



## 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, 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](mailto: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.
  - January 30, 2020 Special Meeting of the Board of Directors to Discuss the Long-Range Water Supply Plan at 6:00 p.m. in OWASA's Community Room
- b. Announcements by Board Members
  - Update on November 21, 2019 Climate Council Meeting (Jody Eimers)
  - Update on the December 11, 2019 Special Meeting of the Board (Robert Morgan)
- c. Announcements by Staff
  - Introduce Blake Hodge, new Communications Specialist (Linda Low)
  - Update on Fall Youth Water Academy (Linda Low)
  - Update on Care to Share Day (Mary Tiger)
- d. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

### Consent Agenda

#### Action

1. Resolution Honoring the Service of Sandra Bradshaw to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community (Todd Taylor)
2. Resolution Honoring the Service of Steve Graves to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community (Todd Taylor)
3. Minutes of the October 10, 2019 Meeting of the Board of Directors (Andrea Orbich)
4. Minutes of the October 16, 2019 Special Meeting of the Board of Directors (Andrea Orbich)
5. Minutes of the October 24, 2019 Meeting of the Board of Directors (Andrea Orbich)
6. 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**

7. Long-Range Water Supply Plan – Evaluation of Water Supply Risk (Ruth Rouse)
8. Minority and Women-Owned Business Enterprises Contractor Participation (Vishnu Gangadharan)

**Discussion and Action**

9. Approve New Banking Services Provider (Stephen Winters)
10. Executive Director Compensation (Robert Morgan)

**Discussion**

11. 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**

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

**Agenda Item 1:**

Resolution Honoring the Service of Sandra Bradshaw to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community

**Background:**

Ms. Sandra Bradshaw, Laboratory Supervisor, was employed with OWASA from August 1989 until January 2020.

**Action Needed:**

Staff recommends Adoption of a Resolution Honoring the Service of Sandra Bradshaw to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community.

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**Resolution Honoring the Service of Sandra Bradshaw to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community**

**Whereas**, Ms. Sandra Bradshaw has served the Orange Water and Sewer Authority (OWASA) and the people of the Carrboro-Chapel Hill-Orange County community for over 30 years, from August 21, 1989 to January 1, 2020; and

**Whereas**, throughout Ms. Bradshaw's 30-year career at OWASA, she skillfully served as Laboratory Assistant from August 21, 1989 through October 21, 1991; Chemist from October 21, 1991 through January 11, 2000; and Laboratory Manager/Supervisor from January 11, 2000 to January 1, 2020; and

**Whereas**, throughout Ms. Bradshaw's career, she has volunteered her time, providing training and leadership through the North Carolina Waterworks Operators Association (NCWOA), receiving the President's Special Award of Merit in 2013 for her commitment to the development of water professionals; and

**Whereas**, Ms. Bradshaw's contributions as an intelligent, hard-working, detail-oriented, dedicated, kind and generous person have enriched those fortunate enough to know and work with her; and

**Whereas**, Ms. Bradshaw earned the admiration and respect of her coworkers and colleagues throughout the water and wastewater treatment field; and

**Whereas**, Ms. Bradshaw made many lasting contributions to OWASA and the community, and will retire from OWASA on January 1, 2020:

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

That the Board of Directors of the Orange Water and Sewer Authority (OWASA) hereby honors the distinguished public service of Ms. Sandra Bradshaw to OWASA and the people of Chapel Hill, Carrboro and Orange County; and the Board of Directors expresses its deepest appreciation and extends its best wishes to Ms. Bradshaw for success in all her future endeavors.

Adopted and presented this 12<sup>th</sup> day of December 2019.

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Raymond E. DuBose, Chair

ATTEST:

\_\_\_\_\_  
Bruce Boehm, Secretary

**Agenda Item 2:**

Resolution Honoring the Service of Steve Graves to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community

**Background:**

Mr. Steve Graves, Treatment Plant Operator, was employed with OWASA from October 1987 until February 2020.

**Action Needed:**

Staff recommends Adoption of a Resolution Honoring the Service of Steve Graves to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community.

December 12, 2019

**Resolution Honoring the Service of Steve Graves to the Orange Water and Sewer Authority  
and the Carrboro-Chapel Hill-Orange County Community**

**Whereas**, Mr. Steve Graves has served the Orange Water and Sewer Authority (OWASA) and the people of the Carrboro-Chapel Hill-Orange County community for more than 33 years, from October 1987 to February 2020; and

**Whereas**, throughout Mr. Graves’s 33-year career, he capably served for 12 years as Meter Reader for the Distribution and Collection System Department; and 21 years as a Treatment Plant Operator for the Water Supply and Treatment Department; and

**Whereas**, Mr. Graves has set the standard of excellence for water treatment operators at OWASA and throughout the industry by living up to his motto to “make good quality water and pass it on to the next operator”; and

**Whereas**, Mr. Graves was featured in the “Operator’s Spotlight” article in the August 2013 edition of the *Go With The Flow* newsletter published by the North Carolina Waterworks Operators Association; and

**Whereas**, Mr. Graves is an exceptional team player, has made a positive impact on OWASA and the community, is well respected among his coworkers and will retire from OWASA on February 1, 2020:

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

That the Board of Directors of the Orange Water and Sewer Authority hereby honors the distinguished public service of Mr. Steve Graves to OWASA and the people of Chapel Hill, Carrboro and Orange County, and expresses its appreciation and best wishes to Mr. Graves for success in all his future endeavors.

Adopted and presented this 12<sup>th</sup> day of December 2019.

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Raymond E. DuBose, Chair

ATTEST:

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Bruce Boehm, Secretary

## **Agenda Item 3**

Orange Water and Sewer Authority  
Meeting of the Board of Directors  
October 10, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, October 10, 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, Jody Eimers, Robert Morgan, John N. Morris and Bruce Runberg.

OWASA staff present: Mary Darr, Monica Dodson, Jesse DuClau, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Ed Kerwin, Simon Lobdell, Linda Low, Andrea Orbich, Ruth Rouse, Todd Taylor and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager), Ben Latino (McKim & Creed), Lauralee H. Long, Fatirnia Massagno (UNC student) and Ben Poulson (UNC Associate Director of Energy Services).

### Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Approval of Sole Source Procurement of Water Treatment Plant Process Equipment. (Motion by Bruce Boehm, second by Yinka Ayankoya and unanimously approved.)
2. Bruce Boehm made a motion to approve the Minutes of the September 26, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Yinka Ayankoya and unanimously approved.
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Establishing a Declaration of Intent to Amend the Sewer Use Ordinance. (Motion by Jody Eimers, second by Bruce Runberg and unanimously approved.)

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### 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 the Human Resources (HR) Committee met on September 30, 2019 to review 15 proposals received for the Executive Search and Assessment Services for OWASA's next Executive Director. The HR Committee agreed four consultants would be invited to interview

with Board: Developmental Associates, LLC; Colin Baenziger & Associates; The Mercer Group; and Slavin Management Consultants. The interviews will be conducted in a Special Meeting of the Board on Wednesday, October 16, 2019 at 6:00 p.m. in the OWASA Boardroom. The HR Committee agreed staff will conduct the consultant reference checks and provide that information in advance of the Special Meeting. Each firm will be allotted 15-minutes for a presentation and 15-minutes for questions and answers. Following the interviews, the Board will select a firm to perform the services.

Mr. DuBose said a New Board Member Diversity and Inclusion Training Session was held on October 8, 2019 and a full Board session will be scheduled later.

Mr. DuBose announced a meeting of Members of the Orange County Board of Commissioners and Orange County Appointees to the OWASA Board on Thursday, November 14, 2019 at 8:30 a.m. in the OWASA Boardroom. Topics for discussion are an update on OWASA's forest management, Orange County Climate Council and OWASA's solar project.

Bruce Boehm 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: managing taste and odor in drinking water; employee Diversity and Inclusion; engagement with people living in master metered locations; and a status update to the Rogerson Drive Force Main replacement.

Mr. Boehm also announced a Finance Committee Meeting on Tuesday, October 22, 2019 at 5:00 p.m. in the OWASA Boardroom to discuss improvements to the budget process for Fiscal Year 2021.

Jody Eimers said the Chatham-Orange County Joint Planning Task Force met on October 3, 2019, to discuss solid waste recycling and electrical generation and climate change. Ms. Eimers said the next meeting will be Thursday, February 6, 2020 and the proposed topics for discussion are development along the 15-501 corridor, regional transportation, and affordable housing.

Ed Kerwin announced that OWASA will host the Chapel Hill Peoples Academy/Carrboro Citizens Academy on Saturday, October 19, 2019 at 9:00 a.m. in the Operations Center.

Mr. Kerwin said October 2, 2019, an Agua Vista update was provided to the Chapel Hill Town Council by Mary Tiger which was well received by the Council.

Ruth Rouse, Planning and Development Manager, announced she will attend the Orange County Commission for the Environment meeting on Monday, November 11, 2019, to present information on OWASA's Forest Management program.

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

The Board received this as an information item.

Item Two: Approval of Sole Source Procurement of Water Treatment Plant Process Equipment

Bruce Boehm made a motion to approve the resolution; second by Yinka Ayankoya and unanimously approved. Please see Motion 1.

Item Three: Minutes

Bruce Boehm made a motion to approve the Minutes of the September 26, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Yinka Ayankoya and unanimously approved. Please see Motion 2.

Item Four: Resolution Establishing a Declaration of Intent to Adopt Revisions to the Sewer Use Ordinance

Jody Eimers made a motion to approve the resolution; second by Bruce Runberg and unanimously approved by the Board of Directors. Please see Motion 3.

Staff will provide the Declaration of Intent to Amend the Sewer Use Ordinance to the local governments, the University of North Carolina at Chapel Hill and UNC Hospitals for review and comments as required by the State statutes.

Item Five: Update on Rogerson Drive Force Main Emergency Repair and Cost Estimate

The Board received and discussed an update from Simon Lobdell (Utilities Engineer) on the Rogerson Drive Force Main emergency repair and cost estimate. The force main is a critical pipeline within the wastewater collection system and the emergency replacement has been ongoing since April 2019.

Fatirnia Massagno, a UNC student, asked what measures are in place to avoid future sewer overflows and pipe failure.

Mr. Lobdell responded that OWASA has an internal pipe inspection program as well as an ongoing pipeline rehabilitation and improvement program.

Item Six: Response to a Board Petition regarding an Update to the 1996 Cane Creek Reservoir Watershed Study

Without objection, the Board agreed to consider updating the 1996 Cane Creek Reservoir Watershed Study after the completion of the Long-Range Water Supply Plan update and evaluate it alongside other initiatives that would be developed during the update of the Strategic Plan.

Item Seven: Review Board Work Schedule

The November 14, 2019 agenda may include the Executive Director's Workplan through June 2020.

Without objection, the Board's Finance Committee will work with staff to evaluate information related to the social, regulatory, and environmental responsibility of banking institutions that responded to OWASA's request for proposals for banking services; the full Board is welcome to participate in the meeting. The full Board will be included in the doodle poll to schedule the Finance Committee meeting.

The Board agreed to tentatively schedule a Special Meeting of the Board on the Long-Range Water Supply Plan (LRWSP) regarding the draft evaluation of water supply and demand management alternatives in January 2020. They also agreed to receive a brief overview of the LRWSP schedule and process at the November 14, 2019 Board meeting.

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

Staff will schedule a Finance Committee meeting to review banking proposals and the full Board will be included in the doodle poll.

Item Nine: 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 8:07 p.m., and the meeting was adjourned.

Respectfully submitted by:

Andrea Orbich  
Executive Assistant/Clerk to the Board

Attachments

## **Agenda Item 4**

### Orange Water and Sewer Authority Special Meeting of the Board of Directors

October 16, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a Special meeting on Wednesday, October 16, 2019, at 6:00 p.m. in OWASA's Boardroom, 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Robert Epting (Epting and Hackney), Stephanie Glasgow, Ed Kerwin, Andrea Orbich and Richard Wyatt.

Others present: Colin Baenziger (Colin Baenziger & Associates via Skype), Ellis Hankins (The Mercer Group) and Robert Slavin (Slavin Management Consultants).

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#### Motion

1. Bruce Runberg made a motion that the Board of Directors select Slavin Management Consultants as the firm best suited to assist the Board by providing for the Executive Search and Assessment Services for OWASA's next Executive Director, and that the Chair be authorized to work with the Human Resources Committee, staff and General Counsel to develop a scope of work for that consultant's work; second by John Cooley 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.

Item One:      Consultant Interviews for the Executive Search and Assessment Services for OWASA's next Executive Director

The Board received and discussed presentations from the following consultants, to select the best suited firm for the Executive Search and Assessment Services for OWASA's next Executive Director:

- Coline Baenziger & Associates (via Skype)
- Slavin Management Consultants
- The Mercer Group

(Developmental Associates, LLC, was scheduled to provide the Board a presentation; however, the consultant was late, and advised the Board they did not wish to make a presentation.)

Each consultant received the same amount of time for their presentation and questions.

Following the presentations, the Board of Directors carefully evaluated and discussed their individual feedback on each consultant and reached consensus on which firm is best suited to provide the executive search services.

Bruce Runberg made a motion that the Board of Directors select Slavin Management Consultants as the firm best suited to assist the Board by providing for the Executive Search and Assessment Services for OWASA's next Executive Director, and that the Chair be authorized to work with the Human Resources Committee, staff and General Counsel to develop a scope of work for that consultant's work; second by John Cooley and unanimously approved. Please see Motion 1.

The Special Meeting of the Board was adjourned at 9:01 p.m.

Respectfully submitted by:

Andrea Orbich  
Executive Assistant/Clerk to the Board

## Agenda Item 5

Orange Water and Sewer Authority

Meeting of the Board of Directors

October 24, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, October 24, 2019, at 7:00 p.m. in Chapel Hill Town Hall Council Chamber.

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

OWASA staff present: Mary Darr, Monica Dodson, Robin Jacobs (Epting and Hackney), Ed Kerwin, Ken Loflin, Linda Low, Andrea Orbich, Ruth Rouse, Todd Taylor, Allison Spinelli and Stephen Winters.

Others present: Ursula Chioke (UNC Student), Meg Holton (UNC Water Resources Manager), Sofia Lesnewski (Daily Tarheel), Brittany McGee (Daily Tarheel), Ben Poulson (UNC Associate Director of Energy Services) and Metra Sheshbaradavan (UNC Student).

### Motions

1. John Morris made a motion to approve the Minutes of the October 12, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Bruce Boehm and unanimously approved.
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Series Resolution of the Orange Water and Sewer Authority Relating to the Issuance of Not Exceeding \$20,000,000 Water and Sewer System Revenue Bonds, Series 2019 of Said Authority Pursuant to the Provisions of Section 2.08 of an Amended and Restated Bond Order Adopted by Said Authority on September 13, 2001, as Amended, And Requesting the Local Government Commission of North Carolina to Award Said Bonds at Private . (Motion by John Morris, second by Bruce Boehm and unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Series Resolution of the Orange Water and Sewer Authority Relating to the Issuance of Not Exceeding \$11,000,000 Water and Sewer System Revenue Refunding Bonds, Series 2020 of Said Authority Pursuant to the Provisions of Section 2.08 of an Amended and Restated Bond Order Adopted by Said Authority on September 13, 2001, as Amended, and Requesting the Local Government Commission of North Carolina to Award Said Bonds at Private Sale. (Motion by John Morris, second by Bruce Boehm and unanimously approved.)

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### 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 the Board held a special meeting on October 16, 2019 to interview consulting firms to conduct the Executive Search and Assessment Services for OWASA's next Executive Director. Following the interviews and Board discussion, the Board unanimously selected Slavin Management Consultants as the firm best suited for these services, and authorized staff and General Counsel to work with the Human Resources Committee, to develop the consultant's scope of work.

Mr. DuBose said Mary Tiger and he attended the October 22, 2019 Orange County Climate Council Meeting. The group is still forming, and discussion primarily focused on increasing diverse community representation on the Council, as well as the development of the mission, vision, and values upon which the Orange County Climate Council's work is focused.

Mr. DuBose said members of the Orange County Board of Commissioners and Orange County Appointees to the OWASA Board will meet on Thursday, November 14, 2019 at 8:30 a.m. in the OWASA Boardroom to discuss items of mutual interest.

John Cooley said the Chapel Hill Town Council OWASA Committee and Chapel Hill appointees to the OWASA Board met on October 17, 2019. Mr. Cooley said discussion items included: 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.

Bruce Boehm said the Finance Committee met on October 22, 2019 to discuss how to enhance the process of developing the operating budget to allow the Board of Directors and staff to evaluate alternatives more effectively. The Committee and staff agreed the purpose is to improve the way budget information is presented to the Board and public as well as to assist in the decision-making process, with the goal of tying spending to measurable outcomes. Mr. Boehm stated that this will be an iterative process that may span several annual budget cycles.

Ed Kerwin recognized OWASA employees who have served for 10, 15, 20, 25 and 30 years at OWASA. The following employees received service awards:

- 10 Years: Jason Blake and Stephen Winters\*
- 15 Years: Beth Canada, Sherry Edwards, Monica Dodson\* and Kenneth Loflin\*
- 20 Years: Miriam Crutchfield and Alex Braxton
- 25 Years: Mary Darr\*
- 30 Years: Sandra Bradshaw

\*These employees attended the meeting and were recognized by their supervisors. Board Members also extended their appreciation to employees with service milestones.

Ed Kerwin announced that on October 19, 2019, OWASA participated in the Town of Carrboro Citizen's Academy and Chapel Hill's Peoples Academy.

Bruce Runberg commended OWASA for holding a veteran's luncheon for OWASA military veteran employees on November 11, 2019.

Petitions and Requests:

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

Item One: 12 Month Board Meeting Schedule

The Board accepted this as an information item.

Item Two: Minutes

John Morris made a motion to approve the Minutes of the October 10, 2019 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Bruce Boehm and unanimously approved. Please see Motion 1.

Item Three: Adopt Series Resolutions for Series 2019 Revenue Bonds and Series 2020 Revenue Refunding Bonds

John Morris made a motion to approve the Series Resolution of the Orange Water and Sewer Authority Relating to the Issuance of Not Exceeding \$20,000,000 Water and Sewer System Revenue Bonds, Series 2019 of Said Authority Pursuant to the Provisions of Section 2.08 of an Amended and Restated Bond Order Adopted by Said Authority on September 13, 2001, as Amended, And Requesting the Local Government Commission of North Carolina to Award Said Bonds at Private Sale; second by Bruce Boehm and unanimously approved. Please see Motion 2.

John Morris made a motion to approve the Series Resolution of the Orange Water and Sewer Authority Relating to the Issuance of Not Exceeding \$11,000,000 Water and Sewer System Revenue Refunding Bonds, Series 2020 of Said Authority Pursuant to the Provisions of Section 2.08 of an Amended and Restated Bond Order Adopted by Said Authority on September 13, 2001, as Amended, and Requesting the Local Government Commission of North Carolina to Award Said Bonds at Private Sale; second by Bruce Boehm and unanimously approved. Please see Motion 3.

Item Four: Care to Share Customer Assistance Day

Linda Low, Communications and Community Relations Officer, provided a presentation on the proposed Care to Share Customer Assistance Day scheduled for November 21, 2019, activities leading up to the event and a new Care to Share logo. Care to Share is OWASA's customer assistance program administered by the Inter-Faith Council for Social Services. All funds raised will go directly to helping families in need pay for water and sewer services.

The Board supported Care to Share Day and approved the new logo. Staff will provide the Board reminders of the scheduled events and a communications “toolkit” will be distributed to the Board and staff to promote the event as well as build awareness.

Item Five: Water Main Break and Water Treatment Plant/Wastewater Treatment Plant Reliability and Risk Assessment Action Plans Progress Report

The Board received and discussed an update on water main break and Water Treatment Plant (WTP) and Wastewater Treatment Plant (WWTP) Reliability and Risk Assessment Action Plans from Todd Taylor, General Manager of Operations, and Mary Darr, Director of Engineering and Planning. The update included significant investments in enhancements to emergency response, communications, training and infrastructure improvements. Specifically highlighting the addition of staff and equipment for valve maintenance in our water distribution system, improvements made in emergency communications, and investments in developing our staff. Several key infrastructure improvements were also discussed including replacing critical drinking water pipes at the WTP, upgrading chemical facilities at both the WTP and WWTP, and rehabilitating concrete in a treatment structure at the WWTP.

The Board requested Capital Improvements Program projects addressing resiliency be noted.

Item Six: Administration of Strategic Plan: Annual Review and Update of Strategic Trends and Utility Planning Issues and Strategic Plan Progress Report

Ruth Rouse, Planning and Development Manager, provided an update on strategic trends and utility planning issues and annual report on progress in implementing OWASA’s Strategic Plan. Staff reported that based on current demands and projections, we have sufficient raw water supply for the next few decades under most conditions; there is no anticipated need to expand capacity of our treatment plants for several decades; and continued investment in renewal and replacement of infrastructure is needed to ensure reliable and high-quality service.

The Board expressed appreciation to staff for the comprehensive report and agreed to begin planning for the new strategic plan in fiscal year 2021.

Item Seven: Financial Report for the Three-Month Period Ended September 30, 2019

Stephen Winters, Director of Finance and Customer Service, provided a review of the Financial Report for the three-month period ended September 30, 2019. He reported that all financial performance measurements were met for the period except for meeting the target balance in the working capital reserve; the reserve is expected to be restored in the second quarter when OWASA receives proceeds from loans from the State of North Carolina and the Series 2019 water and sewer revenue bonds.

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:

- Implement activities for Care to Share Day, November 21, 2019. Provide Board a Care to Share communications “toolkit” and remind Board Members of scheduled activities.
- Consider Board Member comments on our risk and reliability action plans.
- Proceed with planning for new strategic plan to begin next fiscal year.
- The Board’s November 14, 2019 Work Session agenda items include:
  - o Long-Range Water Supply Plan Update on Schedule and Process; and
  - o Discuss Key Focus Areas for OWASA’s Executive Director.

The Board meeting was adjourned at 9:01 p.m.

Respectfully submitted by:

Andrea Orbich  
Executive Assistant/Clerk to the Board

Attachments

DRAFT

## **Agenda Item 6**

### Orange Water and Sewer Authority

#### Closed Session of the Board of Directors

November 14, 2019

The Board of Directors of Orange Water and Sewer Authority met in Closed Session in on Thursday, November 14, 2019, following the Board meeting.

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

Staff present: none.

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#### Item One

The Board of Directors met in Closed Session for the purpose of discussing a personnel matter.

No official action was taken at the meeting.

The Board meeting reconvened in open session was adjourned at 7:30 p.m.

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Robert Morgan, Chair  
Human Resources Committee

## **Agenda Item 7:**

### Long-Range Water Supply Plan – Evaluation of Water Supply Risk

#### **Purpose:**

The purpose of this agenda item is to provide an overview of OWASA’s risk of declaring water shortage stages with its current supply sources and to receive feedback on the risk metrics and evaluation criteria to be used in modeling supply and demand management alternatives going forward. This agenda item also provides an overview of OWASA’s tool for modeling water supply risk and discusses the uncertainty in our risk modeling.

#### **OWASA’s Reservoir Optimization Model:**

OWASA’s Reservoir Optimization Model (OWASA-ROM) is an Excel-based tool we use to model reservoir storage and water supply risk under varying assumptions for water demands, hydrology, and other key factors. The model uses a mass balance approach that accounts for changes in storage based on the amount of water coming in (such as rainfall, flow from tributaries, and runoff) and water going out (such as water supply withdrawals, water over dams, evaporation, and downstream flow releases). OWASA has used the model to:

- Establish operating guidelines designed to help us optimize the total water supply yield of our multi-reservoir system
- Evaluate risk of depleting storage to critical levels (our threshold is 20 percent)
- Evaluate the potential frequency, duration, and severity of declared water shortage conditions in which customer demands would need to be restricted to ensure an adequate supply
- Evaluate potential capital improvements to raw water storage, pumping, and transmission infrastructure

This agenda item will focus on the use of OWASA-ROM to evaluate OWASA’s water supply risk. The model can also be used to evaluate how that risk will change if we implemented various water supply and demand management alternatives.

#### **Our Water Supply Modeling and Estimates of Risk Are Full of Uncertainty:**

As we discuss our water supply risks, it is important to remember that – just like with our water demand projections – the reservoir model we use and the information we have is full of uncertainty. Some key areas of uncertainty are:

- OWASA-ROM can mathematically optimize water supply storage given specific operating assumptions. In reality OWASA staff cannot strictly adhere to the guidance because we must also consider water quality, energy use and costs, maintenance needs,

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etc. and try to make an educated guess as to how long and severe an ongoing drought will be;

- Actual and computer-generated streamflow records for our water supply watersheds have measurement error, and our relatively short-term period of historical streamflow records (less than a century) may not be fully representative of the long-term historical record and future hydrologic conditions;
- Our estimates of available reservoir storage volumes, and capacities of raw water pumping and transmission facilities, may not be accurate;
- Our water demand, water withdrawal, and downstream flow release measurements may be off; and
- We do not know how much our customers will reduce their demands during different drought conditions and periods of mandatory water use restrictions and associated drought surcharges.

### **Our Key “20 Percent Remaining” Water Storage Threshold**

For utilities like OWASA, running out of water is not an acceptable basis for real-world planning and management decisions. Given the above uncertainties, it is essential that we incorporate some margin-of-safety into our water supply plans and drought response strategy. Our approach has been to say that we will base our plans on the assumption that in the future, under the drought of record condition, our minimum total water storage on hand would not drop below 20 percent. We based this threshold on the expected amount of time (2 to 3 months) we would need to implement emergency water supply augmentation measures (such as temporarily withdrawing water from the Haw River to supplement the supply available from Cane Creek Reservoir). This reserve supply now meets approximately 100 days of raw water needs based on current demands.

### **OWASA’s Water Shortage Response Plan:**

In accordance with North Carolina General Statute 143-355(1) and North Carolina Administrative Code 15A NCAC 02E .0607, OWASA has a state-approved [Water Shortage Response Plan](#) (WSRP). Our WSRP includes triggers (water supply storage and demand conditions) for implementing water shortage response stages during droughts. Each response stage has a corresponding set of voluntary or mandatory water use restrictions and potential water rate drought surcharges that apply when the specified trigger is reached (Attachment 1). Reaching various stages of water shortage response has the potential to affect customers economically through the drought surcharges. It also impacts businesses that use water (e.g., vehicle and power washing businesses). In addition, there is a level of service impact on all customers. Understanding these impacts enables the Board to make informed decisions about the cost of implementing a new supply or demand management alternative versus the potential cost and/or risk of not implementing a new alternative.

OWASA’s water shortage triggers were established to generally correspond to increasing levels of risk that useable storage will drop to 20 percent or less over the next twelve months based on the OWASA-ROM model. It should also be noted that the risk estimated from OWASA-ROM assumes that the drought that is occurring is within the bounds of the hydrologic record included in the model (1926-2011). A new drought of record would result in a higher level of risk, and necessitate revisions to OWASA-ROM, our estimated yield, our water shortage triggers, and our WSRP.

Other factors that impact the level of risk include:

- Average annual day demand – as our raw water demands increase, so does our level of risk for a given level of storage
- Time of year – in the late fall, winter, and early spring, when inflows are typically higher and withdrawals are typically lower, reservoir storage can drop to relatively lower levels before the risk of dropping to 20 percent storage or below during the next 12 months is significant. From late spring through early fall, when inflows are lower and demand is higher, the level of risk for the same average annual demand increases.

As required by our WSRP, when the risk of water supply storage dropping to 20 percent or lower reaches the levels shown in the following tables, OWASA must declare the accompanying level of water shortage response:

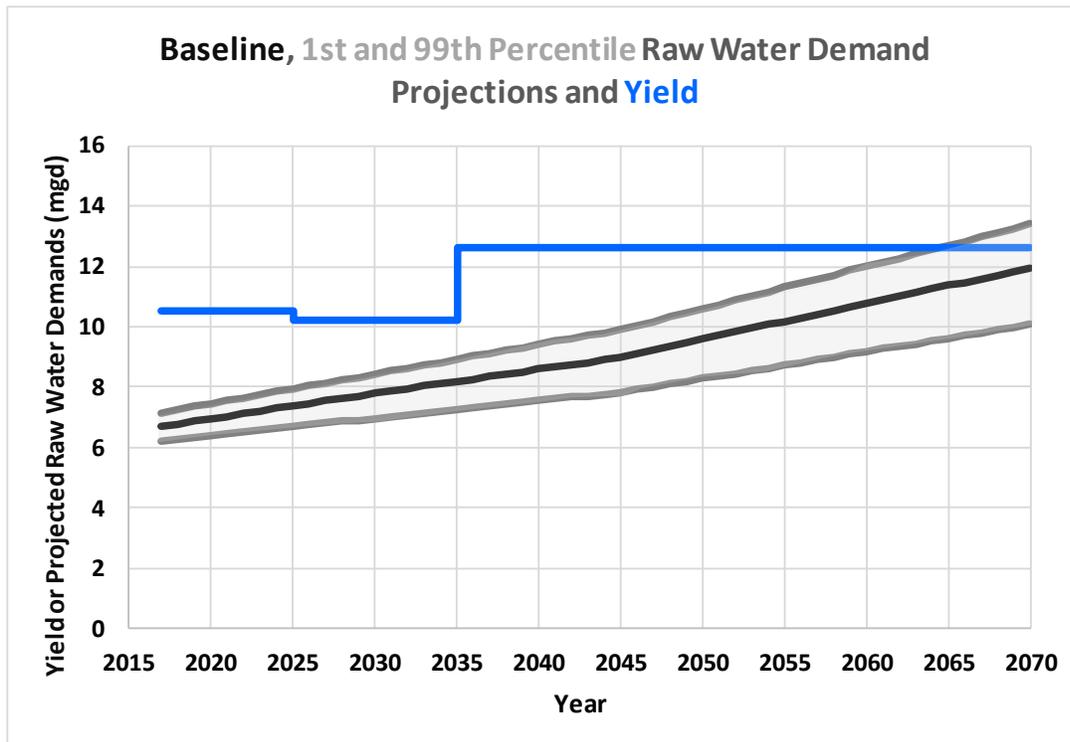
<b>Approximate Risk of Storage Dropping to 20 Percent or Less in Next 12 Months</b>	<b>Water Shortage Stage</b>
2%	Stage 1
10%	Stage 2
20%	Stage 3

These water shortage stages are illustrated in the figures in Attachment 2. In addition to these water shortage stages, OWASA also declares an advisory stage when our water storage is within 10 percent of the Stage 1 water shortage shown on the figures in Attachment 2. During the advisory stage, OWASA proactively engages with the community and informs customers that our water supply storage is at risk and requests voluntary conservation measures.

**Risk Analysis for Current Water Supplies:**

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. Figure 1 illustrates the projected demands and estimated yield based on bringing the expanded Quarry Reservoir online by 2035.

**Figure 1: Water Demand Projections and Yield**



The yield shown in this figure includes our local supplies: Cane Creek Reservoir, University Lake, and the Quarry Reservoir. The Quarry Reservoir will be drained in approximately 2025 and the expanded Quarry Reservoir will be available in approximately 2035. This figure does not include OWASA’s allocation of water from Jordan Lake

The yield shown in Figure 1 is based on the drought of record and assumes that reservoir storage remains above 20 percent, as discussed above. In general, based on our demand projections and estimates of yield, our risk of having insufficient water is low. Our greatest risks occur (a) just before the expanded Quarry Reservoir is online in approximately 2035, and (b) in 2070, at the end of the 50-year planning horizon, when projected water demands are highest.

Hazen and Sawyer evaluated risk for the following conditions:

1. 2034 at baseline demands (approx. 8.1 mgd) and our existing Quarry Reservoir drained (yield approx. 10.2 mgd)
2. 2034 demands with RCW system offline (approx. 9.0 mgd) and existing Quarry Reservoir drained (yield approx. 10.2 mgd)
3. 2070 at baseline demands (approx. 12.0 mgd) and expanded Quarry Reservoir (yield approx. 12.6 mgd)
4. 2070 at 99<sup>th</sup> percentile demands (approx. 13.4 mgd) with expanded Quarry Reservoir (yield approx. 12.6 mgd)

The results of these model runs are summarized in the following table:

<b>Model Run</b>	<b>Risk of Storage &lt;20%</b>	<b>Risk of Advisory (and maximum consecutive weeks in stage)</b>	<b>Risk of Stage 1 (and maximum consecutive weeks in stage)</b>	<b>Risk of Stage 2 (and maximum consecutive weeks in stage)</b>	<b>Risk of Stage 3 (and maximum consecutive weeks in stage)</b>
2034 at baseline demands	0%	0.8% (12 weeks)	0%	0%	0%
2034 demands with RCW offline	0%	3.0% (54 weeks)	1.0% (18 weeks)	0.2% (7 weeks)	0%
2070 at baseline demands	0%	3.6% (56 weeks)	1.9% (30 weeks)	0.4% (16 weeks)	0.2% (9 weeks)
2070 at 99 <sup>th</sup> percentile demands	0%	8.2% (64 weeks)	3.8% (57 weeks)	1.7% (30 weeks)	0.8% (19 weeks)

The model assumes that our Water Shortage Response Plan applies and certain reductions in raw water demand are achieved at each water shortage stage.

**Next Steps:**

As outlined in the November 14, 2019 [agenda](#), the next step will be for the Board of Directors to discuss a draft evaluation of supply and demand side options against the social, environmental, and economic objectives and criteria approved by the Board of Directors in November 2016. This discussion will occur as part of a special meeting of the Board that is proposed for the later part of January 2020. At that meeting, staff will recommend which alternatives should be evaluated with the risk model to provide information on the frequency, duration, and severity of declared water shortage conditions for the Board to review at a future date.

**Action Needed:**

We invite feedback and guidance from Board members on the risk analyses. No final action from the Board is needed at this time.

**Information:**

Attachment 1: Summary of Conservation Standards and Water Rate Surcharges

Attachment 2: OWASA Water Shortage Trigger Tables

## Summary of Conservation Standards and Water Rate Surcharges

### SUMMARY OF KEY CONSERVATION STANDARDS FOR OWASA DRINKING WATER \*

Effective June, 2009

Water Use	Year-Round	Stage 1	Stage 2	Stage 3	Emergency
Spray Irrigation of <b>Turf / Grass</b> (on designated days of the week as noted)	3 days per week, up to 1 inch per week, 6 pm - 10 am only ** Odd Addresses: Tu/Th/Sat Even Addresses: Sun/W/F	1 day per week, up to 1/2 inch per week, 6 pm - 10 am only ** Odd Addresses: Tues. Even Addresses: Thurs.	<b>X**</b>	<b>X**</b>	<b>X</b>
Spray Irrigation of <b>Non-Turf Plant Materials</b> (on designated days of the week as noted)	3 days per week, up to 1 inch per week, 6 pm - 10 am only ** Odd Addresses: Tu/Th/Sat Even Addresses: Sun/W/F	3 days per week, up to 1 inch per week, 6 pm - 10 am only ** Odd Addresses: Tu/Th/Sat Even Addresses: Sun/W/F	1 day per week, up to 1/2 inch per week, 6 pm - 10 am only ** Odd Addresses: Tues. Even Addresses: Thurs.	<b>X***</b>	<b>X</b>
Drip irrigation, underground drip emitters, soaker hose, hand-watering, and other non-spray methods allowed <i>at any time</i> or frequency	✓	✓	✓	✓	<b>X</b>
Washing of Building Exteriors <b>Before Painting</b>	✓	✓	✓	<b>X</b>	<b>X</b>
General Cleaning of Building Exteriors, Paved Areas, Etc.	✓	✓	<b>X</b>	<b>X</b>	<b>X</b>
Filling, Refilling, or Topping Off Ornamental Ponds, Fountains, etc.	✓	✓	<b>X</b>	<b>X</b>	<b>X</b>
Vehicle Washing	✓	✓	Only at commercial or institutional facilities where at least 50% of the water is being recycled, or is from a non-potable source or well	<b>X</b>	<b>X</b>
Filling, Refilling, or Topping Off of Swimming Pools and Backyard-Scale Facilities to Support Wildlife	✓	✓	✓	✓	<b>X</b>
Flushing or Pressure Testing New Water Lines	✓	✓	✓	✓	Only if captured and returned to system
<b>Year-Round Requirements, Regardless of Water Shortage Condition</b>					
<ul style="list-style-type: none"> <li>&gt; Automatic controllers and rainfall or soil moisture sensors required on all irrigation systems</li> <li>&gt; "Wasteful" water use* prohibited at all times</li> <li>&gt; Water leaks must be repaired within 10 days of discovery and/or notification by OWASA</li> <li>&gt; Water may be served in restaurants and other dining facilities only at customer's request</li> <li>&gt; Hotel/motel linens may only be changed upon customer changeover, every 5 days, or upon customer request</li> </ul>					
<b>Symbols and Notes</b>					
* For the actual text of OWASA's Water Conservation Standards, please use the following link: <a href="http://www.owasa.org/conservationstandardsmarch26_2009">http://www.owasa.org/conservationstandardsmarch26_2009</a>					
✓ Water use is allowed.					
<b>X</b> Water use is not allowed.					
** Restrictions may not apply to public purpose athletic fields, recreational fields, or public purpose botanical sites operated in compliance with OWASA-approved Water Conservation Plans.					
*** Restrictions may not apply to public purpose botanical sites operated in compliance with OWASA-approved Water Conservation Plans.					

## WATER RATE SURCHARGES IN DECLARED WATER SHORTAGES

Individually-Metered Residential						Multi-family Master-metered Residential	Non-Residential and Irrigation- Only
Block:	Res. Block 1	Res. Block 2	Res. Block 3	Res. Block 4	Res. Block 5		
Use Level: (gallons)	1,000 to 2,000	3,000 to 5,000	6,000 to 10,000	11,000 to 15,000	16,000 and up		
Stage 1	No surcharge	No surcharge	1.25 times normal Block 3 rate	1.5 times normal Block 4 rate	2 times normal Block 5 rate	1.15 times year- round rate	1.15 times seasonal and irrigation-only rate
Stage 2	No surcharge	1.25 times normal Block 2 rate	1.5 times normal Block 3 rate	2 times normal Block 4 rate	3 times normal Block 5 rate	1.25 times year- round rate	1.25 times seasonal and irrigation-only rate
Stage 3 and Emergency	No surcharge	1.5 times normal Block 2 rate	2 times normal Block 3 rate	3 times normal Block 4 rate	4 times normal Block 5 rate	1.5 times year- round rate	1.5 times seasonal and irrigation- only rate

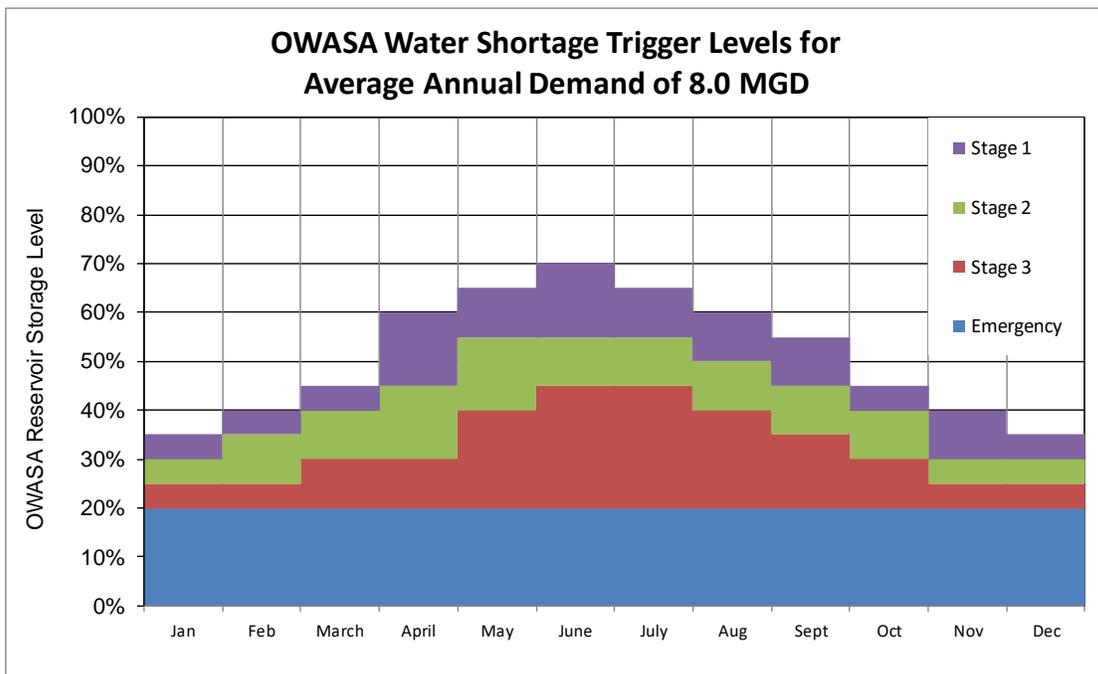
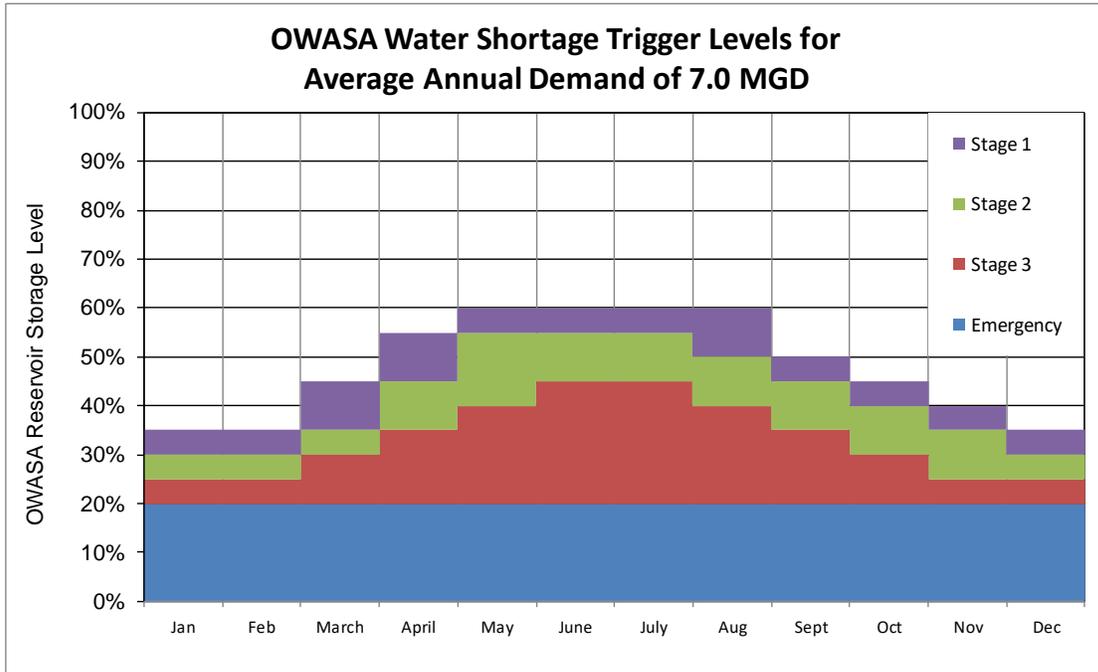
### *Calculating OWASA's Water Rates With Water Shortage Surcharges in Effect*

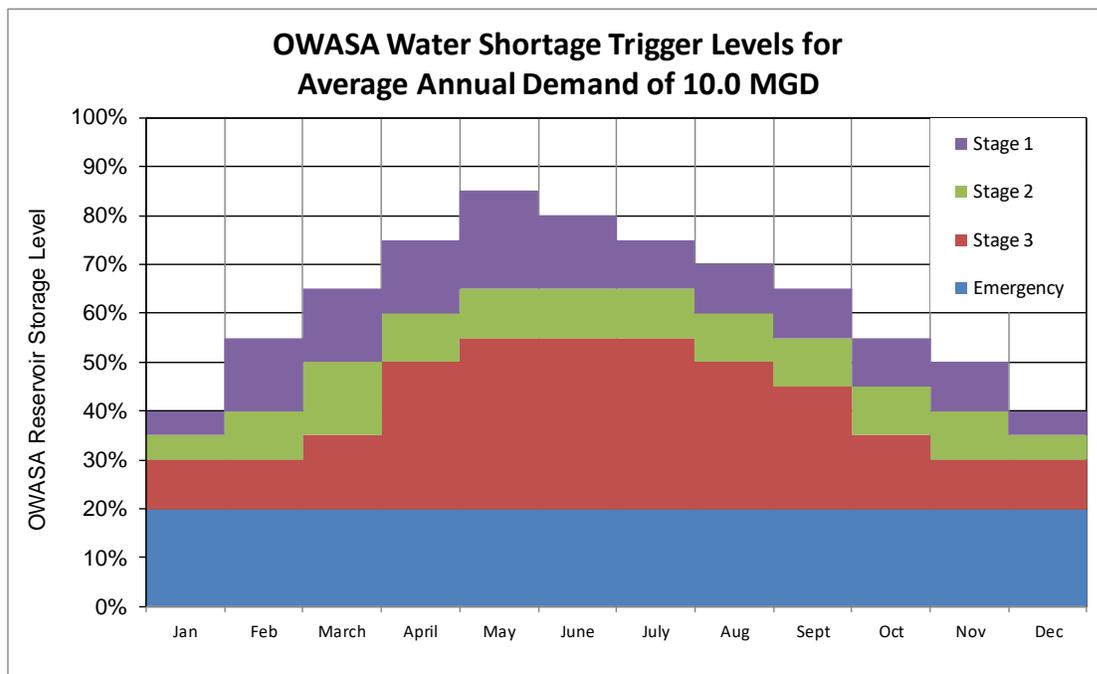
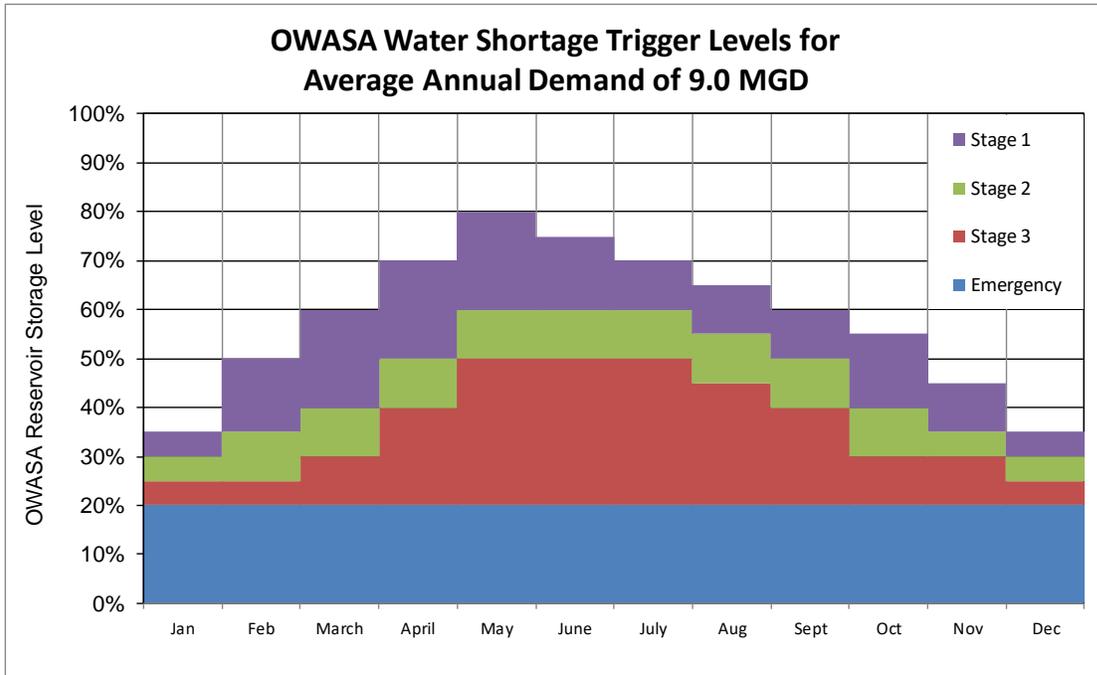
*Based on the water rates in effect as of October 1, 2019 (and which will be revised at the discretion of the OWASA Board of Directors), here are a couple illustrations of how OWASA's water rates change when water rate surcharges are in effect.*

*Example 1: The Block 3 water rate for individually-metered residences is \$8.39 per 1,000 gallons of water use (use between 6,000 and 10,000 gallons). When the Stage 1 water rate surcharge is in effect, the Block 3 rate would increase to \$10.4875 per 1,000 gallons (an increase of 25%).*

*Example 2: The Peak Season (May – September) water rate for all non-residential and non-irrigation customers is \$8.47 per 1,000 gallons of water use. Under Stage 3 surcharges, the Peak Season water rate would increase to \$12.705 per 1,000 gallons (an increase of 50%).*

### OWASA Water Shortage Trigger Tables





**Agenda Item 8:**

Minority and Women-Owned Business Enterprises (MWBE) Contractor Participation

**Purpose:**

To discuss OWASA’s MWBE contractor participation rates in context of information from nearby utilities, including potential improvements in MWBE contractor engagement strategies

**Background:**

OWASA’s Purchasing and Contracting Policy, in conjunction with the Board-approved Minority Business Participation Outreach Plan and Guidelines, intends to provide minority and women businesses an equal opportunity to participate in all aspects of OWASA’s contracting activities. Foremost among the contracting activities (in terms of dollar amounts) are the formal and informal construction contract opportunities within the Capital Improvements Program (CIP). For purposes of this report, the following definitions are used:

- **Minority and women-owned business enterprise (MWBE)** is a firm with majority ownership by a person who is a citizen or lawful permanent resident of the United States and who is: black, Hispanic, Asian American, American Indian, or female;
- **Minority-owned business enterprise (MBE) and women-owned business enterprise (WBE)** are subsets of the above definition. Note that the state certification process which OWASA uses allows for a single designation only, with certification under an ethnic category taking precedence over the gender category. Thus, a firm certified as MBE falls under one of the first four categories listed above for MWBE; and a firm certified as a WBE is owned by a non-minority female.

OWASA’s goal for minority participation in public building construction projects (vertical buildings & other structures over \$300,000) is 10%. As reported in the August 22, 2019 CIP Semiannual Report, the five-year averages for the CIP program include 29% MWBE participation on formal and informal contracts, with 54% of the awarded contracts meeting the 10% participation goal. Additionally, since Fiscal Year (FY) 2015, the MWBE breakdown during that time period is reflected in the table below.

**Table 1 – OWASA MWBE Participation Summary, FY 2015 to FY 2019**

	Black	Hispanic	Asian American	American Indian	Female	Total MWBE
Dollar amounts in MWBE categories	\$ 266,899	\$ 1,195,680	\$ 0	\$ 0	\$ 12,937,695	\$ 14,400,274
% of sum of contract value (\$49,888,126)	0.5%	2.4%	0%	0%	25.9%	28.9%**

\*\*overall goal is 10%

As evidenced by the data in Table 1, the vast majority of MWBE participation has been attributable to WBE's. At the August 22, 2019 Board meeting, the Board requested that Staff investigate two questions:

1. whether neighboring utilities have experienced the same type of low participation rates in the MBE categories; and
2. whether those utilities with higher participation rates are performing other types of MWBE outreach and engagement that might be transferable to OWASA's practices.

For reasons discussed below, the information collected during this inquiry lend more to a qualitative rather than a quantitative answer to Question #1. Despite that limitation, the inquiry yielded several practices in answer to Question #2 that may be permanently or provisionally incorporated into CIP contracting procurement practices.

Over the past 18 months the CIP program has undertaken several steps to enhance previous MWBE advertisement practices, including directly contact all potential pipeline general contractors in the central part of the state who are MWBE certified, targeted contact to potential MWBE subcontractors about specific bid opportunities on facilities projects, and attendance at MWBE contracting networking events.

**Discussion:**

Staff collected information about MWBE programs, participation rates, and practices via direct correspondence and web research for selected public providers of water and sewer services in North Carolina. In all, nineteen municipalities and utilities were contacted, with information reviewed for eleven agencies, including City of Raleigh, City of Greensboro, City of Durham, Town of Cary, Onslow Water and Sewer Authority (ONWASA), Cape Fear Public Utility Authority, City of Winston-Salem, Greenville Utilities Commission, City of Charlotte, Fayetteville Public Works Commission, and City of High Point.

***Question #1: Do neighboring utilities experience the same type of low MBE participation rates?***

Notably, more than half of the agencies indicated that they do not track participation rates by MWBE subcategory or, in several cases, for the MWBE program as a whole. Participation rate data that was available was not reported in a consistent manner, owing to differences in whether numbers reflected just construction vs. including professional services, goods, and other services; whether WBE numbers were reported as a single category vs. subdivided along minority subcategories; whether MBE subcategory numbers were reported; whether small business participation was included in the program; whether utilization was reported in relation to available MWBE capacity vs. overall contracting opportunity, etc. The more detailed data was typically gathered from larger programs which have performed disparity studies (discussed below) and have one or more full time employees dedicated to an MWBE program.

Despite the inconsistencies and limitations of the information noted above, the review and discussion with other agencies yielded the following general findings in reference to Question #1:

- Participation rates are ideally assessed, and overall participation goals established, specifically in relation to the number of MWBE's available and with capacity to serve the locality ("availability"). This information is determined as part of a disparity study. However, for purposes of this memo and in reference to how OWASA has reported numbers in Table 1 and in past reports, participation rates for other localities are shown in relation to total contracting amounts, where available.
- OWASA's overall MBE utilization rate (again, in relation to total contracting opportunities as opposed to MBE availability) is in line with utilization at other agencies, with the notable local exception of City of Durham. OWASA's WBE and overall MWBE utilization rates are higher than others reporting.
- Typically, WBE utilization rates, as in OWASA's case, are significantly higher than utilization in the MBE categories, often by several factors. For example, Greensboro has WBE utilization of 5.0% vs total MBE utilization of 1.1%. Several other municipalities also reported this experience qualitatively. City of Durham is a notable exception, with WBE utilization of 0.9% vs MBE utilization of 4.7%. (Percentages in these examples reflect utilization in reference to construction contract opportunities.)
- Water and sewer construction is more specialized than other types of construction, resulting in lower MWBE availability.
- Charlotte, Greensboro, and Durham (City/County) have performed disparity studies; Winston Salem is currently undertaking a disparity study. These studies are conducted in order to: 1) consider whether or not there is statistical evidence of disparity between the number of available MWBE's in the relevant marketplace and the historical number firms that have been awarded contracts; 2) establish a legal predicate to create or maintain a program to remedy a disparity, if one exists; such a program must consider both race/gender neutral and race/gender conscious remedies.
- Some mid-sized agencies reported the disproportionate effect of a single MWBE firm on MWBE utilization numbers.

***Question #2: What types of effective MWBE outreach and engagement practices are used by those agencies with high participation rates (that differ from what OWASA currently does)?***

Responses to this inquiry yielded numerous MWBE outreach activities not currently included in OWASA's CIP procurement practices. However, any correlation between the specific practice and an increase in MWBE participation was anecdotal at best.

**Group 1: Practices which can be implemented in near term**

- Reinforce MWBE participation goal and requirements at pre-bid conference and bid posting

- Develop and circulate a guidance document for bidders' required "Good Faith Efforts" to solicit MWBE subcontractors
- Distribute pre-bid sign in sheet to identified potential MWBE subcontractors
- Send routine/periodic emails of upcoming contracting opportunities to MWBE's
- Update current list of MWBE contractors, including MWBE contractors that have been bidding water and sewer projects with City of Durham

**Group 2: Practices which warrant further assessment or development**

- Planning practices, such as conducting a disparity study; establishing project-specific and/or program goals that distinguish between MBE's and WBE's; formalized project procurement planning including review of experience requirements, identification of potential subcontracting opportunities, identification of potential MWBE prime contractors and subcontractors, and outreach
- Contractor education/training practices, such as business development workshops or online information for MWBE (example topics include construction estimating and bidding, construction financing, plan reading, etc) or MWBE-related processes, (e.g., Good Faith Efforts, MWBE certification)
- Program monitoring and controlling practices, such as use of software for general procurement tasks such as vendor management, online bidding, and/or MWBE program related tasks such as certification, MWBE identification and outreach; stricter monitoring of prime contractor payments to MWBE subcontractors, establishment of penalties and sanctions for non-compliance with required MWBE reporting during construction
- Networking, such as hosting or participating in meet and greet networking events for prime contractors and MWBE subcontractors

**Group 3: Practices not appropriate, feasible, or warranted to implement**

- Establish OWASA-specific certification program
- Notify other departments about newly certified vendors
- Provide MWBE's with assistance to access capital
- Establish a bonding assistance program
- Establish a MWBE mentor-protégé program

***Conclusion***

The utilization of MWBE firms in OWASA CIP procurement exceeds the overall goal established by OWASA policy. However, absent any information about the availability and capacity of local MWBE contractors to participate in CIP contracting opportunities, the adequacy of OWASA MWBE utilization with respect to meeting the intent of the MWBE policy is not known. While OWASA has undertaken several steps to improve MWBE practices over the past 18 months, this

review of other MWBE programs yielded a variety of other methods employed by agencies to support their MWBE goals.

This list of potential practices is not exhaustive and the correlation of any individual practice with increased MWBE utilization is not known. However, the Group 1 practices can be readily implemented and will be done so in advance of the series of formal bid opportunities to be issued in January 2020; Group 2 practices warrant further assessment or development.

The feedback from the agencies responding to this inquiry has been extremely useful, including some noting that development and maturation of an MWBE program and relationships with MWBE firms is a process that takes many years. One of the most promising opportunities for improvement uncovered through this process (and one not included in the list above) is to obtain membership and participate in the [North Carolina MWBE Coordinators Network](#), an organization specifically dedicated to sharing strategies for administering and improving minority business programs. Staff looks forward to the continued process of investigating and implementing strategies appropriate to OWASA's program and will report in the next CIP Semiannual report (January 2020) about progress in this regard.

**Action Requested:**

Receive and discuss the information in the report

**Information:**

None

**Agenda Item 9:**

Approve New Banking Services Provider

**Purpose:**

The OWASA Board of Directors and staff have completed a process by which proposals from banking services providers were evaluated. Based on this evaluation, staff recommends, and asks for the Board’s approval to contract for banking services with J.P. Morgan Chase Bank (JPMC).

**Background:**

To ensure that we have a banking partner that meets OWASA’s needs, as well as the community and environment we serve, we recently requested and received proposals for banking services. Seven banks responded with proposals; three were eliminated due to their lack of ability to meet our needs, price, or both. The four remaining respondents were invited to make brief presentations and demonstrate their products and services. The four “finalist” banks were, JPMC, BB&T, Bank of America, and our current primary banking services provider, Wells Fargo.

In responding to the request for proposals (RFP), the banks were asked to provide information on three matters: 1) ability to meet OWASA’s banking services needs, 2) pricing, and 3) the bank’s approach to social, regulatory, and environmental responsibility. Staff assumed responsibility for evaluating the proposals on the first two matters and the Board, through its Finance Committee, evaluated the third. Additionally, we received consulting assistance from David Cheatwood of First Tryon Advisors. David and his team helped us develop the RFP and assisted us in evaluating the pricing aspect of the responses.

**Bank Selection Process:**

The following outlines our process.

No.	Step	Responsibility	Date
1	Board requested that the RFP include information about the banks’ social, regulatory, and environmental responsibility	Board	July 8, 2018
2	Board provided guidance on, and approved the approach for requesting information to be included in the banks’ responses related to social, regulatory, and environmental responsibility	Board	October 2018
3	Issued RFP	Staff	June 2019
4	Received proposals from seven banks	Staff	August 2019
5	Staff assessed the proposals for the banks’ organizational capacity and services and determined that four of the respondents are able meet our business needs	Staff	September 2019
6	Finance Committee (and other interested Board Members) review and score four remaining banks’ social, regulatory, and environmental responsibility information	Committee and Board	Prior to November 12, 2019 Committee Meeting
7	Finance Committee (and other interested Board Members) discuss and reach consensus on ranking the respondents’ social, regulatory, and environmental responsibility	Committee and Board	November 12, 2019

No.	Step	Responsibility	Date
8	In-person banking products and services demonstrations	Staff	November 19 and 21, 2019
9	Staff reaches consensus regarding a banking services provider to recommend to the Board	Staff	November 22, 2019

**Products and Services Evaluation:**

The in-person demonstrations were facilitated and evaluated by OWASA staff. We provided the respondents with a list of more than a dozen products or services to demonstrate. The following OWASA employees participated:

- Denise Battle, Customer Service Manager
- Pat Farl, Financial Analyst
- Thomasina Farrow, Senior Customer Service Representative
- Kelly Satterfield, Finance and Procurement Manager
- Angie Smith, Billing Supervisor
- Pamela Whitmore, Customer Service Representative
- Stephen Winters, Director of Finance and Customer Service

Staff assessed the ability of three of the four banks to meet our needs as about equal, with a slight edge to JPMC.

**Price Evaluation:**

The RFP included a request for a pricing proposal. To provide a meaningful comparison among the respondents and to be able to compare the proposed pricing to our current costs, we provided respondents with a summary of banking products and services we currently use and the level of activity for each.

We asked respondents for 1) pricing on the same (or comparable) services, 2) the minimum average monthly balance that OWASA would need to maintain in its accounts in order to offset those fees, and 3) the interest rate earned on amounts in excess of the minimum balance.

This information allowed us to compare the proposals and calculate the difference between our current pricing structure with those proposed by the responding banks. JPMC proposed the most attractive overall pricing. Their offer included:

- The lowest service charges
- The lowest minimum balance required to offset those service charges (based on current market rates)
- The second highest interest rate on amounts in excess of the minimum balance (based on current market rates)
- The agreement to waive service charges for the first year (approximately \$38,000 of savings) and provide a one-time supplies and equipment credit of \$3,000

In comparison to the average monthly fees or service charges that OWASA currently pays, the JPMC proposal would result in average annual savings of approximately \$36,000. Additionally, due to lower

minimum balance requirements, we have the potential to earn significantly more on our balances with JPMC versus the other providers.

**Social, Regulatory, and Environmental Responsibility Evaluation:**

The November 12, 2019 Finance Committee meeting was attended by six Board members:

Committee Chair Bruce Boehm; Committee Members John Cooley, Bruce Runberg, Ray DuBose (ex-officio); and Board Members: Yinka Ayankoya and Ruchir Vora.

Committee members reviewed and evaluated the social, regulatory, and environmental responsibility information provided by the respondents and ranked the four banks in accord with members' assessments of the banks' programs and commitment to these issues. The Committee and Board members at the meeting agreed that the best response was submitted by BB&T, followed by Bank of America and JPMC (which were rated to be about equal). Wells Fargo was rated lowest among the group. Based on this evaluation, the members present indicated they would support working with any of the top three rated banks (BB&T, Bank of American, JPMC).

**Summary of Evaluations and Staff Recommendation:**

Based on its ability to meet OWASA banking service needs; the clear and significant financial benefit it has offered; and its approach to social, regulatory, and environmental responsibility, staff recommends working with JPMC.

Additionally, while JPMC is a well-established banking institution, it has just recently established a physical presence in North Carolina; the first branch opened in August 2019 on Franklin Street in Chapel Hill. The individuals with whom we will work have extensive experience serving North Carolina governmental units and our relationship-manager has worked with OWASA in the past and knows our organization well. JPMC seems to place a high value on having OWASA as one of its initial North Carolina governmental clients.

**Implementation:**

There will be no implementation fees charged by JPMC and we do not expect to incur outside consulting or other third-party fees. JPMC has provided a pro forma implementation plan and we will work with them to finalize the plan and establish an implementation timeline. Once the plan is established, we estimate that implementation will take from six to nine months.

**Contract Term:**

JPMC has indicated flexibility regarding the length of a contract with OWASA. Staff anticipates seeking a contract with an initial term of between three to five years with options to renew in subsequent years.

**Action Needed:**

Adopt motion to approve new banking services provider.

Proposed motion: OWASA's Board of Directors hereby approves staff's recommendation for contracting with J.P. Morgan Chase for banking services.

**Agenda Item 10:**

Executive Director Compensation

**Purpose:**

Possible Board action to adjust the Executive Director's salary.

**Background:**

On December 13, 2018, the OWASA Board approved the Key Focus Areas for OWASA's Executive Director for the period of October 2018 to September 2019.

The OWASA Board held an interim performance review meeting with the Executive Director on March 28, 2019.

The OWASA Board held an annual performance review meeting with the Executive Director on October 10, 2019 to discuss his Accomplishment Report on the Key Focus Areas and other matters related to his performance.

**Information:**

- Draft Resolution submitted by Robert Morgan, Chair of Human Resources Committee

**Resolution Adjusting the Executive Director's Compensation**

**Whereas**, the Board of Directors has reviewed the Executive Director's Accomplishment Report and overall performance for the period October 2018 to September 2019; and

**Whereas**, the Board of Directors has met with the Executive Director to discuss his annual performance review: and

**Whereas**, the Board of Directors has determined to adjust the Executive Director's compensation as provided herein;

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

1. That the Executive Director's annual base salary is hereby increased by \_\_\_\_\_ percent.
2. This increase shall be applied retroactively, effective October 28, 2019.

Adopted this 12<sup>th</sup> day of December 2019.

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Raymond E. DuBose, Chair

ATTEST:

\_\_\_\_\_  
Bruce Boehm, Secretary

**Agenda Item 11:**

Review Board Work Schedule

**Purpose:**

- a) Request(s) by Board Committees, Board Members and Staff
- b) January 9, 2020 Work Session
- c) January 23, 2020 Board Meeting
- d) Review and update the 12 Month Board Meeting Schedule
- e) Review Pending Key Staff Action Items
- f) Review Action Items Recurring Every 3 to 5+ Years

**Information:**

- Draft agenda for the January 9, 2020 meeting
- Draft agenda for the January 23, 2020 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings
- Action Items Recurring Every 3 to 5+ Years

December 12, 2019

**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](mailto: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.
  - January 30, 2020 Special Meeting of the Board of Directors to Discuss the Long-Range Water Supply Plan at 6:00 p.m. in OWASA's Community Room
- 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 November 14, 2019 Meeting of the Board of Directors (Andrea Orbich)
4. Minutes of the December 11, 2019 Special Meeting of the Board of Directors (Andrea Orbich)
5. Minutes of the December 12, 2019 Meeting of the Board of Directors (Andrea Orbich)

**Regular Agenda**

**Discussion**

6. Update on Employee Health and Dental Insurance for Next Fiscal Year (Stephanie Glasgow/Ellen Tucker, Hill Chesson & Woody)
7. Diversity and Inclusion Update (Stephanie Glasgow)
8. Review Comments on Sewer Use Ordinance Update (Todd Taylor)
9. Affordability Outreach Program Update (Mary Tiger)
10. 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**

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

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**Agenda**  
**Meeting of the OWASA Board of Directors**  
**Thursday, January 23, 2020, 7:00 P.M.**  
**Chapel Hill Town Hall**

In compliance with the "Americans with Disabilities Act," interpreter services are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or [aorbich@owasa.org](mailto:aorbich@owasa.org).

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's agenda, or by comments upon items appearing on the Board's 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](mailto:aorbich@owasa.org)/400 Jones Ferry Road, Carrboro, NC 27510).

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.

**Announcements**

1. Announcements by the Chair
  - A. 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. January 30, 2020 Special Meeting of the Board of Directors to Discuss the Long-Range Water Supply Plan at 6:00 p.m. in OWASA's Community Room
2. Announcements by Board Members
3. Announcements by Staff

**Petitions and Requests**

1. Public
2. Board
3. Staff

**Consent Agenda**

**Information and Reports**

1. 12 Month Board Meeting Schedule (Ray DuBose/Ed Kerwin)

**Action**

2. Approve Sewer Use Ordinance Update (Todd Taylor)

**Regular Agenda**

**Discussion**

3. Fiscal Year 2021 Budget Calendar, Planning Assumptions, and New Budget Format (Stephen Winters)

**Information and Reports**

4. 2019 Annual Lakes Recreation Report (Kenneth Loflin/Johnny Riley)
5. Capital Improvements Program Semiannual Report (Vishnu Gangadharan)
6. Financial Report for the Six-Month Period Ended December 31, 2019 (Stephen Winters)

**Summary of Board Meeting Action Items**

7. Executive Director will summarize the key action items from the Board meeting and note significant items for discussion and/or action expected at the next meeting

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## OWASA Board of Directors – 12 Month Board Meeting Schedule (December 6, 2019)

Month	Board Meetings		Committee & Other Meetings
	Work Session	Business Meeting	
December 2019	MWBE Contractor Participation Information Comparison <b>LRWSP – Preliminary Risk Modeling</b> Approve New Banking Services Provider  12/12/2019	<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 (12/11/2019)</i>
January 2020	Appoint Audit Firm (C) Employee Health and Dental Insurance Update for FY 21 (C) Review Comments on Sewer Use Ordinance Update Affordability Outreach Program Update Diversity and Inclusion Update 1/9/2020	Annual Lakes Recreation Report (C) CIP Semiannual Report (C) Q2 Financial Report (C) Discuss FY 21 Budget Calendar, Planning Assumptions, and New Budget Format (C) Approve Sewer Use Ordinance Update (if needed) 1/23/2020	<b>Special Meeting on the LRWSP – Draft Evaluation of Water Supply and Demand Management Alternatives (1/30/2020)</b>
February 2020	Department Manager Budget Presentations Award the Kings Mill-Morgan Creek Neighborhood Water Main Replacements Contract CS – Prepare for GC Interim Review (C) 2/13/2020	Award the WTP Finished Water Pump Improvements Contract CS – GC Interim Review (C) 2/27/2020	<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 1<sup>st</sup> draft operating budget (TBD)</i>
March 2020	FY 21 Draft Budget & Rates including 1 <sup>st</sup> iteration of new budget format (C) <b>Forest Management Program Update</b> 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 (C) 3/12/2020	Set date for Public Hearings – FY 21 Budget & Rates (C) FY 21 Draft Budget & Rates and Proposed Staff Rate Adjustment Recommendation (C) Award the Bolinwood Drive Interceptor Contract CS – ED Interim Review (C) 3/26/2020	<i>Finance Committee meeting(s) to review FY 21 budget and rates, as necessary</i>
April 2020	Review Employee Health and Dental Insurance Renewals (C) FY 21 Draft Budget and Rate Adjustment Information (C) 4/9/2020	Q3 Financial Report (C) 4/23/2020	<i>Finance Committee meeting(s) to review FY 21 budget and rates, as necessary</i>
May 2020	Approve Employee Health and Dental Insurance Renewals (C) Discuss Employee Merit Pay for FY 21 (C) Diversity and Inclusion Update 5/14/2020	Public Hearings – FY 21 Budget and Rates (C) Approve Employee Health and Dental Insurance Renewals (if needed) Award the University Lake Permanganate Facility Contract 5/28/2020	
June 2020	Approve FY 21 Budget and Rates, including merit pay decision (C) Election of Officers (C) 6/11/2020	TBD 6/25/2020	
July 2020	TBD 7/9/2020	TBD 7/23/2020	
August 2020	CS – Prepare for GC Annual Review (C) 8/13/2020	Preliminary 12 Month Financial Report (C) CIP Semiannual Report (C) CS – GC Annual Review (C) 8/27/2020	

## OWASA Board of Directors – 12 Month Board Meeting Schedule (December 6, 2019)

Month	Board Meetings		Committee & Other Meetings
	Work Session	Business Meeting	
September 2020	EEO/Affirmative Action Report & Diversity and Inclusion Update (C) Annual Report on Disposal of Surplus Personal Property (C) <b>Forest Management Update</b> CS – Prepare for ED Annual Review (C) 9/10/2020	Annual Report and Financial Audit (C) <b>Annual Update of the Energy Management Plan</b> (C) Approve General Counsel Engagement (C) CS – ED Annual Review (C) 9/24/2020	
October 2020	TBD     10/8/2020	Q1 Financial Report (C) <b>Strategic Trends Report and Strategic Plan Update</b> (C) Reliability and Resiliency Improvements Update 10/22/2020	
November 2020	TBD     11/12/2020	<i>Holiday – no meeting</i>	

**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.

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.

## OWASA Board of Directors – 12 Month Board Meeting Schedule (December 6, 2019)

### Abbreviations Used in Draft Schedule:

☺	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
CE	Community Engagement	MOA	Memorandum of Agreement
CEP	Community Engagement Plan	MWBE	Minority/Women-owned Business Enterprises
CHTC	Chapel Hill Town Council	MST	Mountains-to-Sea Trail
CIP	Capital Improvements Program	MFMM	Multi-Family Master Meter
COLA	Cost of Labor Adjustment	NCDOT	North Carolina Department of Transportation
CS	Closed Session of the Board	NRTS	Natural Resources and Technical Services
CTC	Carrboro Town Council	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	Proceed with planning for new strategic plan to begin next fiscal year.	TBD	TBD	
2.	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 – 3/ 5 contracts signed, design underway; 2/ 5 contracts waiting third party sign-off on site readiness.

## OWASA Action Items Recurring Every 3 to 5+ Years

No.	Action Item	Purpose	Board Action Needed	Target Start Date	Target Completion Date	Frequency	Staff Lead
1.	Strategic Plan	Identify key strategic initiatives and corresponding actions for OWASA during the next 3-5 years (Note: the Board agreed to consider updating the 1996 Cane Creek Reservoir Watershed Study as part of the Strategic Plan process following completion of the Long-Range Water Supply Plan)	<ol style="list-style-type: none"> <li>1) Participate with and guide staff to develop an updated draft Strategic Plan</li> <li>2) Invite and consider customer and stakeholder feedback on draft Plan</li> <li>3) Approve Strategic Plan</li> <li>4) Provide staff resources and guidance needed to execute the Plan</li> </ol>	Fall 2020	TBD	3-5 years	Executive Director
2.	Local Water Supply Plan and Water Shortage Response Plan	NC General Statutes requires Local Water Supply Plan and Water Shortage Response Plan be updated at least every 5 years to be submitted to NC Department of Environmental Quality	<ol style="list-style-type: none"> <li>1) If staff identifies a policy or material change in the update of the Plans, Board guidance is required</li> <li>2) Approve Plans</li> </ol>	Spring 2022 (if policy or material change)	Spring 2023	5 years	Planning and Development Manager
3.	Water Demand Projections will be updated approximately every 10 years, unless there is a significant change in assumptions	Periodically check the assumptions used to develop our water demand projections	<ol style="list-style-type: none"> <li>1) Provide staff feedback and guidance on assumptions and methods to develop demand projections</li> <li>2) Invite and consider stakeholder feedback on draft demand projections</li> </ol>	2028	2029	10 years	Planning and Development Manager
4.	Source Water Protection Plan	Develop plan to protect OWASA's local water supply reservoirs that meets regulations (Note: NCDWR is proposing a revision to the regulations that deem utilities compliant with America's Water Infrastructure Act (AWIA))	No Board action needed. Regulation (finalized Jan 2019) requires staff to notify Board when Plan developed and updated. Staff will keep Board apprised of progress and will present a draft plan to Board for feedback in spring/summer 2022.	TBD	1/1/2023	Every 3 years	Planning and Development Manager

## OWASA Action Items Recurring Every 3 to 5+ Years

No.	Action Item	Purpose	Board Action Needed	Target Start Date	Target Completion Date	Frequency	Staff Lead
		compliant with the Source Water Protection regulations).					
5.	Cost of Service Rate Study	<p>1) Ensure OWASA's rates, fees and charges continue to meet the goals of the organization (e.g. sustainability, conservation, affordability, etc.)</p> <p>2) Update cost allocations and adjust rates as necessary.</p> <p>NC General Statues requires review of System Development Fees every 5 years.</p>	<p>1) Provide guidance to staff on draft Rate Study</p> <p>2) Invite and consider customer and stakeholder feedback on draft Rate Study</p> <p>3) Approve Rate Study and annual update of rates, fees and charges as needed</p>	2022	2023	5 years	Director of Finance and Customer Service
6.	Auditor	NC General Statues requires an annual audit of OWASA's finances. It is a best-practice to invite proposals and select best-qualified audit firm every 3 years.	<p>1) Assign 1 or 2 Board Members to participate on staff's panel to select a best-qualified audit firm</p> <p>2) Award annual contract to audit firm</p>	Winter 2020	Spring 2021	3 years	Director of Finance and Customer Service
7.	Banking Services	It is a best-practice to invite proposals and select a best-qualified financial institution to provide OWASA's various banking needs.	<p>1) Provide guidance to staff on the social responsibility and environmental sustainability criteria to be considered when selecting a best-qualified financial institution for banking services</p> <p>2) Approve financial institution</p>	2028	2029	10 years	Director of Finance and Customer Service
8.	Employee Classification Pay and Compensation	It is best-practice every 5-7 years to thoroughly review employee jobs to ensure they are properly classified in their position and to ensure total compensation (pay and	<p>1) Provide guidance to staff about goals and objectives for employee total compensation</p> <p>2) Approve Employee Classification, Pay and Compensation Study &amp; Pay Administration Guidelines</p>	2021	2022	5-7 years	Director of Human Resources and Safety

## OWASA Action Items Recurring Every 3 to 5+ Years

No.	Action Item	Purpose	Board Action Needed	Target Start Date	Target Completion Date	Frequency	Staff Lead
		benefits) are competitive and meeting OWASA's needs.					
9.	Financial Management Policy	It is a best-practice to review OWASA's Financial Management Policy periodically to ensure organizational fiscal objectives are appropriate.	<ol style="list-style-type: none"> <li>1) Provide guidance to staff about OWASA's Financial Management objectives</li> <li>2) If needed, approve update to Financial Management Policy</li> </ol>	2021	2022	5 years	Director of Finance and Customer Service
10.	Audit of OWASA Board Policies and Ordinances (such as Cross-Connection, Sewer Use, Purchasing and Procurement, etc.)	It is a best-practice to have staff audit the various Board approved policies to ensure they are still appropriate. As needs change, staff is responsible to act and inform the Board.	<ol style="list-style-type: none"> <li>1) Provide guidance to staff on staff's recommended updates to various Board policies.</li> <li>2) As needed, approve policy updates</li> </ol>	2019	2020	5+ years	Executive Director
11.	Communications and Community Engagement Plan	Review key communications and engagement initiatives to ensure they align with, and support, current and future business operations, as well as community engagement needs and priorities	<ol style="list-style-type: none"> <li>1) Update communications plan taking into consideration learnings from and measurement of the previous years' activities, and current and future fiscal year business priorities, as well as associated community engagement needs</li> </ol>	As needed	Ongoing	Annual	Communications and Community Relations Officer
12.	Human Resources Policy	As needs change, staff is responsible to act and inform the Board	<ol style="list-style-type: none"> <li>1) Provide guidance to staff on staff's recommended updates to various topics within the HR Policy.</li> <li>2) As needed, approve policy updates</li> </ol>	As needed	As needed	As needed	Director of Human Resources and Safety