence of the State of North Carolina, the Government or its contractors. Nothing in this Contract shall restrict the State in the exercise of any right or duty of the State, including rights or duties related to the conduct of investigations, collection of information and issuance of permits.

ARTICLE X – NO TRANSFER OR ASSIGNMENT.

The Allocation Holder shall not transfer or assign this Contract or any rights acquired thereunder, nor suballot Jordan Water Supply Storage or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this Contract. The Allocation

Holder shall not infringe on the authority of the Commission to allocate Jordan Water Supply Storage. This Article shall not be construed so as to limit the Allocation Holder's ability to receive water withdrawn from Jordan Water Supply Storage through an intake operated and/or maintained by another allocation holder.

ARTICLE XI – CONTRACT ADMINISTRATORS.

The contract administrator for the Allocation Holder shall make the payments specified in this Contract to the contract administrator for the State. The administrator for the Allocation Holder shall be the following person:

Ruth Rouse, Planning and Development Manager
OWASA
400 Jones Ferry Road
Carrboro, NC 27510

The Allocation Holder shall be responsible for providing written notification to the State in the event the name and/or address for the Allocation Holder's designated contract administrator changes.

The contract administrator for the State and Department shall be the following person:

Kim Nimmer, Water Supply Planning
Division of Water Resources
Department of Environmental Quality
1611 Mail Service Center
Raleigh, North Carolina 27699-1611

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF:

ORANGE WATER AND SEWER AUTHORITY

BY _____

DATE: _____

Ed Kerwin, Executive Director

ATTEST:

BY _____

(SEAL)

STATE OF NORTH CAROLINA

BY _____

DATE: _____

Dr. A. Stanley Meiburg
Chairman, NC Environmental
Management Commission

ATTEST:

BY _____

(SEAL)

CONTRACT BETWEEN THE UNITED STATES OF AMERICA

AND

THE STATE OF NORTH CAROLINA

FOR

WATER STORAGE SPACE IN B. EVERETT JORDAN LAKE

THIS CONTRACT, entered into this tenth day of April, 1988, by and between the UNITED STATES OF AMERICA (hereinafter called the "Government") represented by the Contracting Officer executing this contract, and the State of North Carolina (hereinafter called the "State");

WITNESSETH THAT:

WHEREAS, the Flood Control Act of 1963 (Public Law 88-253, 88th Congress), authorized the construction, operation, and maintenance of the B. Everett Jordan Dam and Lake project on Haw River, North Carolina, (hereinafter called the "Project"); and

WHEREAS, the State desires to contract with the Government for the use of storage included in the Project for municipal and industrial water supply, and for payment of the cost thereof in accordance with the provisions of the Water Supply Act of 1958, as amended; and

WHEREAS, the State is empowered to contract with the Government and is vested with all necessary powers of accomplishment of the purposes of this contract, including those required by Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5d) (as amended);

NOW, THEREFORE, the Government and the State agree as follows:

ARTICLE 1 - Water Storage Space.

(a) Project Construction. The Government, subject to the directions of Federal law and any limitations imposed thereby, has designed and constructed the Project so as to include therein space for the storage of water by the State.

(b) Rights of State.

(1) The State shall have the right to utilize an undivided 32.62 percent (estimated to contain 45,800 acre-feet before adjustment for sediment deposits) of the total storage space in the Project between elevations 202 feet above mean sea level and 216 feet above mean sea level, which total conservation storage space is estimated to contain 140,400 acre-feet before adjustment for sediment deposits. This storage space is to be used to impound water for anticipated future demand or need for municipal and industrial water supply.

(2) Upon initiation of the use of the water in the storage space provided under Article 1(b)(1) and the making of payments under Article 5, the State shall have the right to withdraw water from the lake, or to order releases to be made by the Government through the outlet works in the Dam, subject to the provisions of Article 1(c) and to the extent the aforesaid storage space will provide; and shall have the right to construct all such works, plants, pipelines, and appurtenances as may be necessary and convenient for the purpose of diversion or withdrawals, subject to the approval of the Contracting Officer as to design and location. The grant of an easement for right-of-way, across, in and upon land of the Government at the Project shall be by a separate instrument in a form satisfactory to the Secretary of the Army, without additional cost to the State, under the authority of and in accordance with the provisions of 10 U.S.C. 2669 and such other authorities as may be necessary. Subject to the conditions of such easement, the State shall have the right to use so much of the Project land as may reasonably be required in the exercise of the rights and privileges granted under this contract.

(c) Rights Reserved. The Government reserves the right to maintain at all times minimum downstream releases through the gates or spillway of the dam to meet established water requirements provided, however, that water reserved and under payment in accordance with Article 5 for water supply use is not used for minimum releases without the expressed consent of the State. The Government further reserves the right to take such measures as may be necessary in the operation of the Project to preserve life and/or property, including the right not to make downstream releases during such periods of time as are deemed necessary, in its sole discretion, to inspect, maintain, or repair the Project.

(d) Quality or Availability of Water. The State recognizes that this contract provides storage space for raw water only. The Government makes no representations with respect to the quality or availability of water and assumes no responsibility therefor, or for the treatment of the water.

(e) Sedimentation Surveys.

(1) Sedimentation surveys will be made by the Contracting Officer during the term of this contract at intervals not to exceed fifteen (15) years unless otherwise agreed to in writing by both parties. When, in the opinion of the Contracting Officer, the findings of such survey indicate any project purpose will be affected by unanticipated sedimentation distribution, there shall be an equitable redistribution of the sediment reserve storage space among the purposes served by the Project including municipal and industrial water supply. The total available remaining storage space in the Project will then be divided among the various Project features in the same ratio as was initially utilized. Adjusted pool elevations will be rounded to the nearest one-half foot. Such findings and the storage space allocated to municipal and industrial water supply shall be defined and described as an exhibit which will be made a part of this contract and the reservoir regulation manual will be modified accordingly.

(2) The Government assumes no responsibility for deviations from estimated rates of sedimentation, or the distribution thereof. Such deviations may cause unequal distribution of sediment reserve storage greater than estimated, and/or encroachment on the total storage at the Project.

ARTICLE 2 - Regulation of and Right to Use of Water. The regulation of the use of water withdrawn or released from the aforesaid storage space shall be the sole responsibility of the State. The State has the full responsibility to acquire in accordance with State laws and regulations, and, if necessary, to establish or defend, any and all water rights needed for utilization of the storage provided under this contract. The Government shall not be responsible for diversions by others, nor will it become a party to any controversies involving the use of the storage space by the State except as such controversies may affect the operations of the Government.

ARTICLE 3 - Operation and Maintenance. The Government shall operate and maintain the Project and the State shall pay to the Government such share of the costs of such operation and maintenance as provided in Article 5. The State shall be responsible for operation and maintenance of all installations and facilities which it may construct for the diversion or withdrawal of water, and shall bear all costs of construction, operation and maintenance of such installations and facilities.

ARTICLE 4 - Measurement of Withdrawals and Releases. The State agrees to furnish and install, without cost to the Government, suitable meters or measuring devices satisfactory to the Contracting Officer for the measurement of water which is withdrawn from the Project by any means other than through the Project outlet works. The State shall furnish to the Government monthly statements of all such withdrawals. Prior to the construction of any facilities for withdrawal of water from the Project, the State will obtain the Contracting Officer's approval of the design, location and installation of the facilities including the meters or measuring devices. Such devices shall be available for inspection by Government representatives at all reasonable times. Releases from the water supply storage through the Project outlet works shall be made in accordance with written schedules furnished by the State and approved by the Contracting Officer and shall be subject to Article 1(c). The measure of all such releases shall be by means of a rating curve of the outlet works, or by such other suitable means as may be agreed upon prior to use of the water supply storage space.

ARTICLE 5 - Payments. In consideration of the right to utilize the aforesaid storage space in the Project for municipal and industrial water supply purposes, the State shall pay the following sums to the Government.

(a) Initial Project Investment Costs.

(1) The State shall repay to the Government, at the times and with interest on the unpaid balance as hereinafter specified, the amounts stated below which, as shown in Exhibit "A" attached to and made a part of this contract, constitute the entire estimated amount of the construction costs, including interest during the construction, allocated to the water storage right acquired by the State under this contract. The interest rate to be used for purposes of computing interest during construction and interest on the unpaid balance will be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction of the Project is initiated, on the

basis set forth in the Water Supply Act of 1958, as amended. For the Project, construction of which was initiated in fiscal year 1967, this interest rate is 3.225 percent. The State shall repay:

3.8 percent of the total Project joint-use construction costs,
estimated at. \$3,608,000

Interest during construction, estimated at. \$ 780,000

Total estimated amount of Project investment costs allocated to
water supply. \$4,388,000

(2) All of the Project investment cost allocated to the storage space indicated in Article 1(b)(1) is being provided for future demand on the basis of the costs presented in Exhibit "A." No principal or interest payment with respect to this storage for future water supply is required to be made during the first 10 years following the plant-in-service date or before February 4, 1992, unless all or a portion of such storage is used before that date. The amount to be paid for any portion of such storage which is used shall be determined by multiplying the percentage of the total storage for future water supply which is placed in use by the total amount of the Project investment costs allocated to future water supply. Interest at the rate provided above will be charged on the amount of the Project investment costs allocated to the storage for future water supply which is not being used from February 4, 1992, until the time when such storage is first used. The State will annually pay the interest as it becomes due until the storage is used.

When any portion of the storage for future water supply is used, payment of both principal and interest for the portion used shall be started, and the amount of the Project investment costs allocated thereto, with interest on the unpaid balance as provided above, shall be paid within the life of the Project but in no event to exceed 50 consecutive annual installments commencing on the date of this contract. The payment for each portion shall be in equal consecutive annual installments due and payable on January 1 of each year after the date of first use of such portion. For portions used prior to February 4, 1992, the first payment for each portion shall include interest on the investment cost of such portion from the date of first use of such portion to January 1. Subsequent payments will include interest on the remaining investment cost from date of previous payment. The last annual installment for any portion of the storage for future water supply shall be adjusted upward or downward when due to assure repayment of all of the investment costs allocated to such portion within the repayment period.

(3) An estimated schedule of annual payments for the storage provided for future demand is attached as Exhibit "B" of this contract. The annual payments as provided therein shall be made subject to Article 6. Payment schedules for the storage provided for future water supply demands will be furnished by the Contracting Officer when use of such storage is started and if based on estimated costs will be subject to Article 6.

(4) Obligating State legislatures to make future appropriations is inconsistent with state constitutional limitations. In the event that

the North Carolina Legislature shall elect not to appropriate funds in any State fiscal year for payments under this contract, the Government may elect to terminate this contract and all rights of the State to make withdrawals.

(b) Major Replacement Cost.

(1) Future Use Storage. As the storage for future water supply demands is used, the share of the joint-use major replacement items, which the State will be required to pay, will be increased commensurate with the State's percentage of future water supply storage being used, up to a total of 2.8 percent of such costs. After February 4, 1992, the State's share of such costs shall become 2.8 percent.

(2) Payment. Payment of costs, including interest during construction, shall be made either incrementally during construction, or in lump sum upon completion of construction.

(c) Annual Operation and Maintenance (O&M) Expense.

(1) Future Use Storage. If storage for future water supply demands is used before February 4, 1992, the share of the annual experienced joint-use O&M expense which the State will be required to pay will be increased commensurate with the percentage of future water supply storage being used, up to a total of 5.4 percent of such expense. After February 4, 1992, the State's share of such expenses shall immediately become 5.4 percent.

(2) Payment. The amount of each annual payment will be the actual experienced O&M expense for the preceding fiscal year or an estimate thereof when actual expense information is not available. As future usages commence, O&M expense for that portion of a year would be prorated by months in use prior to said anniversary date on the basis of the actual experienced joint-use O&M expense for the preceding Government fiscal year. The first payment, in such a case, shall be due and payable within 30 days from the date of scheduled first use of storage space. Subsequent annual payments shall be made on the date for payment of project investment costs as set forth in Article 5(a)(2).

(d) Major Rehabilitation Program Costs. For costs associated with major rehabilitation programs, the percentages of specific and joint use costs which the State will be required to pay will be in accordance with Article 5(c) for future use storage. Payments for the costs associated with the program shall be in accordance with Article 5(b)(2).

(e) The State shall have the right at any time it so elects to prepay the indebtedness under this Article, subject to redetermination of costs as provided for in Article 6, in whole or in part, with accrued interest thereon to the date of such prepayment.

(f) Delinquent Payments. If the State shall fail to make any of the aforesaid payments when due, then the overdue payments shall bear interest

compounded annually until paid. The interest rate to be used for overdue payments due under the provisions of Articles 5(a), 5(b), 5(c), and 5(d) above shall be that determined by the Department of Treasury's Treasury Fiscal Requirements Manual (1 TFRM 6-8000, "Cash Management"). The amount charged on payments overdue for a period of less than one year shall be figured on a monthly basis. For example, if the payment is made within the first month after being overdue after a 15-day grace period from the anniversary date of the date of notification, one month's interest shall be charged. Thereafter, a month's interest will be charged for any portion of each succeeding month that the payment is delinquent. This provision shall not be construed as giving the State a choice of either making payments when due or paying interest, nor shall it be construed as waiving any other rights of the Government, at law or in equity, which might result from any default by the State.

(g) Credit. If storage under future-use contract is used for other beneficial purposes during the interim between the end of the ten-year interest free period and the time water supply use is initiated and the Federal Government receives payments for such interim use, then the State shall be credited with an appropriate share of payments made under Article 5(b) and 5(c).

ARTICLE 6 - Adjustment to Project Investment Cost. The investment cost shown in this contract and the exhibits is based on actual cost through March 1987. After March 1989, the Contracting Officer shall make a revised interim estimated determination of investment costs. Further interim determinations of cost will be made at intervals considered necessary by the Contracting Officer. All interim cost estimates will take into account the actual costs to the extent they are then known. Such further interim determinations will be performed at such periods so as to keep the State reasonably informed as to the required payment. On each occasion of a cost adjustment, the annual payments thereafter due shall be adjusted upward or downward so as to provide for repayment of the balance due in equal installments during the remaining life of the repayment period. The last such investment cost adjustment will be made when the last of the construction general funds have been expended. Such final determination will include the Government's approved estimate of any pending real estate items and any known claims not previously accrued. Any further investment cost accruing to the State's water storage right shall be repaid under major replacement costs if capitalized or under operation and maintenance expense if not capitalized.

ARTICLE 7 - Duration of Contract. This contract shall be effective when approved by the Secretary of the Army or his duly authorized representative and shall continue in full force and effect for the life of the Project; provided that the parties may mutually agree to necessary supplemental agreements to the contract approved by the Assistant Secretary of the Army (Civil Works) or his duly authorized representative and consistent with requirements of State and Federal law.

ARTICLE 8 - Permanent Rights to Storage. Upon completion of the payment by the State, as provided in Article 5(a) herein, the State shall have a permanent right, under the provisions of the Act of 16 October 1963 (Public Law 88-140, 43 U.S.C. 390e), to the use of the water supply storage space in the Project as provided in Article 1, subject to the following:

(a) The State shall continue payment of annual operations and maintenance costs allocated to water supply.

(b) The State shall bear the costs allocated to water supply of any necessary reconstruction, rehabilitation, or replacement of Project features which may be required to continue satisfactory operation of the Project. Such costs will be established by the Contracting Officer and repayment arrangements shall be in writing in accordance with the terms and conditions set forth in Article 5(b)(2) for Major Replacement Costs, and be made a part of this contract.

(c) Upon completion of payments by the State as provided in Article 5(a), the Contracting Officer shall redetermine the storage space for municipal and industrial water supply in accordance with the provisions of Article 1(e). Such redetermination of reservoir storage capacity may be further adjusted from time to time as the result of sedimentation resurveys to reflect actual rates of sedimentation and the exhibit revised to show the revised storage space allocated to municipal and industrial water supply.

(d) The permanent rights of the State under this contract shall be continued so long as the Government continues to operate the Project. In the event the Government no longer operates the Project, such rights may be continued subject to the execution of a separate contract, or additional supplemental agreement providing for:

(1) Continued operation by the State of such part of the facility as is necessary for utilization of the water supply storage space allocated to it;

(2) Terms which will protect the public interest; and

(3) Effective absolvment of the Government by the State from all liability in connection with such continued operation.

ARTICLE 9 - Release of Claims. The State shall hold and save the Government, including its officers, agents and employees harmless from liability of any nature or kind for or on account of any claim for damages which may be filed or asserted as a result of the storage in the Project, or withdrawal or release of water from the Project, made or ordered by the State or as a result of the construction, operation, or maintenance of the water supply facilities and appurtenances thereto owned and operated by the State except for damages due to the sole fault or negligence of the United States or its contractors.

ARTICLE 10 - Assignment. The State shall not transfer or assign this contract or any rights acquired thereunder, nor suballot said water supply storage space or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this contract, without the approval of the Secretary of the Army, or his duly authorized representative provided that, unless contrary to the public interest, this restriction shall not be construed to apply to any water that may be obtained from the water supply storage space by the State and furnished to any third party or parties, nor any method of allocation thereof.

ARTICLE 11 - Officials Not to Benefit. No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12 - Covenant Against Contingent Fees. The State warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee excepting bona fide employees or bona fide established commercial or selling agencies maintained by the State for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to add to the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE 13 - Environmental Quality. During any construction, operation, and maintenance by the State of any facilities, specific actions will be taken to control environmental pollution which could result from such activity and to comply with applicable Federal, State, and local laws and regulations concerning environmental pollution. Particular attention should be given to (1) reduction of air pollution by control of burning, minimizing of dust, containment of chemical vapors, and control of engine exhaust gases, and of smoke from temporary heaters; (2) reduction of water pollution by control of sanitary facilities, storage of fuels and other contaminants, and control of turbidity and siltation from erosion; (3) minimizing of noise levels; (4) onsite and offsite disposal of waste and spoil; and (5) prevention of landscape defacement and damage.

ARTICLE 14 - Federal and State Laws.

(a) In acting under its rights and obligations hereunder, the State agrees to comply with all applicable Federal and State laws and regulations, including but not limited to the provisions of the Davis-Bacon Act (40 U.S.C. 276a et seq.); the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333); Title 29, Code of Federal Regulations, Part 3; and Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646).

(b) The State furnishes, as part of this contract, an assurance (Exhibit C) that it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 241, 42 U.S.C. 2000d, et seq.) and Department of Defense Directive 5500.11 issued pursuant thereto and published in Part 300 of Title 32, Code of Federal Regulations.

(c) Any discharges of water or pollutants into a navigable stream or tributary thereof resulting from the State's facilities and operations undertaken under this contract shall be performed only in accordance with applicable Federal, State, and local laws and regulations.

ARTICLE 15 - Definitions.

- (a) Initial Project investment costs - The initial cost of the Project, including: land acquisition; construction; interest during construction on the value of land, labor, and materials used for planning and construction of the Project.
- (b) Interest during construction - An amount of interest which accrues on expenditures for the establishment of Project services during the period between the actual outlay and the time the Project is first made available to the State for water storage.
- (c) Specific costs - The costs of Project features normally serving only one particular project purpose.
- (d) Joint-use costs - The costs of features used for any two or more Project purposes.
- (e) Plant-in-service date - The date when the Project is operational for water supply purposes. This date is the date that the Project is physically available to initiate deliberate impoundment in a conservation pool. (Feb 4, 1982)
- (f) Annual operation and maintenance (O&M) expense - Annual expense funded under the O&M, General account. These expenses include the daily project O&M costs as well as those O&M costs which are capitalized.
- (g) Major replacement cost - Costs funded under the Operation and Maintenance, General, or Construction, General accounts but not associated with initial Project investment costs.
- (h) Fiscal Year - Refers to the Government's fiscal year. The year begins on 1 October and ends on 30 September. The September calendar year corresponds to the fiscal year.
- (i) Life of the Project - This is the physical life of the Project.
- (j) Major Rehabilitation - This program is to facilitate accomplishment of significant, costly infrequent rehabilitation work at the Project without unduly distorting the Operation and Maintenance General budget.

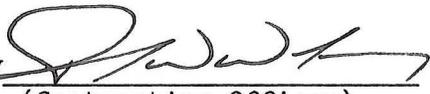
ARTICLE 16 - Approval of Contract. This contract shall be subject to the written approval of the Secretary of the Army or his duly authorized representative and shall not be binding until so approved.

IN WITNESS WHEREOF, the parties have executed this contract as of the day and year first above written.

APPROVED:

BY 
Assistant Secretary of the Army
(Civil Works)
ROBERT W. PAGE

THE UNITED STATES OF AMERICA

BY 
(Contracting Officer)
PAUL W. WOODBURY, COL

DATE: 4-10-88

DATE: 25 MAR 88

STATE OF NORTH CAROLINA

BY 
(ENVIRONMENTAL MANAGEMENT COMMISSION)
CHARLES L. BAKER, CHAIRMAN

DATE: 25 March 1988

CERTIFICATION

I, Daniel C. Oakley, the Attorney for the Environmental Management Commission, hereby certify that the foregoing agreement executed by Charles L. Baker, of the Commission is within the scope of his authority to act upon behalf of the State of North Carolina, and that in my capacity as Attorney for the State, I have considered the legal effect of Section 221 of the 1970 Flood Control Act (Public Law 91-611) and find that the State is legally capable of entering into the contractual obligations contained in the foregoing agreement and that, upon acceptance, it will be legally enforceable.

Given under my hand, this 24th day of March 1988

Daniel C. Oakley
Attorney for Environmental Management Commission

EXHIBIT A

I - LAKE STORAGE

<u>Feature</u>	<u>Elevation</u> (ft., m.s.l.)	<u>Usable</u> <u>Storage</u> (ac. ft.)	<u>Conservation</u> <u>Storage</u>	<u>Percent of</u> <u>Water</u> <u>Supply</u> <u>Storage</u>
Flood Control	216 - 240	538,400		
Conservation	202 - 216	140,400	100.0	
Water Supply	202 - 216	(45,800)	32.62	100.0
State of N.C.				
Present		(0)		0
Future		(45,800)		100.0
Other Purposes	202 - 216	(94,600)	67.38	
Sediment	150 - 202	<u>74,700</u>		
Total		753,500		

EXHIBIT A (CONT)

II - ALLOCATION OF ESTIMATED CONSTRUCTION COST

<u>Feature</u>	<u>Cost (\$)</u>	<u>Percent of Project Joint- Use Construction Cost</u>
Flood control	\$ 56,934,000	
Specific	(0)	
Joint-use	(56,934,000)	60.2
Recreation	\$ 62,978,000	
Specific	(40,132,000)	
Joint-use	(22,846,000)	24.2
Water supply	\$ 3,608,000	
Specific	(0)	
Joint-use	(3,608,000)	3.8
Water Quality	\$ 11,160,000	
Specific	(0)	
Joint-use	(11,160,000)	11.8
Road Betterments (specific)	0	
Cultural Resources (specific)	<u>\$ 1,320,000</u>	
Total	<u>\$136,000,000</u>	<u>100.0</u>

EXHIBIT A (CONT)

III - INVESTMENT COSTS TO BE REPAYED BY USER FOR WATER
SUPPLY STORAGE

Future Use:

Cost of 45,800 acre-feet of water supply storage	=	\$3,608,000
Interest during construction *	=	\$ 780,000
Total future use investment	=	\$4,388,000

Note:

*Based on an interest rate of 3.225%.

EXHIBIT A (CONT)
IV - TOTAL ESTIMATED ANNUAL COST TO USER FOR USE OF WATER
SUPPLY STORAGE

Interest and amortization: (a)

\$4,388,000 repaid over 50 (b) payments
with interest at 3.225% \$172,340

Operation and Maintenance (c)

Joint-use (estimated)
5.4% (d) X \$399,000 = \$ 21,550

Major Replacement (estimated) (e)

Joint-Use
X 2.8% (f) X \$66,000 = \$ 1,850

TOTAL ESTIMATED ANNUAL COST \$195,740

Notes:

- (a) Payment due and payable on the date specified in Article 5(a)(2).
- (b) Fifty years from date of this contract.
- (c) Payment due and payable on the date specified in Article 5(c)(2).
- (d) Percent of Project joint-use operation and maintenance cost allocated to water supply.
- (e) Major replacement costs are payable only when incurred as specified in Article 5(b)(2). It is suggested that the amount shown be placed in a reserve or sinking fund for future contingency.
- (f) Percent of Project joint-use major replacement cost allocated to water supply.

AMORTIZATION SCHEDULE

TOTAL COST =\$ 4388000.00
NUMBER OF PAYMENTS = 50
INTEREST RATE, PERCENT = 3.225

ANNUAL PAYMENT NUMBER	AMOUNT OF PAYMENT	APPLICATION		BALANCE ALLOCATED COST
		INTEREST	ALLOCATED COST	
1	172340.45	0.00	172340.45	4215659.55
2	172340.45	135955.02	36385.43	4179274.11
3	172340.45	134781.59	37558.86	4141715.25
4	172340.45	133570.32	38770.14	4102945.11
5	172340.45	132319.98	40020.47	4062924.64
6	172340.45	131029.32	41311.13	4021613.51
7	172340.45	129697.04	42643.42	3978970.09
8	172340.45	128321.79	44018.67	3934951.42
9	172340.45	126902.18	45438.27	3889513.15
10	172340.45	125436.80	46903.65	3842609.50
11	172340.45	123924.16	48416.30	3794193.20
12	172340.45	122362.73	49977.72	3744215.48
13	172340.45	120750.95	51589.50	3692625.98
14	172340.45	119087.19	53253.27	3639372.71
15	172340.45	117369.77	54970.68	3584402.03
16	172340.45	115596.97	56743.49	3527658.54
17	172340.45	113766.99	58573.47	3469085.07
18	172340.45	111877.99	60462.46	3408622.61
19	172340.45	109928.08	62412.37	3346210.24
20	172340.45	107915.28	64425.17	3281785.07
21	172340.45	105837.57	66502.88	3215282.18
22	172340.45	103692.85	68647.60	3146634.58
23	172340.45	101478.97	70861.49	3075773.09
24	172340.45	99193.68	73146.77	3002626.32
25	172340.45	96834.70	75505.75	2927120.57
26	172340.45	94399.64	77940.81	2849179.75
27	172340.45	91886.05	80454.41	2768725.35
28	172340.45	89291.39	83049.06	2685676.29
29	172340.45	86613.06	85727.39	2599948.89
30	172340.45	83848.35	88492.10	2511456.79
31	172340.45	80994.48	91345.97	2420110.82
32	172340.45	78048.57	94291.88	2325818.94
33	172340.45	75007.66	97332.79	2228486.15
34	172340.45	71868.68	100471.77	2128014.37
35	172340.45	68628.46	103711.99	2024302.38
36	172340.45	65283.75	107056.70	1917245.68

EXHIBIT B (CONTINUED)

AMORTIZATION SCHEDULE

TOTAL COST =\$ 4388000.00
NUMBER OF PAYMENTS = 50
INTEREST RATE, PERCENT = 3.225

APPLICATION

ANNUAL PAYMENT NUMBER	AMOUNT OF PAYMENT	INTEREST	ALLOCATED COST	BALANCE ALLOCATED COST
37	172340.45	61831.17	110509.28	1806736.40
38	172340.45	58267.25	114073.20	1692663.20
39	172340.45	54588.39	117752.07	1574911.13
40	172340.45	50790.88	121549.57	1453361.56
41	172340.45	46870.91	125469.54	1327892.02
42	172340.45	42824.52	129515.94	1198376.09
43	172340.45	38647.63	133692.82	1064683.26
44	172340.45	34336.04	138004.42	926678.84
45	172340.45	29885.39	142455.06	784223.78
46	172340.45	25291.22	147049.24	637174.55
47	172340.45	20548.88	151791.57	485382.97
48	172340.45	15653.60	156686.85	328696.12
49	172340.45	10600.45	161740.00	166956.12
50	172340.45	5384.33	166956.12	0.00

Agenda Item 2

Orange Water and Sewer Authority
Meeting of the Board of Directors
September 12, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, September 12, 2019, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Raymond (Ray) DuBose (Chair), Ruchir Vora (Vice Chair), Bruce Boehm (Secretary), Yinka Ayankoya, John Cooley, Robert Morgan, John N. Morris and Bruce Runberg. Board Member absent: Jody Eimers.

OWASA staff present: Brad Barber, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Ed Kerwin, Linda Low, Andrea Orbich, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. Yinka Ayankoya made a motion to approve the Minutes of the August 22, 2019 Meeting of the Board of Directors; second by Robert Morgan and unanimously approved.
2. Yinka Ayankoya made a motion to approve the Minutes of the August 22, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Robert Morgan and unanimously approved
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Retitle and Reclassify the Senior Lake Warden Position. (Motion by Robert Morgan, second by Bruce Runberg and unanimously approved.)
4. John Morris made a motion that the Board of Directors approves the staff recommendation to evaluate the supply and demand management strategies; second by Bruce Boehm and unanimously approved.
5. Robert Morgan made a motion to instruct staff to select the most cost-effective financial underwriter for our upcoming bond transaction for the 2019 Revenue and 2020 Refunding Bonds; second by John Morris and the motion passed with a vote of five to three with Yinka Ayankoya, John Cooley and Bruce Boehm opposed.

* * * * *

Announcements

Ray DuBose asked if any Board Member knows 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.

Mr. DuBose announced Mary Tiger and he will attend the Orange County Climate Council meeting on Tuesday, September 24, 2019 at 3:30 p.m. at the Southern Human Services Center, Chapel Hill.

Mr. DuBose announced he appointed Jody Eimers to participate on the Chatham-Orange Joint Planning Task Force, Ms. Eimers replaces former Board Member John Young.

Yinka Ayankoya announced Robert Morgan, Mary Tiger, Todd Taylor and she will provide OWASA's annual update to the Carrboro Board of Aldermen on Tuesday, September 24, 2019 at 7:00 P.M. at Carrboro Town Hall. Topics include Agua Vista and system resiliency.

Robert Morgan announced a Human Resources Committee Meeting on Monday, September 30, 2019, at 4:30 P.M. in the OWASA Boardroom to discuss the Request for Proposals received to provide recruitment and selection services for OWASA's next Executive Director and select the best qualified consultant. Mr. Morgan noted he is unable to attend and Chair DuBose will preside over the meeting.

Ruchir Vora announced a Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors meeting on Thursday, October 17, 2019 at 8:30 a.m. in the OWASA Boardroom to discuss items of mutual interest.

Vishnu Gangadharan introduced Brad Barber, OWASA's new Utilities Engineer.

Mary Tiger announced she would provide an update on OWASA's Agua Vista program to the Chapel Hill Town Council on Wednesday, October 2, 2019 at 7:00 P.M. at Chapel Hill Town Hall. Ruchir Vora said he would attend.

Mr. DuBose expressed appreciation to Secretary Bruce Boehm for presiding over the August 22, 2019 Board meeting.

Item One: Annual Report on Disposal of Surplus Personal Property

The Board received this as an information item.

Item Two: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the August 22, 2019 Meeting of the Board of Directors; second by Robert Morgan and unanimously approved. Please see Motion 1.

Item Three: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the August 22, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Robert Morgan and unanimously approved. Please see Motion 2.

Item Four: Position Reclassification for Senior Lake Warden

Bruce Boehm supports this item and suggested the Reservoir and Land Resources Supervisor job description reflect OWASA lands specific to the position.

Robert Morgan made a motion to approve the Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Retitle and Reclassify the Senior Lake Warden Position; second by Bruce Runberg and unanimously approved. Please see Motion 3.

Item Five: Diversity and Inclusion Program Progress Report and Equal Employment Opportunity/Affirmative Action Report for Fiscal Year 2019

The Board received and discussed the annual update of this report to include new Diversity and Inclusion Program metrics and expressed appreciation to staff on the substantial progress of the report. The Board offered additional methods of disseminating information for OWASA positions.

Item Six: Agua Vista Project Update and Impact

The Board received and discussed an update on Agua Vista. Staff reported deployment phase of the project was completed in June 2019 on-time and under budget; about 30% of customers are registered for the online web portal; and proactive leak notification and customized water conservation information are assisting customers to correct leaks and conserve water.

The Board suggested a new metric of customer calls; staff will follow up.

Staff will continue outreach and promotion of Agua Vista, smaller billing increments, customer self-service, data use for other purposes and possible add-on technology in the future.

Item Seven: Long-Range Water Supply Plan – Schedule Update and Final Water Supply and Demand Side Alternatives

The Board received and discussed an update on the Long-Range Water Supply Plan schedule and list of 13 supply and demand management strategies to evaluate in the Plan.

John Morris made a motion that the Board of Directors approves the staff recommendation to evaluate the supply and demand management strategies; second by Bruce Boehm and unanimously approved. Please see Motion 4.

Item Eight: Review Board Work Schedule

Staff provided an overview of a solar lease project and preliminary resolutions for the Series 2019 Revenue and 2020 Refunding Bonds; both will be presented for the Board's consideration at the September 26, 2019 meeting.

Robert Morgan made a motion to instruct staff to select the most cost-effective financial underwriter for our upcoming bond transaction for the 2019 Revenue and 2020 Refunding Bonds; second by John Morris and the motion passed with a vote of five to three with Yinka Ayankoya, John Cooley and Bruce Boehm opposed. Please see Motion 5.

The Board agreed to a staff update at the October 10, 2019 meeting on the emergency replacement of the Rogerson Drive Force Main including the cost estimate of completed work.

Item Nine: Executive Director's Summary of Key Staff Action Items from the Work Session

No key staff action items were reported.

Item Ten: Closed Session

Without objection, the Board convened in a closed session for purpose of discussing a personnel matter.

The Board meeting reconvened in open session at 8:40 p.m., and the meeting was then adjourned.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Agenda Item 3

Orange Water and Sewer Authority
Annual Meeting of the Board of Directors
September 26, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its annual meeting on Thursday, September 26, 2019, at 7:00 p.m. in Chapel Hill Town Hall Council Chamber.

Board Members present: Raymond (Ray) DuBose (Chair), Ruchir Vora (Vice Chair), Yinka Ayankoya, John Cooley, Jody Eimers, Robert Morgan, John N. Morris and Bruce Runberg.
Board Member absent: Bruce Boehm (Secretary).

OWASA staff present: Mary Darr, Robert Epting, Esq. (Epting and Hackney), Robin Jacobs (Epting and Hackney), Ed Kerwin, Andrea Orbich, Kelly Satterfield, Ruth Rouse, Johnny Riley, Mary Tiger, Todd Taylor and Stephen Winters.

Others present: Scott Alexander (Eagle Solar and Light), Caro Blackburn (UNC Student), Meg Holton (UNC Water Resources Manager), Victoria Johnson (Daily Tarheel), Brenda McCall, Yates McDonald (Daily Tarheel), Brittany McGee (Daily Tarheel), Oliver Picot (UNC Student), Ben Poulson (UNC Associate Director of Energy Services) and Elsa Watts (Martin Starnes & Associates).

Motions

1. Yinka Ayankoya made a motion to approve the Minutes of the September 12, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Robert Morgan and unanimously approved.
2. John Morris made a motion that the staff be authorized and directed to implement the forest management plan, and in particular to prioritize and select initial areas appropriate for active management in accordance with the incremental approach recommended by staff, all in accordance with the Board approved Vision, Guiding Principles and Community Engagement Plan; staff will provide the Board with regular updates including progress reports, as appropriate, to keep the Board and public informed of this work; second by Jody Eimers and unanimously approved.
3. Ruchir Vora made a motion that the Board of Directors approves for staff to move forward with finalizing a lease agreement with Eagle Solar and Light and to engage in a design process for the installation of solar panels on OWASA facilities to generate and use renewable energy; second by Yinka Ayankoya and the motion passed with a vote of six to two with Robert Morgan and John Morris opposed.
4. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private Sale of Orange Water and Sewer Authority Water and Sewer System

Revenue Bonds, Series 2019. (Motion by Robert Morgan, second by Jody Eimers and unanimously approved.)

5. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2019. (Motion by Robert Morgan, second by Jody Eimers and unanimously approved.)

6. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2020. (Motion by Robert Morgan, second by Jody Eimers and unanimously approved.)

7. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2020. (Motion by Robert Morgan, second by Jody Eimers and unanimously approved.)

8. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Reappointing the Firm of Epting and Hackney as General Counsel to the Orange Water and Sewer Authority. (Motion by Robert Morgan, second by John Morris and unanimously approved.)

* * * * *

Announcements

Ray DuBose asked if any Board Member knows 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.

Mr. DuBose said Mary Tiger and he attended the September 24, 2019 Orange County Climate Council Meeting and he noted there was strong representation from across the county including local elected officials, staff from towns and schools. The Climate Council decided to the following: meet every month for the rest of the year, until clear action is underway at which point, meetings will be every other month; prior to the next meeting, each entity will submit a summary of climate action successes, challenges, and opportunities for collaboration (this information will be shared with the Board); and climate action pursued by the group may focus on both reducing greenhouse gas emissions and increasing resiliency against climate change.

Mr. DuBose announced a New Board Member Diversity and Inclusion Session with VISIONS, Inc. will be held on Tuesday, October 8, 2019 at 5:00 p.m. in the OWASA Boardroom.

Yinka Ayankoya said on September 24, 2019, Robert Morgan, Mary Tiger, Todd Taylor and she provided OWASA's annual update to the Carrboro Board of Aldermen and Ed Kerwin also attended. Mary Tiger presented an overview of OWASA's Agua Vista project and web portal, to include the many benefits the investment provides the community. Todd Taylor provided an update on OWASA's work to further improve water system resiliency and communications. Information was also provided about our diversity and inclusion work.

Robert Morgan announced a Human Resources (HR) Committee on Monday, September 30, 2019, at 4:30 p.m. in the OWASA Boardroom. Ray DuBose will lead the HR Committee meeting with the purpose of selecting the three best-suited consultants to provide executive search and assessment services for OWASA's next Executive Director. Once the top three consultants are identified, a meeting will be scheduled for those consultants to provide a 15-minute presentation to the Board, with an additional 15 minutes for questions and answers. The Board will select the best-suited firm to provide the needed services.

Ruchir Vora said that on Wednesday, October 2, 2019, Mary Tiger and he will provide a presentation to the Chapel Hill Town Council on the positive community impact of Agua Vista. Mr. Vora noted that John Richardson, Chapel Hill's Resiliency Officer, will share a story of how Agua Vista alerted the Town to leaks that would have gone undetected.

Mr. Vora also announced the Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board will meet on Thursday, October 17, 2019 at 8:30 a.m. in the OWASA Boardroom. Discussion items include: managing taste and odor in drinking water; employee diversity and inclusion; engagement with people living in master metered locations; and status update on the Rogerson Drive Force Main replacement.

Petitions and Requests:

Ray DuBose asked for petitions and requests from the public; there were none.

Mr. DuBose asked for petitions and requests from the Board.

Jody Eimers requested OWASA consider updating the Cane Creek Watershed Protection Plan which was initially developed in 1996 and to schedule Natural Resources and Technical Services Committee meetings to support staff with the Long-Range Water Supply Plan.

The Board agreed to refer Ms. Eimer's requests to staff for a recommendation at a future Board meeting.

Mr. DuBose asked for petitions and requests from the public and staff; there were none.

Item One: Presentation of Annual Report

In presenting OWASA's Annual Report for Fiscal Year (FY) 2019, Todd Taylor, General Manager of Operations, stated OWASA is a community owned utility providing water, wastewater and reclaimed water service to the Carrboro and Chapel Hill community. He said

OWASA has the important responsibility to effectively manage and maintain all the resources, facilities and infrastructure that the community depends on for high-quality and reliable service.

Mr. Taylor stated that OWASA continues to operate in full compliance with all federal and state standards for treating the community's drinking water and for recycling highly-treated wastewater back to the environment. Our organization continued to invest in sustainable infrastructure with a focus on reliability and resiliency as well as completion of Agua Vista. He noted this past year OWASA was recognized at the state and national level for maintaining the Partnership for Safe Water's Excellence in Water Treatment, Safe Water's Presidents Award in Distribution System Operation and receiving National Association of Clean Water Agencies' Platinum 9 Peak Performance Award for the Mason Farm Wastewater Treatment Plant.

Mary Darr reiterated OWASA's responsibility to effectively manage and maintain all the resources, facilities and infrastructure that our community depends for high-quality and reliable service. There are nearly 800 miles of water and wastewater pipes as well as reservoirs, several pumping stations and two complex treatment plants. Ms. Darr said about 50 cents of every dollar collected from our customers is reinvested in our infrastructure.

Ms. Darr said it is essential to continue making smart investments in our infrastructure and about 74% of the FY 2019 capital improvement budget went toward rehabilitation or replacement of existing assets, 23% went towards projects that added substantial enhancements and three percent towards projects that increased system capacity. Ms. Darr said majority of the work in our capital improvements program is focused on maintaining or improving the reliability and resiliency of our infrastructure. Over \$5 million in FY 2019 was used on the water distribution system investment and 1.3 miles of water mains was replaced. In addition to capital projects, equipment and staff was added for valve maintenance.

Stephen Winters, Director of Finance and Customer Service, noted the Agua Vista project was a \$5.3 million investment with a 15-year net present value of \$3.25 million. This successful project was in part due to a low-interest loan (1.53%) OWASA received from the state. Agua Vista was completed on-time and under budget and there are over 30% of registered customers on the Web Portal.

Mr. Winters noted the independent audit for FY 2019 was performed by Martin, Starnes & Associates. He said OWASA received an unmodified opinion from our auditor. OWASA's financial situation is stable and sustainable. The success of this audit is a testament to the entire OWASA team and is a positive reflection on the Finance staff for a job well done.

Elsa Watts, Audit Manager with Martin, Starnes & Associates, said OWASA received an unmodified opinion that the financial statements fairly present OWASA's financial position and results from operations. OWASA's CAFR can be relied upon by third parties, citizens, underwriters and bondholders. Ms. Watts stated that no significant deficiencies in internal control were identified.

Item Two: 12 Month Board Meeting Schedule

The Board accepted this as an information item.

Item Three: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the September 12, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Robert Morgan and unanimously approved. Please see Motion 1.

Item Four: Draft Approach to Prioritize OWASA's Forest Land for Management

Ruth Rouse, Planning and Development Manager, provided a presentation on the draft approach to prioritize forest land for management using Geographic Information System (GIS) as a tool to prioritize our land for management and to track progress in meeting our management goals which is based on OWASA's approved Vision and Guiding Principles for forest management.

Ruchir Vora requested semiannual reports.

Jody Eimers said the plan is well done and wondered if the Board would be involved with the decision if a tract would be replanted as silviculture.

Ms. Rouse said staff would develop the plans and keep the Board informed.

Ed Kerwin said that forest management activities with budget implications would be provided to the Board for guidance and this approach provides flexibility.

John Morris said this is a cautious and well-planned forest management document. He noted there is a lot of information that will be provided to the Board, and the Board has opportunity to comment. He supports staff's recommendation and suggested identifying sites for assessments and not specifying a number of stands to prioritize.

Ray DuBose said he supports the plan and semiannual reporting.

John Morris made a motion that the staff be authorized and directed to implement the forest management plan, and in particular to prioritize and select initial areas appropriate for active management in accordance with the incremental approach recommended by staff, all in accordance with the Board approved Vision, Guiding Principles and Community Engagement Plan; staff will provide the Board with regular updates including progress reports, as appropriate to keep the Board and public informed of this work; second by Jody Eimers and unanimously approved. Please see Motion No. 2.

The Board agreed staff would provide semiannual reports until the program is fully implemented.

Item Five: Solar Lease Prospect Review

Mary Tiger, Sustainability Manager, and Scott Alexander, Eagle Solar and Light, provided a presentation on a solar photovoltaic (PV) lease agreement with Eagle Solar and Light to advance OWASA towards its goal of reducing purchased electricity by 35% by 2022.

Ray DuBose read an email from Bruce Boehm noting that while he is in favor of reducing OWASA's energy use and carbon footprint, he does not support this project with such a long period before reaching break-even. Mr. Boehm suggested waiting until economics improve on a solar PV lease project.

Jody Eimers said she is in favor of this project and asked about selling carbon credits to reduce costs.

Mary Tiger will follow up to find out if selling carbon credits is a possibility.

John Morris said OWASA has made admirable progress toward the goal by replacing existing equipment and lighting by more efficient substitutes, reaching a 29% reduction in purchased electricity. Although the solar lease project will save an additional five (5) percentage points on the 2010 baseline, Mr. Morris expressed concern that the cost of not breaking even for 15-years is too high a price for rate payers and suggested looking for the kind of efficiency improvements that have succeeded.

Ruchir Vora said he would like to reach OWASA's energy management goal, and he supports the project.

Robert Morgan said he supports reducing energy demand, but he is concerned about rate increases in the years ahead and will vote against the project.

Yinka Ayankoya said she supports the project and reducing OWASA's energy use.

Ruchir Vora made a motion that the Board of Directors approves for staff to move forward with finalizing a lease agreement with Eagle Solar and Light and to engage in a design process for the installation of solar panels on OWASA facilities to generate and use renewable energy; second by Yinka Ayankoya and the motion passed with a vote of six to two with Robert Morgan and John Morris opposed. Please see Motion No. 3.

Item Six: Adopt Preliminary Resolutions for Revenue Bonds

Stephen Winters, Director of Finance and Customer Service, provided a brief update on this item.

Yinka Ayankoya said she was unhappy with the choice of underwriter but will support issuing the bonds.

Robert Morgan made a Motion to Approve the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private Sale of Orange Water and Sewer

Authority Water and Sewer System Revenue Bonds, Series 2019; second by Jody Eimers and unanimously approved. Please see Motion No. 4.

Robert Morgan made a Motion to Approve the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2019; second by Jody Eimers and unanimously approved. Please see Motion No. 5.

Robert Morgan made a Motion to Approve the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2020; second by Jody Eimers and unanimously approved. Please see Motion No. 6.

Resolution requesting the North Carolina Local Government Commission to approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2020; second by Jody Eimers and unanimously approved. Please see Motion No. 7.

Item Seven: Resolution Reappointing the Firm of Epting and Hackney as General Counsel to the Orange Water and Sewer Authority

Robert Morgan made a motion to approve the resolution; second by John Morris and unanimously approved. Please see Motion No. 4 above.

Item Eight: Executive Director's Summary of Key Staff Action Items from the Work Session

Ed Kerwin noted the following items for staff follow-up:

- Provide information on updating the 1996 Cane Creek Watershed Protection Plan and whether to schedule Natural Resources and Technical Services Committee meetings to support staff with the Long-Range Water Supply Plan; and
- Proceed with implementation of the forest management program and follow up with a letter to local governments;
- The Board's October 10, 2019 Work Session agenda items include:
 - o Approval of sole source procurement of water treatment plant process equipment;
 - o Sewer use ordinance update;
 - o Update on Rogerson Drive Force Main emergency repair and cost estimate;
 - o Update on the 1996 Cane Creek Watershed Report and future Natural Resources and Technical Services Committee support to staff for the Long-Range Water Supply Plan; and
 - o Tentative – consultant proposals for executive search services

Item Nine: Closed Session

Without objection, the Board of Directors convened in a closed session to discuss a personnel matter in the First Floor Conference Room.

The Board meeting reconvened in open session at 9:37 p.m., and the meeting was then adjourned.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

DRAFT

Agenda Item 4:

Long-Range Water Supply Plan – Update on Schedule and Process

Purpose:

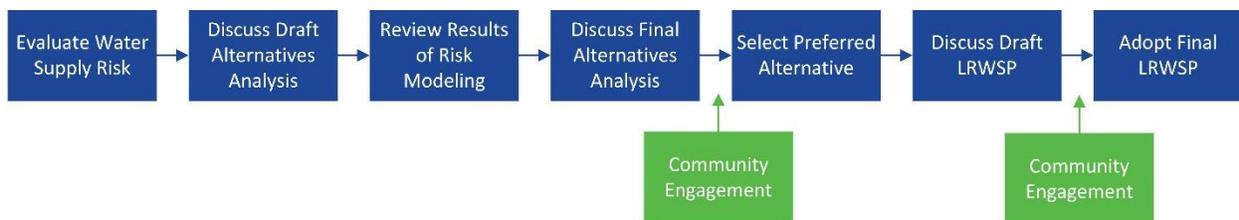
The purpose of this agenda item is to provide information on the steps to complete the Long-Range Water Supply Plan (LRWSP), summarize information that will be provided to the Board of Directors for each step of the LRWSP, and outline the feedback and decisions the Board will need to provide during each step.

Background:

The LRWSP is our roadmap to ensure we have a reliable, high quality supply of water for the community through 2070. An overview of our work to date to prepare the LRWSP is provided in Attachment 2.

Process to Complete the LRWSP:

Here are the key steps to complete the LRWSP.



These key steps are further defined to include the Board discussion and proposed action in Attachment 1. Given the complexity and importance of the Board’s review of the draft alternatives analysis, which may take several meetings, we have not proposed a full schedule to complete the work.

LRWSP Final Report Outline:

Understanding what a final product will look like often helps guide interim decisions. Thus, staff has prepared a draft outline of the final LRWSP report (Attachment 3). Staff envisions a short (20-25 pages) report that is written in a question and answer format that we expect most people can read quickly and understand the overall development of the plan. Links to more detailed reports and technical memoranda will be provided for the reader who wants to learn more. As we move through the LRWSP process, this draft outline will likely change.

Action Needed:

Staff seeks Board feedback and guidance on our proposed process to complete the LRWSP.

Information:

Attachment 1: Summary of Information to be Provided at Future Board Meetings and Action Needed from Board

Attachment 2: History of Long-Range Water Supply Plan Update

Attachment 3: Draft Outline for Long-Range Water Supply Plan

November 14, 2019

Attachment 1: Summary of Information to be Provided at Future Board Meetings and Action Needed from Board

Task	Target Board Date(s)	Description of Information Provided to Board	Board Discussion or Action
Evaluate Water Supply Risk	12/12/2019	Overview of OWASA's model and water shortage thresholds to include OWASA's risk of dropping to 20% storage or below and/or declaring water shortages using current supplies. Estimates of risk could include percent storage remaining and the frequency, duration, and severity of mandatory water restrictions.	Begin to discuss the risk metrics and thresholds to be used to evaluate alternatives
Discuss Draft Alternatives Analysis	January 2020 (Special Meeting) Potential 2 nd meeting in February or March 2020 (Special Meeting)	Individual supply and demand side options evaluated against the social, environmental, and economic objectives and criteria approved by Board of Directors in November 2016	Provide feedback on the analyses Identify any alternatives to evaluate together as a portfolio Finalize the risk metrics and thresholds to be used to evaluate alternatives Identify alternatives/portfolios of alternatives to evaluate against the risk metrics and thresholds using models
Review Results of Risk Modeling	TBD	Projected performance of alternatives against risk metrics and thresholds previously agreed to by Board	Provide feedback on the analyses
Discuss Final Alternatives Analysis	TBD	Final analyses against goals, objectives and criteria for individual or portfolios of options and any risk modeling	Feedback on analyses Approve staff to engage with community on the draft alternatives analysis
Select Preferred Alternative	TBD	Summary of feedback from community engagement	Select option or portfolio of options to pursue Approval to document in draft LRWSP
Discuss Draft LRWSP	TBD	Draft LRWSP report - will include selected alternative and implementation plan	Feedback on draft LRWSP Approval to engage with community
Adopt Final LRWSP	TBD	Final LRWSP report Summary of feedback from community engagement	Adoption of LRWSP
Implement LRWSP	TBD (likely multiple dates in accordance with adopted LRWSP)	Implementation items may include internal OWASA policies; agreements with other utilities, local governments or other stakeholders; CIP budget requests and expenditures. Develop and/or support legal and regulatory proposals that enhance and streamline our ability to cost-effectively pursue management strategies.	TBD
Update LRWSP as needed	TBD – likely approx. 10 years into future	Staff will periodically review the LRWSP against its assumptions. Examples of items that could result in an update include a major change in projected raw water needs and changes in technology or regulations that could impact the feasibility of an alternative	Authorize staff to move forward with updating LRWSP

Attachment 2: History of Long-Range Water Supply Plan Update

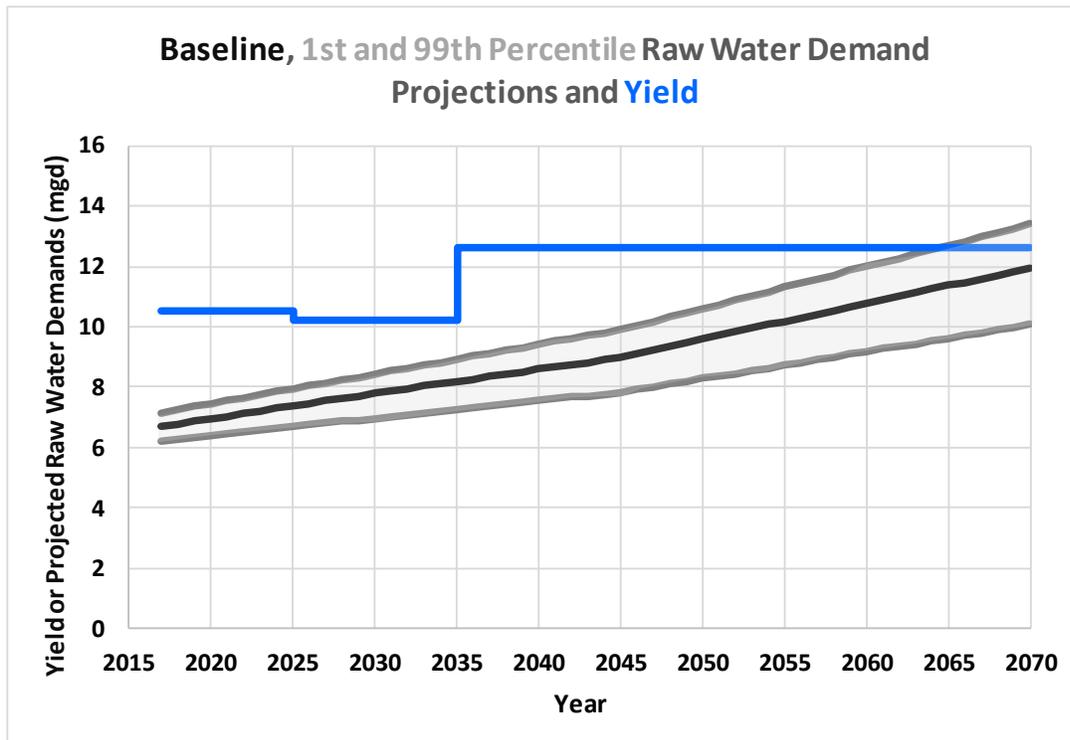
OWASA is in the process of updating our Long-Range Water Supply Plan (LRWSP) to ensure that we have a reliable, high quality supply of water for the community for the next fifty years. The OWASA Board of Directors approved a [*Charter for Long-Range Water Supply Plan*](#) at its March 27, 2014 meeting. This document outlines the project vision, need for the project, tasks and deliverables, water supply alternatives that will not be evaluated in the LRWSP, and risks. At the time the Charter was approved, it was anticipated that the LRWSP would be completed in calendar year 2016 and any identified budget needs for implementation would be presented to the Board in early 2017 for inclusion in the fiscal year 2018 budget. Staff initially planned to use existing population projections from the Towns of Chapel Hill and Carrboro. Subsequent to the Charter being approved, staff learned of the regional effort to update growth projections as part of transportation planning efforts; the local government staff recognized the level of effort they were contributing to that effort and encouraged OWASA to use that data. Triangle J Council of Governments led that regional planning effort, and their project manager believed that data would be available for OWASA in 2016. Delays in that project, as often occurs in large regional planning efforts, resulted in OWASA receiving draft data in April 2018 and final model runs in June 2018.

The OWASA Board of Directors approved [*Community Engagement Plan for Long-Range Water Supply Plan Update*](#) at its February 12, 2015 work session; this document was updated in November 2016 based on feedback from the Board of Directors provided during discussion on Goals and Objectives at its November 10, 2016 work session. At that November 2016 work session, the Board agreed that the community would be most interested in understanding how much water we expect to need in the future and providing feedback on the alternative methods to meet those future needs. This Plan identifies important stakeholders, key topics to seek feedback from the community, key information to provide to the community, and methods to provide information and receive feedback. As part of this community engagement effort, staff has developed a project [webpage](#) and developed a project email address (LRWSP@owasa.org).

Staff developed [*Evaluating Supply and Demand Management Alternatives Against Goals and Objectives for the Long-Range Water Supply Plan Update*](#) and presented this document to the Board of Directors on November 10, 2016. (Note: supply alternatives are those that create a new or expanded source of water and demand management alternatives are those that promote a more efficient use of water). At that meeting, the Board agreed to a set of goals and objectives that staff could use to evaluate supply and demand management alternatives against.

At its [March 14, 2019](#) meeting the Board of Directors reviewed and approved a set of long-range (through 2070) water demand projections for the update of the LRWSP that account for the uncertainty in the projections. That was the first key technical task for the project as it is essential for evaluating (a) how much water we expect our customers will need us to provide; (b) the ability (reliable yield) of our existing water supply sources to meet future needs; and (c) the need for and cost-effectiveness of additional supply and demand management strategies. Figure 1 illustrates the projected demands.

Figure 1: Water Demand Projections and Yield



On [April 11, 2019](#), the Board of Directors approved a list of supply alternatives and general categories of demand management approaches to be considered and authorized staff to engage with the community on the supply alternatives and identify specific demand management alternatives that could impact existing and future water demands in a significant way. Staff met with the following groups in the summer of 2019:

- One-on-one phone calls with self-identified “green builders”
- Town of Carrboro staff
- Town of Chapel Hill staff
- Chapel Hill-Carrboro City School District staff
- University of North Carolina at Chapel Hill staff
- UNC Health Care staff

The results of this community engagement process were discussed at the [September 12, 2019](#) Board of Directors meeting. Based on feedback from that discussion, staff will evaluate side-by-side the following supply and demand side strategies against the goals and objectives approved in November 2016:

Supply Side Strategies

1. Jordan Lake: Continue with mutual aid agreements (Short-term)
2. Jordan Lake: New agreements with Cary and Durham in which OWASA would pay an annual fee to guarantee access to allocation (Short-term)
3. Jordan Lake: Agreement with other Western Intake Partners who build new intake and WTP on western side of Jordan Lake to guarantee access to allocation (Intermediate to Long-term)
4. Jordan Lake: Full partner in new intake and WTP on western side of Jordan Lake (Intermediate to Long-term)
5. Shallow Quarry: Access with existing pumping infrastructure (Intermediate-term); this option is programmed in our 15-year capital program for completion in the mid-2030's
6. Deep Quarry: Access with new pumping infrastructure (Intermediate-term)
7. Indirect Potable Reuse with return from WWTP to Quarry Reservoir (Intermediate to Long-term)
8. Indirect Potable Reuse with return from WWTP to University Lake (Intermediate to Long-term)
9. Direct Potable Reuse (Long-term)

Demand Side Strategies

10. Reclaimed Water Extension to UNC Co-Generation Facility
11. Reclaimed Water Extension on UNC Campus (Dual-plumbing)
12. On-site Wastewater Treatment and Reuse
13. Robust OWASA Water Efficiency Program That Considers a Suite of Initiatives

Attachment 3: DRAFT Outline for Long-Range Water Supply Plan

November 14, 2019

Note: The following is provided for big picture planning purposes to illustrate our key messages and Plan format. The wording is provided for general discussion and initial feedback purposes; the design format will be developed in the coming months (will work with Communications and Community Relations Manager on a format that includes photos, maps, figures).

Executive Summary

This will be a one page overview of the LRWSP and its key conclusions.

Where does OWASA currently get its water?

OWASA has three locally managed water supply sources including Cane Creek Reservoir, University Lake, and its Quarry Reservoir as illustrated in Figure #. OWASA also has an allocation of 5 percent of Jordan Lake's water supply pool which we can access on an emergency basis by purchasing drinking water from the Towns of Cary and Apex, and wheeling that water through interconnections that the Town of Cary and OWASA have with the City of Durham.

How much water do we currently have?

OWASA's three local reservoirs can provide approximately 10.5 million gallons per day (mgd) of water over the course of a year, assuming the drought-of-record. We expect that our allocation from Jordan Lake can reliably provide approximately 5 mgd.

How much water do we currently use?

Placeholder question where we could include historic information on drinking and reclaimed water sales (graph out of Strategic Trends report).

How much water will we need in the future?

This section will describe the demand projection methods and results. It will discuss the uncertainty in future land use and growth patterns, water use patterns, and weather and climate and the methods we used to evaluate that uncertainty. A key graph will show the range of our projections, and how that compares to the existing and projected yield of our locally-owned and controlled supply sources. A link to the demand projection report will be provided.

What role does water conservation and water recycling and reuse play in our future?

This section will include a brief description of the current level of water conservation and reclaimed water use along with assumptions we included in estimating future demands.

Why do we need additional supplies or demand management strategies?

As seen in Figure #, we will have plenty of water under most circumstances. However, we want to plan for an unclear future given the uncertainty in our demand projections, the uncertainty in the model used to estimate the reliable yield of our reservoirs, and the uncertainty of a changing

climate. We also need to be prepared to reliably meet demands should we have a major operational emergency at one of our water supplies.

In addition, Cane Creek Reservoir is vulnerable to extended drought or back-to-back droughts. It was designed to maximize storage, which is generally good and provides us a higher yield. However, it has a relatively small drainage area for its storage volume and can take a long time to refill after an extended drought. Having options to meet future needs helps ensure the reliability and resiliency of our water. Running out of water is not an option.

What supplies and demand management strategies did OWASA consider?

Summarize difference between supply and demand management strategies and include brief description of each option we looked at.

What criteria did we use to evaluate supply and demand management strategies?

Brief description of the social, environmental, and economic goals, objectives, and criteria we used to evaluate the options.

How did the supply and demand management options compare to one another?

Table # summarizes the options against the social, environmental and economic goals and objectives.

What option(s) was selected to meet 2070 demands?

Brief description of option(s) selected and why.

What are OWASA's next steps?

This will include a brief summary of the items needed to implement the selected options along with their projected time frames. These may include updating OWASA policies; developing agreements with other utilities; identifying capital improvement program budget requests and expenditures; and tracking, developing and/or supporting regulatory proposals that enhance and streamline our ability to cost-effectively pursue options.

Brief description of any studies that may be recommended to verify assumptions.

When will the LRWSP be updated again?

The Plan will be updated if and when major changes in assumptions and conditions occur, such as if water demands increase at a much faster pace than projected, or the anticipated cost, complexity, and feasibility of a supply option changes considerably.

Uncertainties that could impact the LRWSP and the timeline to update it include:

- Rate of population and employment growth
- Adoption of water conservation and efficiency practices which reduce our demands
- Regulatory changes that may impact the feasibility of a given water supply option or result in change in our water supply demands

- Technology changes that may impact the feasibility of a given water supply option
- Declining source yields due to new drought of record, greater risk due to projected effects of climate change, or findings of studies which indicate that our reservoirs are silting in faster than anticipated

DRAFT

Agenda Item 5:

Discuss Key Focus Areas for OWASA's Executive Director

Purpose:

Review and approve the proposed Key Focus Areas for OWASA's Executive Director for the period of October 2019 to June 2020.

Information:

- Draft Key Focus Areas for OWASA's Executive Director (shown in revision language from the October 22, 2019 working draft)

November 14, 2019

Key Focus Areas for OWASA's Executive Director For the Period of October 2019 to June 2020

Under the Executive Director's leadership, the OWASA team works together to ensure the organization's Mission is reliably and sustainably met. The Board of Directors acknowledges that the Executive Director will continue to use his judgement on the best use of his time to benefit the organization.

Operational/Business Objectives

1. High Quality and Reliable Service

Ensure OWASA's daily core mission responsibility of providing high quality and reliable drinking water, wastewater management, and reclaimed water services for the Carrboro-Chapel Hill community is met.

The Board and staff agree that other than employee and public safety, OWASA's core mission responsibility of providing high quality and reliable drinking water, wastewater management, and reclaimed water service is our highest priority.

Expected Results/Tasks to complete:

a) High Quality

- i. Zero violations of primary drinking water standards.
- ii. Maintain certification by the Partnership for Safe Water for Phase IV Excellence in Water Treatment.
- iii. Maintain Presidents Award status by the Partnership for Safe Water for Distribution System Operation.
- iv. Complete Partnership for Clean Water Phase III self-assessment process pursuant to Directors Award status for Excellence in Wastewater Treatment.
- v. Zero violations of treated wastewater standards.
- vi. Zero violations of reclaimed water standards.
- vii. Zero violations of biosolids recycling standards.
- viii. Meet all Financial Management Objectives.
- ix. No successful cyber-attacks which impacts our operation.

b) Reliability and Resiliency

- i. Complete consultant's work on new water main prioritization model to include risk mitigation and emergency response measures.
- ii. Continue progress on action items to improve system reliability and resiliency and report progress to the Board.
- iii. Secure funding to sustain investments in operations and Capital Improvements Program.
- iv. Award contract for comprehensive improvements for water distribution piping at and leaving the Jones Ferry Road Water Treatment Plant.

- v. Prepare OWASA for future compliance of requirements of American's Water Infrastructure Act of 2018.
- vi. Begin process to select a new and comprehensive Computerized Maintenance Management System.
- vii. Conduct security assessment of supervisory control and data acquisition (SCADA) systems and address any findings.

Todd Taylor and Mary Darr and their departments have primary responsibility for system reliability and resiliency.

2. Executive Director Transition

Position OWASA for successful transition to a new Executive Director in June 2020.

Expected Results:

- a) As may be requested by the Board of Directors, provide support for the selection and orientation of the new Executive Director.
- b) Working with staff, prepare onboarding process for the new Executive Director.

3. Sustainability and Planning Initiatives

The ongoing Energy Management Program, the new Forest Management Program, and the Long-Range Water Supply Plan will help OWASA meet its core mission of providing high quality water, wastewater and reclaimed water services into the future.

Expected Results:

- a) Seek to finalize lease agreement with Eagle Solar for design of solar panels on OWASA facilities.
- b) Identify priority sites for management, develop draft forest stewardship plans on top priority sites, engage with neighboring landowners, finalize forest stewardship plans, and proceed to execute plans. ~~Depending on engagement process, we may be able to also complete contracting for top sites. Management of top sites would likely begin in FY 2021. Hold community meeting in early 2020.~~
- c) Finalize the alternatives analysis, the core of the Long-Range Water Supply Plan. This will include outreach to the community including meetings with key stakeholders, offered presentations to elected Boards, and community meetings.
- e)d) Working closely with Board of Directors, improve the way operating budget information is analyzed and presented to the Board and public for the purpose of making it easier to correlate spending with organizational goals and results.

Mary Tiger leads our work with Eagle Solar.

Working closely with partners and other OWASA staff, ~~Ed Kerwin Ruth-Rouse~~ and Johnny Riley lead work to implement the Forest Management Program. Linda Low will have a key role in engaging the community.

Ruth Rouse, working with the consultant and other staff, leads development of the Long-Range Water Supply Plan.

Stephen Winters leads work with Board and staff to improve the operating budget process.

Human Resource Objectives

4. Diversity and Inclusion

Continue implementation of the Diversity and Inclusion (D&I) program.

Goals:

- The diversity of OWASA's workforce reflects the communities we serve.
- Inclusive work environment for everyone that encourages and supports each team member to contribute to their full ability toward OWASA's Mission.

Expected Results:

- a) Positive results on D&I performance objectives.
- b) Continued progress on D&I action plans.
- c) Greater minority and women-owned business-enterprises (MWBE) interest and participation in bidding capital improvement projects.

Stephanie Glasgow leads our D&I program.

Vishnu Gangadharan leads work seeking greater MWBE participation in our Capital Improvements Program.

5. Employee Safety

Expected Results:

- a) Reduction in Safety Incident Rate.
- b) Establish new safety metrics.

Stephanie Glasgow leads our safety program with all staff.

Community Engagement Objectives

6. Affordability Outreach Program

Develop and implement Year Five of the Affordability Outreach Program designed to increase community awareness of options to manage and reduce water and sewer bills and to empower low-income customers, and the local agencies that serve them, with information and tools to manage and reduce water and sewer bills.

Expected Results:

- a) Update Affordability Outreach Program.
- b) Increase community participation in and contribution to Care-to-Share.
- c) Continued promotion of Agua Vista web portal as key conservation tool.

Mary Tiger has the lead.

7. Communications and Community Engagement Plan

Continue to build on the significant progress over the last year on our communications and community engagement work.

Expected Results:

- a) Implement new OWASA website.
- b) Implement pilot program with multi-family complex(es) to seek opportunities to engage with users of OWASA services who are not account holders.
- c) Continue progress on Communications and Community Engagement Plan and update as needed.

Linda Low has the lead.

Agenda Item 6:

Review Board Work Schedule

Purpose:

- a) Request(s) by Board Committees, Board Members and Staff
 - Changes to the 12-Month Board Calendar relating to developing the FY 2021 Budget
 - Discussion of Open Meetings Law
- b) December 12, 2019 Work Session
- c) January 9, 2020 Work Session
- d) Review and update the 12 Month Board Meeting Schedule
- e) Review Pending Key Staff Action Items

Information:

- Draft agenda for the December 12, 2019 meeting
- Draft agenda for the January 9, 2020 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

November 14, 2019

Agenda
Work Session of the OWASA Board of Directors
Thursday, December 12, 2019, 6:00 P.M.
OWASA Community Room

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service (aorbich@owasa.org/400 Jones Ferry Road, Carrboro, NC 27510).

For items on the agenda, public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors.

The Board may take action on any item on the agenda.

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
- b. Announcements by Board Members
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Ray Dubose)

Consent Agenda

Action

1. Minutes of the October 10, 2019 Meeting of the Board of Directors (Andrea Orbich)
2. Minutes of the October 16, 2019 Special Meeting of the Board of Directors (Andrea Orbich)
3. Minutes of the October 24, 2019 Meeting of the Board of Directors (Andrea Orbich)
4. Minutes of the November 14, 2019 Meeting of the Board of Directors (Andrea Orbich)
5. Minutes of the November 14, 2019 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Robert Morgan)

Regular Agenda

Discussion and Action

6. Approve New Banking Services Provider (Stephen Winters)

Discussion

7. Long-Range Water Supply Plan – Evaluation of Water Supply Risk (Ruth Rouse)
8. Minority and Women-Owned Business Enterprises Contractor Participation Information Comparison (Vishnu Gangadharan)
9. Review Board Work Schedule (Ray DuBose/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff
 - b. January 9, 2020 Work Session
 - c. January 23, 2020 Board Meeting

- d. 12 Month Board Meeting Schedule
- e. Pending Key Staff Action Items
- f. Action Items Reoccurring Every 3 to 5+ Years

Summary of Work Session Items

- 10. Executive Director will summarize the key staff action items from the Work Session

DRAFT

Agenda
Work Session of the OWASA Board of Directors
Thursday, January 9, 2020, 6:00 P.M.
OWASA Community Room

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service (aorbich@owasa.org/400 Jones Ferry Road, Carrboro, NC 27510).

For items on the agenda, public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors.

The Board may take action on any item on the agenda.

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
- b. Announcements by Board Members
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Consent Agenda

Information and Reports

1. Quarterly Report on Attendance at Board and Committee Meetings (Andrea Orbich)

Action

2. Appoint Audit Firm (Kelly Satterfield)
3. Minutes of the December 12, 2019 Meeting of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion

4. Update on Employee Health and Dental Insurance for Next Fiscal Year (Stephanie Glasgow/Ellen Tucker, Hill Chesson & Woody)
5. Diversity and Inclusion Update (Stephanie Glasgow)
6. Review Comments on Sewer Use Ordinance Update (Todd Taylor)
7. Affordability Outreach Program Update (Mary Tiger)
8. Review Board Work Schedule (Ray DuBose/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff
 - b. January 23, 2020 Board Meeting
 - c. February 13, 2020 Work Session
 - d. 12 Month Board Meeting Schedule
 - e. Pending Key Staff Action Items

Summary of Work Session Items

9. Executive Director will summarize the key staff action items from the Work Session

DRAFT

OWASA Board of Directors – 12 Month Board Meeting Schedule (November 8, 2019)

Month	Board Meetings		Committee & Other Meetings
	Work Session	Business Meeting	
November 2019	LRWSP Update on Schedule and Process Care to Share Day Declaration Approve Round 4 Jordan Lake Allocation Contract Discuss Work Plan for ED CS – Personnel Matter <p style="text-align: right;">11/14/2019</p>	<i>Holiday – no meeting</i>	<i>Finance Committee Meeting to Review Banking Proposals (11/12/2019)</i> <i>OC Appointees to the OWASA Board meet with Members of Orange County BOCC (11/14/2019)</i>
December 2019	MWBE Contractor Participation Information Comparison LRWSP – Preliminary Risk Modeling Approve New Banking Services Provider <p style="text-align: right;">12/12/2019</p>	<i>Holiday – no meeting</i>	<i>Special Meeting with Slavin Management Consultants to discuss matters related to the Recruitment, Assessment and Selection of OWASA's next Executive Director (TBD)</i>
January 2020	Appoint Audit Firm ☺ Employee Health and Dental Insurance Update for FY 21 ☺ Review Comments on Sewer Use Ordinance Update Affordability Outreach Program Update Diversity and Inclusion Update <p style="text-align: right;">1/9/2020</p>	Annual Lakes Recreation Report ☺ CIP Semiannual Report ☺ Q2 Financial Report ☺ Discuss FY 21 Budget Calendar, Planning Assumptions, and New Budget Format ☺ Approve Sewer Use Ordinance Update <p style="text-align: right;">1/23/2020</p>	(Tentative) Special Meeting on the LRWSP – Draft Evaluation of Water Supply and Demand Management Alternatives (TBD)
February 2020	Department Manager Budget Presentations Award the Kings Mill-Morgan Creek Neighborhood Water Main Replacements Contract CS – Prepare for GC Interim Review ☺ <p style="text-align: right;">2/13/2020</p>	Award the WTP Finished Water Pump Improvements Contract CS – GC Interim Review ☺ <p style="text-align: right;">2/27/2020</p>	<i>(Tentative) OC Appointees to the OWASA Board meet with Members of Orange County BOCC (TBD)</i> <i>Finance Committee meeting – in-depth review of 1st draft operating budget (TBD)</i>
March 2020	FY 21 Draft Budget & Rates including 1 st iteration of new budget format ☺ Forest Management Program Update Award the WTP Water Mains Resiliency Contract Award the WTP Chemical Facility Improvements Contract (Tentative) Update on New Water Main Prioritization Model Discuss Deep Dive on Safety KPI CS – Prepare for ED Interim Review ☺ <p style="text-align: right;">3/12/2020</p>	Set date for Public Hearings – FY 21 Budget & Rates ☺ FY 21 Draft Budget & Rates and Proposed Staff Rate Adjustment Recommendation ☺ Award the Bolinwood Drive Interceptor Contract CS – ED Interim Review ☺ <p style="text-align: right;">3/26/2020</p>	<i>Finance Committee meeting(s) to review FY 21 budget and rates, as necessary</i>
April 2020	Review Employee Health and Dental Insurance Renewals ☺ FY 21 Draft Budget and Rate Adjustment Information ☺ <p style="text-align: right;">4/9/2020</p>	Q3 Financial Report ☺ <p style="text-align: right;">4/23/2020</p>	<i>Finance Committee meeting(s) to review FY 21 budget and rates, as necessary</i>
May 2020	Approve Employee Health and Dental Insurance Renewals ☺ Discuss Employee Merit Pay for FY 21 Diversity and Inclusion Update ☺ (Tentative) LRWSP – Final Evaluation of Water Supply and Demand Management Alternatives <p style="text-align: right;">5/14/2020</p>	Public Hearings – FY 21 Budget and Rates ☺ Approve Employee Health and Dental Insurance Renewals (if needed) Award the University Lake Permanganate Facility Contract <p style="text-align: right;">5/28/2020</p>	

OWASA Board of Directors – 12 Month Board Meeting Schedule (November 8, 2019)

Month	Board Meetings		Committee & Other Meetings
	Work Session	Business Meeting	
June 2020	Approve FY 21 Budget and Rates, including merit pay decision Election of Officers 6/11/2020	TBD 6/25/2020	
July 2020	(Tentative) LRWSP – draft LRWSP 7/9/2020	TBD 7/23/2020	
August 2020	CS – Prepare for GC Annual Review 8/13/2020	Preliminary 12 Month Financial Report CIP Semiannual Report CS – GC Annual Review 8/27/2020	
September 2020	EEO/Affirmative Action Report & Diversity and Inclusion Update Annual Report on Disposal of Surplus Personal Property Forest Management Update CS – Prepare for ED Annual Review 9/10/2020	Annual Report and Financial Audit Annual Update of the Energy Management Plan Approve General Counsel Engagement CS – ED Annual Review 9/24/2020	
October 2020	TBD 10/8/2020	Q1 Financial Report Strategic Trends Report and Strategic Plan Update Reliability and Resiliency Improvements Update 10/22/2020	

Note: Meetings related to new ED search and selection will be scheduled. Additional Finance Committee meetings will likely be needed related to improving the budgeting process.

The 12 Month Board Meeting Schedule shows Strategic Plan initiatives and other priority efforts that the Board and staff plan to give greatest consideration to during the next twelve months. The schedule also shows major recurring agenda items that require Board action, or items that have been scheduled in response to the Board's prior standing request. This schedule does not show all the items the Board may consider in a work session or business meeting. It also does not reflect meetings at which the Board will discuss and act on the update of the Strategic Plan.

The 12 Month Board Meeting Schedule will be reviewed and updated at each monthly work session and may also be discussed and updated at the Board's business meetings.

In addition to the initiatives shown in this schedule, staff will be working on other Strategic Plan and organizational priorities that are not expected to require major additional discussion with the Board except as part of budget deliberations.

The schedule implies that the following Strategic Plan initiatives would be addressed beyond the 12-month period. The Board may conclude that one or more of the following initiatives are higher priority. The schedule will be revised as needed to reflect the Board's priorities, and any additional initiatives that the Board may decide to address.

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forest Management.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.
- Update of Strategic Plan. On October 24, 2019, the Board and staff agreed to begin updating the Strategic Plan in FY 2021.

OWASA Board of Directors – 12 Month Board Meeting Schedule (November 8, 2019)

The OWASA Board determines which topics it wants to explore as a full Board (potentially in a work session format) and which topics it wants to assign to Board committees or committee chairs for further analysis and development of recommendations. Board also determines priorities and desired timeframes for addressing topics. Committee meetings will be updated on the schedule routinely.

Abbreviations Used in Draft Schedule:

(R)	Recurring agenda item (generally these are “required” items)	JLP	Jordan Lake Partnership
AV/AMI	Agua Vista/Advanced Metering Infrastructure	KPI	Key Performance Indicator
BOCC	Board of County Commissioners	LRWSP	Long-Range Water Supply Plan
CBOA	Carrboro Board of Aldermen	MOA	Memorandum of Agreement
CE	Community Engagement	MWBE	Minority/Women-owned Business Enterprises
CEP	Community Engagement Plan	MST	Mountains-to-Sea Trail
CHTC	Chapel Hill Town Council	MFMM	Multi-Family Master Meter
CIP	Capital Improvements Program	NCDOT	North Carolina Department of Transportation
COLA	Cost of Labor Adjustment	NRTS	Natural Resources and Technical Services
CS	Closed Session of the Board	OC	Orange County
CY	Calendar Year	Q	Quarter
D&I	Diversity and Inclusion	RFP	Request for Proposals
ED	Executive Director	SRF	State Revolving Fund
EEO	Equal Employment Opportunity	SOW	Scope of Work
FY	Fiscal Year	TBD	To Be Determined
GC	General Counsel	WTP	Water Treatment Plant
HR	Human Resources	WWTP	Wastewater Treatment Plant

Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
1.	10-24-2019	Implement activities for Care to Share Day, November 21, 2019. Provide Board a Care to Share communications “tool kit” and remind Board of scheduled activities.	11-14-2019	Low Tiger Orbich	Underway – placeholders on Board Members calendars for events on November 12 and 21.
2.	10-24-2019	Consider Board Member comments on our risk and reliability action plans.	10-22-2020	Darr Taylor	Complete; comments will be considered for the annual update scheduled for 10-22-2020.
3.	10-24-2019	Proceed with planning for new strategic plan to begin next fiscal year.	TBD	TBD	
4.	10-10-2019	Schedule a Finance Committee meeting to assess the social and environmental responsibility sections of the top four proposals. To schedule the meeting, all Board Members will be invited to participate in the doodle poll.	NA	Boehm Winters Orbich	Complete; Finance Committee meeting scheduled for 11-12-2019
5.	10-10-2019	Add Board discussion on schedule and content of Special Board meeting planned in January 2020 to review water supply and demand management alternatives.	12-12-2019	Rouse	Completed; will provide approach and schedule information on 11-14-2019 and preliminary risk modeling results on 12-12-2019.
6.	10-10-2019	Incorporate potential “lessons learned” for the Rogerson Drive Force Main break in regular Board updates on action plan progress reports.	10-22-2020	Taylor Darr	Complete; Will be added to the annual risk and reliability update scheduled for 10-22-2020.
7.	9-26-2019	Proceed to finalize a solar PV lease agreement with Eagle Solar and Light and begin the design process for solar panels on five OWASA’s facilities	NA	Tiger	Underway