



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

Virtual Work Session of the OWASA Board of Directors

Thursday, April 9, 2020, 6:00 P.M.

Due to COVID-19 public health concerns and in compliance with local governments "stay at home" orders, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams. Board Members will be participating in the meeting remotely. Members of the public will be able to view and listen to the meeting but will not have the opportunity to speak at any point during this meeting.

The public may submit written comments by sending an email to board_and_leadership@owasa.org ideally submitted at least three days in advance of the meeting.

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.
 - Opening Remarks on Virtual Meeting
- b. Announcements by Board Members
 - Update on the April 2, 2020 Human Resources Committee Meeting (Robert Morgan)
- 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 Board and Committee Meetings (Andrea Orbich)

Regular Agenda

Discussion and Action

2. OWASA's COVID-19 Preparations and Response (Ed Kerwin)
 - a) Overview of OWASA's Preparations for and Response to COVID-19 to Ensure High Quality and Reliable Service for the Community (Department Directors)
 - b) Implementation of the Families First Coronavirus Response Act and other response measures (Stephanie Glasgow)

Discussion

3. Review Employee Health and Dental Insurance (Stephanie Glasgow/Ellen Tucker, Gallagher)



4. Review Draft Fiscal Year 2021 Budget and Rate Adjustment Information Considering COVID-19 (Stephen Winters)
5. Review Board Work Schedule (Ray DuBose/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff
 - b. April 23, 2020 Board Meeting
 - c. May 14, 2020 Work Session
 - d. 12 Month Board Meeting Schedule
 - e. Pending Key Staff Action Items

Summary of Work Session Items

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

ORANGE WATER AND SEWER AUTHORITY - QUARTERLY REPORT

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

BOARD OF DIRECTORS	JANUARY 2020	FEBRUARY 2020	MARCH 2020
RAY DUBOSE, SECRETARY	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Absent) Feb 13 WS (Absent) Feb 24 FC (Meeting) Feb 27 Board (Meeting)	Mar 10 CS (Meeting) Mar 12 WS (Meeting) Mar 26 Board (Canceled)
RUCHIR VORA, VICE CHAIR	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Meeting) Feb 13 WS (Meeting) Feb 27 Board (Meeting)	Mar 10 CS (Meeting) Mar 12 WS (Meeting) Mar 26 Board (Canceled)
BRUCE BOEHM, SECRETARY	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Meeting) Feb 13 WS (Meeting) Feb 24 FC (Meeting) Feb 27 Board (Meeting)	Mar 10 CS (Meeting) Mar 12 WS (Meeting) Mar 26 Board (Canceled)
YINKA AYANKOYA	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Meeting) Feb 13 WS (Meeting) Feb 27 Board (Meeting)	Mar 10 CS (Meeting) Mar 12 WS (Meeting) Mar 26 Board (Canceled)
JOHN COOLEY	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Absent) Feb 13 WS (Absent) Feb 24 FC (Absent) Feb 27 Board (Resigned)	
JODY EIMERS	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Meeting) Feb 13 WS (Meeting) Feb 24 FC (Meeting) Feb 27 Board (Meeting)	Mar 10 CS (Absent) Mar 12 WS (Absent) Mar 26 Board (Canceled)
ROBERT MORGAN	Jan 9 WS (Meeting) Jan 23 Board (Meeting) Jan 30 Special (Meeting)	Feb 12 D&I (Meeting) Feb 13 WS (Meeting) Feb 24 FC (Meeting) Feb 27 Board (Meeting)	Mar 10 CS (Meeting) Mar 12 WS (Meeting) Mar 26 Board (Canceled)
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BRUCE RUNBERG	Jan 9 WS (Meeting) Jan 23 Board (Absent) Jan 30 Special (Meeting)	Feb 12 D&I (Meeting) Feb 13 WS (Meeting) Feb 24 FC (Absent) Feb 27 Board (Meeting)	Mar 10 CS (Absent) Mar 12 WS (Meeting) Mar 26 Board (Canceled)
TOTAL MEETINGS HELD:	3	4	2

Board – Board of Directors

FC – Finance Committee

HR – Human Resources Committee

WS – Work Session

Agenda Item 2:

OWASA's COVID-19 Preparations and Response

Purpose:

To provide the Board of Directors and public an overview of OWASA's preparations for and response to COVID-19 to ensure high quality and reliable service for the community; and to review and discuss implementation of the Families First Coronavirus Response Act.

Overview of COVID-19 Actions:

OWASA continues to take proactive measures to ensure we provide the Carrboro and Chapel Hill communities with high quality and reliable water, wastewater and reclaimed water services throughout the significant challenges the COVID-19 pandemic places on our Team, community, State, Country and World. We are working very closely with local and regional partners as well as State and Federal agencies to plan and coordinate our work.

OWASA's focus is on our core mission responsibilities and the safety of our employees and the public we serve. This is a very dynamic situation which requires us to update and refine our response as we learn and receive new guidance and direction from public health and governmental officials. We continue to update our Continuity of Operations Plan as the situation dictates.

Consistent with the Centers for Disease Control and Prevention (CDC) recommendations, key elements of our COVID-19 response to keep our employees and public safe is through social distancing, cleaning and disinfection of work areas, frequent hand washing, and avoiding contact with others who may be infected. A summary of actions we and others have taken since early March follows.

March 5, 2020

- Activated internal Incident Management Team to guide preparedness and response.
- Directed that the Continuity of Operations Plan be updated for the unique challenges of COVID-19.
- Limited OWASA-related out-of-state travel.
- Encouraged virtual meetings.
- Provided all employees guidance about preventive actions to stay safe.

March 10, 2020 – Governor Cooper declares statewide state of emergency

March 11, 2020

- Directed employees not to report to work if sick.
- No OWASA related out-of-state travel.
- No external in-person training, trade shows or conferences.
- Minimized in-person meetings with internal and external persons to essential matters only. Use virtual meetings when possible.
- Each OWASA Department prepared their staff and implemented trials for having employees work from home.
- No public tours of OWASA facilities.

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OWASA's COVID-19 Preparations and Response

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- No large employee meetings or events.
- No community meetings about OWASA projects or initiatives (information provided to public by other means).
- No in-person interviews with candidates to fill vacant positions.
- Limited visits and/or work by external persons at OWASA facilities to essential matters only.

March 12, 2020

- Suspended customer disconnections and late fees for non-payment.
- Suspended outside groups from using Community Room or other OWASA facilities.

March 13, 2020 – Orange County, Chapel Hill and Carrboro declare state of emergency.

March 14, 2020 – Governor Cooper prohibits mass gatherings and closes public schools.

March 16, 2020

- Closed the business office to walk-in customers (still helping customers with calls and emails during normal business hours).
- Closed recreation at the lakes.
- Limited visits and work by all external persons at OWASA facilities to essential services and supplies.
- Began efforts throughout the organization to work remotely where possible or be placed on standby and to implement limited staffing at facilities.

March 17, 2020

- Implemented additional cleaning and disinfection measures at OWASA facilities to be completed by our employees.
- Governor Cooper limits operation of restaurants and bars.

March 23, 2020

- Implemented additional cleaning and disinfection measures at OWASA facilities by a contractor (in addition to what our employees are doing).
- Governor Cooper places additional limitations on mass gatherings and extends school closures.

March 25, 2020

- Established guidelines that must be followed by developers and their contractors and engineers for how our Construction Inspectors and other OWASA staff will observe and approve their development projects.

March 26, 2020 – Orange County, Chapel Hill and Carrboro issue joint Stay-at-Home order.

March 27, 2020 – Governor Cooper issues statewide Stay-at-Home order.

March 31, 2020 – Governor Cooper prohibits utilities from disconnecting services to customers for non-payment.

OWASA's COVID-19 Preparations and Response

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Current and Ongoing Considerations

- Construction and development projects by others in our service area have not been restricted by the State or our local governments.
- We are reviewing each active OWASA capital improvement project to determine which can proceed as planned, and which projects will be delayed or deferred to maintain social distancing measures or other COVID-19 related considerations.
- We continue to monitor Federal and State actions which may provide OWASA reimbursement for expenses related to our efforts to mitigate the impacts of COVID-19.
- COVID-19 will have impacts to our current and projected Fiscal Year 2021 budgets (agenda item #4).

As expected, the OWASA Team has responded well to the many challenges presented by COVID-19. Many employees are very successfully working remotely and those on standby have promptly responded to the needs of the community and organization.

Of course, some work must be done at OWASA facilities such as operating our treatment plants, repairing water main breaks, responding to sewer overflows, inspecting OWASA and developer construction projects, and performing certain customer service activities. However, all OWASA employees are essential because it takes the full OWASA Team to make it all work, especially in this prolonged COVID-19 event. Essential support includes: maintenance; laboratory; billing and collections; assisting customers; payroll; capital projects, planning and development; public communications and engagement; all of which needs support from our Human Resources and Safety, Engineering, Finance and Customer Service, Information Technology and Administration Departments.

We continue to anticipate, adopt and adapt to new strategies that ensure the reliability of our services, the continuity of our reporting, and the responsiveness of our staff that the community has come to expect - despite an ever-evolving situation.

Families First Coronavirus Response Act

The new Families First Coronavirus Response Act (“Act”) requires Emergency Paid Sick Leave and Emergency Medical Leave Expansion. Its emergency provisions are in effect on a temporary basis from April 1, 2020 through December 31, 2020. Here are links to documents provided by the US Department of Labor.

[Families First Coronavirus Response Act: Employee Rights Poster](#)

[Families First Coronavirus Response Act: Employee Paid Leave Rights](#)

In general, the Act provides that qualified employees are eligible for:

- Two weeks (up to 80 hours) of paid sick leave at the employee’s regular rate of pay if the employee is unable to work because the employee is quarantined and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee’s regular rate of pay because the employee is unable to work due to a bona fide need to care for an individual subject to quarantine or to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing any other substantially similar condition as specified by the Secretary of Health and Human Services; and

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- Up to an additional 10 weeks of paid expanded Family and Medical Leave at two-thirds the employee's regular rate of pay if an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

The Act allows employers to exempt emergency responders from these limited benefits. At this time, the Executive Director has not exempted any OWASA employee(s) or position(s) as emergency responders, and all OWASA employees remain eligible at this time for the Act's full leave and compensation benefits. However, in order to assure and maintain OWASA's essential operations and response capabilities, the Executive Director has the authority and may at any time declare any employee(s) or positions as emergency responder(s) should that become necessary to maintain operations essential to protect public health and safety.

We have shared this information with all employees and encouraged them to contact our Human Resources and Safety Department staff for assistance. In implementing the Act, we plan to allow eligible employees to use their accumulated Sick and/or Annual Leave to make up the one-third of compensation not provided by the Expanded Family and Medical Leave.

Option to provide employees up to 40 hours of COVID-19 Annual Leave

In addition to the benefits provided by the Act, staff seeks the Board's feedback and guidance on an option to provide employees up to 40 hours of COVID-19 Annual Leave. This temporary benefit would provide employees an opportunity to address personal and/or family situations related to COVID-19 and may be an option for employees to consider in lieu of the Expanded Family and Medical Leave. If provided, we propose that requests to use this temporary leave would follow our current procedures for employees requesting Annual Leave and it could be used in one-hour increments.

Should the Board wish to implement this option, here is a draft motion: "I move that the Board approve an additional 40 hours of leave be allowed employees for use in dealing with their or their family's needs related to the COVIN-19 pandemic; that such leave may be taken in hourly or greater increments, upon such notice requirements as pertain to annual leave; and this additional leave provision shall continue until the Executive Director ends the benefit or no later than December 31, 2020, unless extended by further action of the Board."

Action Requested:

Discussion and questions by the Board of Directors and guidance to staff, if desired

Agenda Item 3:

Review Employee Health and Dental Insurance

Purpose:

Information and update from staff and the Gallagher firm to generate Board discussion and guidance regarding employee insurances beginning July 1, 2020.

Background:

The Orange Water and Sewer Authority began using the firm of Gallagher in April 2014 to manage benefit plans and negotiate premiums for Employee Health, Dental, Life, Dependent Life, AD&D and LTD Insurance.

The current Employee Health and Dental contracts expire on June 30, 2020.

The Board received a presentation from Gallagher January 2020 that included:

- Financial Performance of Health Insurance Plan
- Overview of Claims Data
- Renewal Considerations

Information:

At the April 9, 2020 Board Work Session, Ellen Tucker with Gallagher will be presenting information on the following:

- Health Plan Renewal
 - Financial Performance
 - Benchmarking with Area Entities
 - Additional Renewal Options and Considerations
- Dental Plan Renewal
- Next Steps

Agenda Item 4:

Review Draft Fiscal Year 2021 Budget and Rate Adjustment Information Considering COVID-19

Background:

At the Board's [March 12, 2020 Work Session](#), staff presented a draft Fiscal Year (FY) 2021 Operating Budget, 5-year Capital Improvements Program (CIP) Budget, Capital Equipment Budget, and our first iteration of a new format for communicating budget information to the Board and public. Also, at the March 12th meeting, the Board canceled the March 26, 2020 Board meeting due to the developing need for OWASA to focus on preparing for and responding to the pandemic caused by the COVID-19 virus. At the March 26th meeting, staff had planned to present information about proposed rate adjustments for FY 2021 and beyond.

Since staff's preparation of assumptions and draft budgets for FY 2021, much has changed due to the significant impacts of COVID-19. Our projections for expenses, investments and revenues have all been impacted and in ways that are difficult to measure. Over the last couple of weeks since the community has been reacting to COVID-19 (closing schools and businesses), we have seen about a 5% reduction in the volume of water sales. Projecting water sales and revenue for FY 2021 is challenging since we do not know how long and to what extent COVID-19 will be a factor.

The pandemic's impact on operating expenses is also difficult to project. Prices for commodities on which we depend may increase, and we may incur additional expenses to ensure we can continue to deliver reliable and high-quality services to customers and to keep our employees and public safe. And it is uncertain whether expenses incurred during this time will be reimbursed by state or federal agencies.

Pre-Pandemic Budget

The budget information presented at the Board's Work Session on March 12, 2020 was drafted based on "normal operating conditions" without contingencies and developed to meet our performance objectives including our financial measurement targets. Last year, we projected that we would need to implement a 5% rate increase in October 2020. Our pre-pandemic financial planning confirmed that a 5% increase would be sufficient for funding our operating and maintenance needs, capital equipment additions, and CIP investments.

The following table shows the projected rate increases over the next five years based on the budget information previously reviewed by the Board and Finance Committee.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Rate Increase	5%	5%	5%	4%	4%
Increase in residential monthly bill based on average use of 4,000 gallons per month	\$3.79	\$3.96	\$4.18	\$3.50	\$3.64
Amount of monthly bill after increase	\$79.46	\$83.42	\$87.60	\$91.10	\$94.74

Budgeting During the Pandemic

Our community and its economy have been significantly impacted by the pandemic. The University of North Carolina and the local school systems have closed. Many businesses have also closed, and citizens have been directed to stay at home. Many in our community are not receiving a paycheck and it is uncertain when any of these circumstances will change.

Review Draft Fiscal Year 2021 Budget and Rate Adjustment Information

Considering COVID-19

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Restrictions and closings related to the pandemic began in the second week of March and we are analyzing how these strategies to reduce the spread of the COVID-19 virus are impacting water demand. While we will continue to perform analyses throughout this event, so far, it appears the community is using about 5% less water than normal.

Because of the uncertainty of the economy and the hardship our fellow-citizens are experiencing, staff has developed a budget for the Board's consideration that does not include an October 2020 rate increase. The following narrative and charts outline our work-to-date. Staff is continuing to try to balance ways to reduce expenditures while minimizing the anticipated impacts resulting from spending less on operating and maintenance and investing less in infrastructure. We are providing this information to receive the Board's input.

Adjustments to the Operating Budget

The following table shows how we have modified the FY 2021 Operating Budget considering no October 2020 rate increase.

Operating Budget	Pre-Pandemic Planning	Post-Pandemic Planning	Difference	Ref #
Projected rate increase	5%	0%	(5%)	
Operating Revenue	39,513,719	37,188,771	(2,324,948)	1
Non-Operating Revenue	1,421,286	1,158,503	(262,783)	2
Total Revenue	40,935,005	38,347,274	(2,587,731)	
Operating Expenses				
Salaries and wages	9,474,034	9,047,439	(426,595)	3
Payroll taxes and employee benefits	3,736,899	3,885,876	148,977	4
Utilities	1,726,275	1,703,821	(22,454)	5
Chemicals	2,540,501	2,520,341	(20,160)	6
Materials and supplies	807,669	770,869	(36,800)	7
Maintenance	3,480,080	3,333,980	(146,100)	8
Professional services	1,816,707	1,493,707	(323,000)	9
Communications	210,246	202,246	(8,000)	10
Printing	49,700	35,200	(14,500)	11
Education and development	211,585	177,085	(34,500)	12
Other	371,404	369,704	(1,700)	
Construction credits	(396,000)	(396,000)	-	
Total Operating Expenses	24,029,100	23,144,268	(884,832)	
Net Revenue over Expenses	16,905,905	15,203,006	(1,702,899)	

The adjustments shown above are explained in the following table.

Review Draft Fiscal Year 2021 Budget and Rate Adjustment Information

Considering COVID-19

April 3, 2020

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Ref #	Explanation
1	Combination of a projected 5% reduction in revenue for half of FY 2021 due to UNC and area businesses being closed plus the effect of no rate increase.
2	Estimating System Development Fees to be 80% of original projection.
3	No merit or cost of labor increases for employees.
4	Revised health insurance premiums from a projected 15% decrease to a 5% decrease from previous year.
5/6	Minor reductions in electricity and chemicals resulting from treating less water.
7	Reductions in office and other supplies.
8	Reductions in various planned maintenance activities at the Water Treatment Plant (\$127,600) and Distribution and Collection (\$18,500).
9	Deferral of the project to implement a new computerized maintenance management system (\$250,000). Reductions of consulting services in the Human Resources department: outsourced training, administrative support, and diversity and inclusion program support.
10	Elimination of certain community engagement activities.
11	Reduction in printing stakeholder education materials.
12	Reduction in planned education and development for employees.

Capital Equipment Additions

The first draft of the Capital Equipment Budget totaled \$959,700. In our planning for no FY 2021 rate increase, we have reduced this budget to \$704,500. We plan to include the equipment deferrals in future year's budgets.

Capital Improvements Program Expenditures

CIP needs are identified by hydraulic models, risk/prioritization models, after-action reviews, OWASA's Energy Management Program, master planning studies, condition assessments, staff observations, regulatory or contractual requirements, repair and maintenance work order evaluation, community feedback, and strategic planning. After CIP projects are identified, a staff team prioritizes projects using a weighted criteria model. In addition to the results of this project prioritization, staff accounts for project interrelationships, coordination with other entities (Towns, Department of Transportation, etc.), project urgency, implementation considerations, and other external schedule constraints.

Each of the projects in our pre-pandemic CIP Budget are important investments to improve system reliability and resiliency and operational efficiency. To balance the budget without a rate increase in October 2020, it is necessary to delay some CIP projects and each delayed project increases risk to some degree. Staff has used its professional judgement to prioritize the revised CIP Budget to minimize near-term risk. The following table shows the differences in the 5-year CIP budgets of the two rate scenarios.

Review Draft Fiscal Year 2021 Budget and Rate Adjustment Information

Considering COVID-19

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CIP Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5-yr Total
	(in thousands)					
With a 5% rate increase	\$25,768	\$20,046	\$22,212	\$17,751	\$18,283	\$104,060
With no rate increase	21,407	19,531	23,107	20,827	20,312	105,184
Difference	(4,361)	(515)	895	3,076	2,029	1,124

Issues related to COVID-19 will affect the progress of most active construction projects in the third and fourth quarters of FY 2020, resulting in just over \$1 million in construction expenditures carrying over into FY 2021. This accounts for the difference in the 5-year total.

The overall project portfolio for the 5-year period is substantially the same as the pre-pandemic CIP. The revised version reflects the delay of certain large near-term projects anywhere from six months to two years, based on staff's judgment of the additional risk incurred from the delay. Delayed construction costs are escalated at 5% per year. The revised CIP budget also reflects a slightly greater percentage of water main replacement being completed by OWASA staff than by contractors.

Revised Rate Increase Projections

The following table shows the projected rate increases over the next five years based on the revised Operating, Capital Equipment, and CIP Budgets.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Rate Increase	0%	7%	5%	5%	5%
Increase in residential monthly bill based on average use of 4,000 gallons per month	\$0.00	\$5.32	\$4.05	\$4.24	\$4.47
Amount of monthly bill after increase	\$75.67	\$80.99	\$85.04	\$89.28	\$93.75

Impact on Financial Performance Objectives

The alternative budget with no FY 2021 rate increase as presented above meets almost all of our financial performance objectives for FY 2021. One objective not met is our debt service coverage ratio. Our objective is for net income to be at least two-times the amount of our debt service (bond and loan principal and interest payments). With this plan, our coverage ratio is 1.7. Staff believes that in the current economic environment, this is justifiable, and we do not believe there will be significant negative consequences.

This budget alternative and rate scenario assumes a return to near-normal operating conditions for the community and OWASA within the next 12 to 18 months.

Summary

With an extremely high number of our fellow citizens out of work or otherwise dealing with financial hardships, the community will appreciate no change in our rates this fall. We believe it's important to

Review Draft Fiscal Year 2021 Budget and Rate Adjustment Information

Considering COVID-19

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remain flexible to meet the challenges of an uncertain future. For these reasons, we have developed an alternative to the budget we would have recommended if we were not experiencing a pandemic.

It is hard to believe how much has changed in the last couple of weeks and chances are good that more changes will occur over the coming weeks and months. If a reduced FY 2021 budget is ultimately approved and conditions improve sooner than our budget cycle next year, the Board can make mid-year budget adjustments to restore some or all of the Operating Budget reductions outlined above. The CIP Budget can also be amended but due to the nature of the projects, it will likely make more sense to adjust the CIP Budgets for FY 2022 and subsequent years.

Next Steps

Public hearings on the budget and rates are tentatively scheduled for May 28, 2020. A final budget and proposed rate schedule are tentatively scheduled to be presented for approval at the Board's Work Session on June 11, 2020. However, we have flexibility in the timing of both actions. State statute requires that the budget be adopted prior to July 1, 2020 and that a public hearing be held prior to adoption.

Tentatively, next steps include:

1. Staff anticipates presenting an updated draft of the FY 2021 budget and rate adjustment recommendation to the Board of Directors on May 14, 2020. At this meeting we will ask for the Board's authorization to publicize budget and rate information in advance of the public hearings.
2. At the public hearings, the Board will receive and consider comments from customers and other stakeholders.
3. After considering public input, the Board of Directors will discuss and provide guidance to staff on the final draft of the FY 2021 budget and rate adjustment recommendation.
4. Staff will finalize the FY 2021 budget and rate adjustment recommendation and is scheduled to present it for adoption by the Board of Directors at its Work Session on June 11, 2020. We may also decide to delay final action on FY 2021 budgets until our June 25, 2020 Board meeting.

Action Requested

Review information and provide guidance to staff.

Agenda Item 5:

Review Board Work Schedule

Purpose:

- a) Request(s) by Board Committees, Board Members and Staff
- b) April 23, 2020 Board Meeting
- c) May 14, 2020 Board Work Session
- d) Review and update the 12 Month Board Meeting Schedule
- e) Review Pending Key Staff Action Items

Information:

- Draft agenda for the April 23, 2020 meeting
- Draft agenda for the May 14, 2020 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

Agenda
Virtual Meeting of the OWASA Board of Directors
Thursday, April 23, 2020, 6:00 P.M.

Due to COVID-19 public health concerns and in compliance with local governments "stay at home" orders, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams. Board Members will be participating in the meeting remotely. Members of the public will be able to view and listen to the meeting but will not have the opportunity to speak at any point during this meeting.

The public may submit written comments by sending an email to board_and_leadership@owasa.org ideally submitted at least three days in advance of the meeting.

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
 - April 24 and 25, 2020 Remote Interviews with Executive Director Candidates (Robert Morgan)
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public (Because of the current health emergency, this meeting is being held by virtual means, and will not be attended in person by members of the public or the Board of Directors. Therefore, no spoken petitions will be heard at this meeting. Members of the public may submit written petitions for consideration by the Board at its next regular meeting, provided the written petition is received at least five days before the meeting.)
2. Board
3. Staff

Consent Agenda

Action

1. Resolution Setting the Date of May 28, 2020 for a Public Hearing on OWASA's Fiscal Year 2021 Budget (Stephen Winters)
2. Resolution Setting the Date of May 28, 2020 for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges (Stephen Winters)
3. Minutes of the March 10, 2020 Closed Session of the Board of Directors (Andrea Orbich)
4. Minutes of the March 12, 2020 Work Session of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion and Action

3. COVID-19 Update (Ed Kerwin)

Information and Reports

4. Financial Report for the Nine-Month Period Ended March 31, 2019 (Stephen Winters)

Summary of Board Meeting Action Items

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

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Agenda
Virtual Work Session of the OWASA Board of Directors
Thursday, May 14, 2020, 6:00 P.M.

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- b. Announcements by Board Members
 - Update on the April 24 and 25, 2020 Remote Interviews with Executive Director Candidates (Robert Morgan)
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Regular Agenda

Discussion and Action

1. COVID-19 Update (Ed Kerwin)
2. Resolution Approving Employee Health and Dental Insurance Renewals (Stephanie Glasgow)

Discussion

3. FY21 Draft Budget and Rate Adjustment Information and Authorize Staff to Publish Proposed Rates (Stephen Winters)
4. Review Board Work Schedule (Ray DuBose/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff
 - b. May 28, 2020 Board Meeting
 - c. June 11, 2020 Work Session
 - d. 12 Month Board Meeting Schedule
 - e. Pending Key Staff Action Items

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

OWASA Board of Directors – 12 Month Board Meeting Schedule (April 3, 2020)

Month	Board Meetings		Committee & Other Meetings
	Work Session	Business Meeting	
April 2020	Review Employee Health and Dental Insurance Renewals FY 21 Draft Budget and Rate Adjustment Considering COVID-19 COVID-19 Response and Proposal for Temporary Employee Benefits 4/9/2020	Set date for Public Hearings – FY 21 Budget & Rates Q3 Financial Report COVID-19 Update 4/23/2020	Remote HR Committee meeting (4/2/2020) Finance Committee meeting(s) to review FY 21 budget and rates, as necessary Remote Interview ED Candidates (4/24 & 25/2020)
May 2020	FY21 Draft Budget and Rate Adjustment Information and Authorize Staff to Publish Proposed Rates Approve Employee Health and Dental Insurance Renewals COVID-19 Update 5/14/2020	Public Hearings – FY 21 Budget and Rates Approve Employee Health and Dental Insurance Renewals (if needed) (Tentative) Update on Website Relaunch COVID-19 Update 5/28/2020	
June 2020	Approve FY 21 Budget and Rates Election of Officers COVID-19 Update 6/11/2020	Approve FY 21 Budget and Rates (if needed) COVID-19 Update 6/25/2020	
July 2020	Diversity and Inclusion Update (Tentative) Potential conservation easement on private land 7/9/2020	TBD 7/23/2020	
August 2020	Discuss LRWSP Supply & Demand Management Alternatives Award the Bolinwood Drive Interceptor Contract 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 (Tentative) Discuss Work Plan for New ED (Tentative) Discuss Process to Update the Strategic Plan 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 Reliability and Resiliency Improvements Update 10/22/2020	
November 2020	TBD 11/12/2020	<i>Holiday – no meeting</i>	
December 2020	TBD 12/10/2020	<i>Holiday – no meeting</i>	
January 2021	Appoint Audit Firm Employee Health and Dental Insurance Update for FY 22 Affordability Outreach Program Update Diversity and Inclusion Update 1/14/2021	Annual Lakes Recreation Report CIP Semiannual Report Q2 Financial Report Discuss FY 22 Budget Calendar, Planning Assumptions, and New Budget Format 1/28/2021	

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February 2021	Department Managers FY 22 Budget Presentations CS – Prepare for GC Interim Review 2/11/2021	CS – GC Interim Review 2/25/2021	
March 2021	FY 22 Draft Budget and Rates CS – Prepare for ED Interim Review 3/11/2021	CS – ED Interim Review 3/25/2021	

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.

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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.	3-12-2020	Prepare Board Members and staff in advance to conduct the April 9, 2020 Board meeting online. Confirm with each Board member that it works for them. Holding Board Committee and other meetings in this manner may also be needed.	NA	Przybyl Orbich	Completed on 3-30-2020
2.	3-12-2020	Provide notice canceling the March 26, 2020 Board Meeting and also scheduled March meetings with Orange County and Chapel Hill officials.	NA	Orbich	Completed on 3-13-2020
3.	2-27-2020	*Respond to P.M. Dubbeling, PLLC, on behalf of Frank Baumgartner and Rachel Sumney, requesting a change to the Water and Sewer Management, Planning and Boundary Agreement.	TBD	Rouse	E-mail sent to Board on 3-5-2020. Another update will be sent to Board after TOCH meets with their attorney and identifies next steps.
4.	2-27-2020	Update the description of the project to evaluate and implement work order business process optimization improvements, such as a new Computerized Maintenance Management System, in future documents. Also clarify phasing and expected results of the project.	NA	Spinelli	Changes have been made to the scope of work to address Board comments. However, due to the COVID-19 response we have decided to delay this project.
5.	10-24-2019	Proceed with planning for new strategic plan to begin next fiscal year.	TBD	TBD	Added to the 3 to 5+ years
6.	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 – 4/5 contracts signed and design underway; 1/5 contracts pending. Drop-In Sessions scheduled in March for Cane Creek and Biosolids installations.

(tasks with an * are petitions)

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