Orange Water and Sewer Authority

Virtual Meeting of the Board of Directors

April 23, 2020

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a virtual meeting on Thursday, April 23, 2020, at 6:00 p.m. utilizing Microsoft Teams software.

Board Members present: Raymond (Ray) DuBose (Chair), Ruchir Vora (Vice Chair), Bruce Boehm (Secretary), Yinka Ayankoya, 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), Patrick Farl, Vishnu Gangadharan, Blake Hodge, Ed Kerwin, Ken Loflin, Andrea Orbich, Dan Przybyl, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents. Motion by Robert Morgan, second by Yinka Ayankoya and unanimously approved.

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on OWASA's Fiscal Year 2021 Budget. Motion by Robert Morgan, 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 Setting the Date of May 28, 2020 for a Virtual Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges. Motion by Robert Morgan, second by Yinka Ayankoya and unanimously approved.

4. Robert Morgan made a motion to approve the Minutes of the March 10, 2020 Closed Session of the Board of Directors, second by Yinka Ayankoya and unanimously approved.

5. Robert Morgan made a motion to approve the Minutes of the March 12, 2020 Work Session of the Board of Directors; second by Yinka Ayankoya and unanimously approved. Please see Motion 5.

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Announcements

Ray DuBose announced that due to COVID-19 public health concerns and in compliance with local governments "stay at home" orders, the OWASA Board of Directors was holding this meeting virtually utilizing Microsoft Teams software. Mr. DuBose stated that Board Members and staff were participating in the meeting remotely.

Mr. Dubose said members of the public are able to view or listen to the meeting but did not have an opportunity to speak during this meeting. The public was invited by an announcement on the published Agenda to provide comments via written materials in advance of the meeting; no comments were received.

Mr. 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 on April 22, 2020, the Chapel Hill Town Council deferred to a future meeting the agenda item, Extend Advisory Board Member Terms Ending in June 2020 and Defer Spring Appointments to the Fall. The Council is seeking additional information and Town staff will provide notification when the item is on a future agenda.

Mr. DuBose requested Board's approval to add an agenda item to the May 14, 2020 meeting, Report of Board Members Eligible for Nominations to Election as Board Officers; the Board agreed without objection.

Robert Morgan, Chair of the Human Resources Committee, said the OWASA Board will conduct virtual interviews on April 24 and 25, 2020 for OWASA's new Executive Director. Mr. Morgan noted Board Members received information on each candidate and a scorecard which is a tool for comparison of candidates.

Mr. DuBose provided a brief overview of the Executive Director remote interview process and stated each interview will last for one hour.

Petitions and Requests

Ray DuBose said no petitions or requests were received from the public. Mr. DuBose asked for petitions and requests from the Board and staff; none were received.

Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents

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

Item Three: Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on OWASA's Fiscal Year 2021 Budget

Robert Morgan made a motion to approve the resolution; second by Yinka Ayankoya and unanimously approved. Please see Motion 2.

Item Four: Resolution Setting the Date of May 28, 2020 for a Virtual Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges

Robert Morgan made a motion to approve the resolution; second by Yinka Ayankoya and unanimously approved. Please see Motion 3.

Item Five: Minutes

Robert Morgan made a motion to approve the Minutes of the March 10, 2020 Closed Session of the Board of Directors; second by Yinka Ayankoya and unanimously approved. Please see Motion 4.

Item Six: Minutes

Robert Morgan made a motion to approve the Minutes of the March 12, 2020 Work Session of the Board of Directors; second by Yinka Ayankoya and unanimously approved. Please see Motion 5.

Item Seven: Verbal Update on OWASA's COVID-19 Preparations and Response and Discussion by the Board

Ed Kerwin, Executive Director, updated the Board on OWASA's preparations and response to COVID-19. Mr. Kerwin said staff continues to take proactive measures to ensure the Carrboro and Chapel Hill communities are provided high-quality and reliable water, wastewater, and reclaimed water services during this event. Mr. Kerwin said staff is working with local governments to plan and coordinate our safe transition back to normal operations when State restrictions are lifted or modified.

The Board expressed appreciation to staff for providing essential services and routine updates to the Board.

Item Eight: Verbal Update on OWASA's Forest Management Program Activities

Ed Kerwin, Executive Director, provided an update on OWASA's Forest Management Program. Activities include updates to the final draft forest stewardship plan for Meadow Crest North Property which was prepared by OWASA's consultant and reviewed by partner agencies.

Mr. Kerwin said because the State is under the "stay at home" order, staff will delay sharing the plan with neighbors. Work will continue on the draft plan for Meadow Crest South property by the consultant. Jody Eimers asked how many total acres in the sites; staff promised to provide that information in supplemental materials.

Ruchir Vora ask if the draft plans had invasive species management; staff affirmed the plans do.

John Morris expressed appreciation to staff on the value of the forest management program to sustain water quality.

Item Nine: Financial Report for the Nine-Month Period Ended March 31, 2020

Stephen Winters, Director of Finance and Customer Service, provided a review of the financial report and fiscal position for the nine-month period ended March 31, 2020. Mr. Winters reported operating revenue and operating expense were under budget by about $1.2 and $1 million, respectively. All financial performance measurement goals were met.

Bruce Boehm requested information regarding the failure rate of AMI meters, and staff agreed to provide a response.

Ray DuBose requested that the water demand information in the presentation be made available to the Board. Staff agreed to provide.

Item Ten: Executive Director's Summary of Key Staff Action Items from the Meeting

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

- Provide follow up information on acreage and invasive species management for Meadow Crest North;
- Additional information regarding the failure rate of AMI meters;
- Agenda items for Board's May 14, 2020 Virtual Work Session:
    - Fiscal Year 2021 Draft Budget and Rate Adjustment and Authorize Staff to Public Proposed Rates
    - Approve Employee Health and Dental Insurance Renewals
    - Report of Board Members Eligible for Nominations to Election as Board Officers
    - OWASA Update on COVID-19
- Agenda items for the Board's May 28, 2020 Virtual Public Hearing and Meeting:
    - Virtual Public Hearings on draft Budget & Rates for Fiscal Year 2021
    - Update on OWASA's Website Relaunch
    - OWASA Update on COVID-19

The Board meeting was adjourned at 6:45 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Accepting a Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents

Whereas, the Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and/or grants, as applicable, to aid eligible, drinking-water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

Whereas, the North Carolina Department of Environmental Quality has offered a State Revolving Loan in the amount of $2,170,800 for the construction of the University Lake Permanganate Facility; and

Whereas, the Orange Water and Sewer Authority intends to construct said project in accordance with the engineering plans and specifications that have been or will have been approved by the North Carolina Public Water Supply Section;

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority does hereby accept the State Revolving Loan offer in the amount of $2,170,800; and

2. That the Orange Water and Sewer Authority does hereby give assurances to the North Carolina Department of Environmental Quality that they will adhere to all applicable items specified in the standard "Conditions" and "Assurances" of the Department's funding offer, awarded in the form of a State Revolving Loan; and

3. That the Orange Water and Sewer Authority Executive Director and successors so titled, is hereby authorized and directed to furnish such information, as the appropriate state agency may request, in connection with such application or the project; to make the Assurances as contained above; and to execute such other documents as may be required in connection with the application; and

4. That the Orange Water and Sewer Authority has complied substantially or will comply substantially with all federal, state and local laws, rules, regulations, and ordinances applicable to the project, and to federal and state grants and loans pertaining thereto.

Adopted this 23rd day of April 2020.

Raymond E. DuBose, P.E., Chair

ATTEST:

Bruce Boehm, Secretary

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient (Applicant)

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro NC 27510

Project Number: **H-SRF-F-20-1983**
Project Number: N/A
CFDA Number: 66.468

Funding Program

Drinking Water ☒ / **Wastewater** ☐	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF) ☒	--	--	$2,170,800
State Reserve Loan (SRP) ☐			
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

University Lake Permanganate Facility: Remove ex. maintenance shed & improve ex. site access road at "University Lake" site's temporary permanganate-feed facility; Construct permanent shell building for proposed, permanganate-feed system's injection site; Install permanent 10k-gal, permanganate storage tank & containment, chemical-metering pumps, and all necessary building systems, piping, instrumentation, controls, and so forth.

Total Financial Assistance Offer: **$2,170,800**
Total Project Cost: $2,170,800
Estimated Closing Fee*: **$43,416**
For Loans
Principal Forgiveness: $ - 0 -
Interest Rate (Per Annum): 1.13%
Maximum Loan Term: 20 Years
**Estimated closing fee calculated based on grant and/or loan amount(s).*

Pursuant to North Carolina General Statute 159G:

- The Applicant is eligible under Federal and State law;
- The Project is eligible under Federal and State law, and;
- The Project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance.

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature ..... Date 3/25/2020

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: **Mr. Ed Kerwin**
Title (Type or Print): **Executive Director**

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature ..... Date .....

STANDARD CONDITIONS FOR FEDERAL SRF LOANS

1. The following "super cross-cutters" apply to SRF projects and may be found in the Public Policy Requirements section of the EPA General Terms and Conditions for each year's appropriation. This document can be found at www.epa.gov/ogd/tc.htm. Please note that nothing is submitted to the State's SRF program offices regarding compliance with these items.

   (a) Title VI of the Civil Rights Act of 1964
   (b) Section 504 of the Rehabilitation Act of 1973
   (c) The Age Discrimination Act of 1975
   (d) Section 13 of the Federal Water Pollution Control Act Amendments of 1972

2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The Applicant shall certify it has or will have a fee simple, or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for purposes of construction and operation for the estimated life of the project using a certification form provided by the Department of Environmental Quality (DEQ).

3. Specific MBE/WBE "disadvantaged businesses enterprise" (DBE) forms and instructions are provided, which are to be included in the contract specifications. These forms will assist with documenting positive efforts made by the Applicant, their consultant(s) and contractor(s) to utilize DBEs. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by the Applicant and their construction contractor(s), and made available upon request.

4. The Applicant shall comply fully with Subpart C of the Code of Federal Regulations (CFR), Chapter 2, Part 180, entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. The Applicant is responsible for ensuring that any lower-tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Applicant is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower-tier covered transactions. The Applicant may access suspension and debarment information at: http://www.sam.gov. This system allows applicants to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.

5. The construction contract(s) require(s) the contractor to adhere to the Davis-Bacon and Related Acts Provisions and Procedures, as listed in the Code of Federal Regulations, Chapter 29, Part 5, Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.

6. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to the federal "American Iron-and-Steel" provisions. The State provides detailed requirements, to be included in the construction contract specifications.

ASSURANCES

1. The Applicant intends to construct the project, or cause it to be constructed to final completion, in accordance with the Application approved for financial assistance by the Division of Water Infrastructure. The Applicant acknowledges that in the event a milestone contained within the most recent Drinking Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Award Offer.

2. The Applicant is responsible for paying for those costs that are ineligible for SRF funding.

3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

4. As of the acceptance of this Funding Award Offer, Steps "A-D" in the "**North Carolina SRF Program Overview and Guidance**" (SRF Guidance Document enclosed with the Funding Award Offer) will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance Document, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance Document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, close-out and repayment.

5. The Applicant will provide and maintain adequate engineering supervision and inspection.

6. The Applicant agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project, and these records will be retained and made available for a period of at least three (3) years following completion of the project.

7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Applicant's compliance with the "Standard Conditions" of this Funding Award Offer. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

8. The Applicant will expend all the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance, will be fulfilled.

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Signature Date

RESOLUTION SETTING THE DATE OF MAY 28, 2020 FOR A VIRTUAL PUBLIC HEARING ON OWASA'S FISCAL YEAR 2021 BUDGET

WHEREAS, Section 159-12 of the General Statutes of North Carolina requires a Public Hearing on the budget for the ensuing fiscal year; and

WHEREAS, due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams; and

WHEREAS, in accordance with Section 7.05 of the Bond Order, and Section 159-13 of the General Statutes of North Carolina, the Board of Directors of Orange Water and Sewer Authority shall adopt an Annual Budget for the Fiscal Year 2021 on or before the first day of July 2020; and

WHEREAS, said proposed Budget will be placed with the Clerk to the Board and will be available for public inspection;

NOW, THEREFORE, BE IT RESOLVED:

1. That a virtual Public Hearing is hereby set for Thursday, May 28, 2020, at 7:00 P.M., using Microsoft Teams, for the purpose of receiving public comment on the proposed Fiscal Year 2021 budget.

2. That any interested persons may present any comments they may have regarding the proposed budget.

3. That notice of the time and place of the Public Hearing shall be advertised and provided at least ten days prior to the date fixed above for the Public Hearing to The University of North Carolina at Chapel Hill, and to the Towns of Chapel Hill and Carrboro and to Orange County.

Adopted this 23rd day of April 2020.

Raymond E. DuBose, P.E., Chair

ATTEST:

Bruce Boehm, Secretary

RESOLUTION SETTING THE DATE OF MAY 28, 2020 FOR A VIRTUAL PUBLIC HEARING ON PROPOSED REVISIONS TO OWASA'S SCHEDULE OF RATES, FEES AND CHARGES

WHEREAS, the Orange Water and Sewer Authority must charge fees sufficient to provide financial resources to recover the cost of ongoing operations, pay for capital improvements, and provide sufficient financial resources to ensure sustainable fiscal strength and stability; and

WHEREAS, due to COVID-19 public health concerns and in compliance with local governments "stay-at-home" orders, the OWASA Board of Directors is conducting this meeting virtually utilizing Microsoft Teams; and

WHEREAS, Section 162A-6 of the General Statutes of North Carolina and Section 7.04 of the Amended and Restated Bond Order adopted September 13, 2001, provide for the revision of such rates, fees and charges;

NOW, THEREFORE, BE IT RESOLVED:

1. That a virtual Public Hearing is hereby set for Thursday, May 28, 2020 at 7:00 P.M., using Microsoft Teams, for the purpose of receiving public comment on any proposed adjustments to Orange Water and Sewer Authority's rates, fees and charges.

2. That any interested persons may present comments on the proposed modifications to the current schedule of rates, fees and charges.

3. That notice of the time and place of the Public Hearing shall be advertised and shall be provided at least ten days prior to the date fixed above for the Public Hearing to the University of North Carolina at Chapel Hill, Town of Carrboro, Town of Chapel Hill, and Orange County.

Adopted this 23rd day of April 2020.

Raymond E. DuBose, P.E., Chair

ATTEST:

Bruce Boehm, Secretary