

Orange Water and Sewer Authority
Virtual Meeting of the Board of Directors
May 14, 2020

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a virtual work session on Thursday, May 14, 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: Brad Barber, Mary Darr, Monica Dodson, Jesse DuClau, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Blake Hodge, Ed Kerwin, Ken Loflin, Andrea Orbich, Dan Przybyl, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager), Melanie Miller (Town of Chapel Hill), Robert Slavin (Slavin Management Consultants) and Ellen Tucker (Gallagher).

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 the Executive Director to Execute and Administer All Related Loan Offer and Acceptance Documents. Motion by Bruce Boehm, second by Jody Eimers and unanimously approved.
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross and Blue Shield of North Carolina for Employee Health and Dental Insurance. Motion by Bruce Runberg, second by Ruchir Vora and unanimously approved.
3. Bruce Boehm made a motion that in advance of the public hearings scheduled for May 28, 2020, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2021 staff proposed budget and schedule of rates, fees and charges which includes no increase in monthly water and sewer rates; second by Robert Morgan and unanimously approved.

* * * * *

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 work

Orange Water and Sewer Authority

May 14, 2020

Page 2

session virtually utilizing Microsoft Teams software. Mr. DuBose noted 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 to provide comments via written materials in advance of the meeting; no comments were received.

Mr. DuBose asked if any Board Member knew of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Mr. DuBose announced that at the end of the open meeting portion of the agenda, the Board of Directors will continue in a virtual closed session for the purpose of conferring with its consultant regarding personnel matters, as provided in N.C. General Statutes 143.318.11(6).

Robert Morgan (Chair of the Human Resources (HR) Committee), reported that the Board held six virtual interviews with Executive Director candidates on April 24 and 25, 2020 and have narrowed the search down to two candidates.

Item One: Notification of Purchase of Fermenter Mixing Equipment

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

Bruce Boehm made a motion to approve the resolution, second by Jody Eimers and unanimously approved. Please see Motion 1.

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

Ed Kerwin, Executive Director, provided an update on OWASA's response to COVID-19 and a phased plan for returning to normal operations which began on May 11, 2020. In Phase 1 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. Administrative offices and lake recreation activities remain closed and staff continues to telework successfully.

Todd Taylor, General Manager of Operations, provided an update on treatment plant and field operations while implementing best practices to allow safety for all employees.

Mary Tiger, Sustainability Manager, provided an update on service affordability since the onset of the COVID crisis. She reviewed trends in customers past due from July 2019 through present, as well as trends in average amount past due since March 2020 on customers past due accounts

and staff's work with local government partners as well as the Inter-Faith Council for Social Services to aid customers in managing their bills.

Mr. Kerwin said staff has been in discussions with the Orange County Health Department and North Carolina State University Professor Francis de los Reyes regarding OWASA's participation to collect and provide wastewater samples from our Mason Farm Wastewater Treatment Plant to agencies researching the testing of wastewater for COVID-19 markers. OWASA agreed to provide wastewater samples twice a week as part of the study with the North Carolina Policy Collaboratory.

Ruchir Vora mentioned UNC is conducting a lot of research on COVID-19 and asked if any of their discharge could affect results of the study.

Ray DuBose said he recognizes the difficulty of COVID-19 event and the Board supports and appreciates all employees for their dedicated work during this pandemic.

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

Stephanie Glasgow, Director of Human Resources and Safety, and Ellen Tucker, Gallagher, provided the Board an update on employee health and dental insurance plans that begins on July 1, 2020. The plan includes a 10 percent decrease for health insurance premiums and a 5 percent increase for dental insurance premiums.

Bruce Runberg made a motion to approve the resolution, second by Ruchir Vora and unanimously approved. Please see Motion 2.

Item Five: Fiscal Year 2021 Draft Budget and Rate Adjustment Information and Authorize Staff to Publish Proposed Budget and Rates Information

Stephen Winters, Director of Finance and Customer Service, provided an update on water and sewer revenue during the COVID-19 event and the draft Fiscal Year (FY) 2021 Budget and rate adjustment information. Mr. Winters said the five percent rate increase anticipated for FY 2021 is not being considered due to the impact of the coronavirus on the community. Mr. Winters said staff has worked to provide a budget with no rate increase for FY 2021; the proposed budget includes roughly \$23.2 million for operating expenses, \$20.3 million for capital projects, and \$9.1 million for making principal and interest payments on loans and bonds used to finance system improvements. Vishnu Gangadharan, Engineering Manager – Capital Projects, provided an update on a revised and reduced five-year Capital Improvements Program.

Bruce Boehm said he was proud of the management team's effort to prepare a budget without a rate increase, including taking the difficult step of eliminating employee cost of labor and merit increases. Mr. Boehm suggested informing the public about the risks associated with deferring capital improvements of about \$5.4 million and operating expenses of about \$840,000.

Orange Water and Sewer Authority

May 14, 2020

Page 4

Bruce Boehm made a motion that in advance of the public hearings scheduled for May 28, 2020, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2021 staff proposed budget and schedule of rates, fees and charges which includes no increase in monthly water and sewer rates; second by Robert Morgan and unanimously approved. Please see Motion 3.

On May 28, 2020, the Board of Directors will hold a virtual public hearing on the proposed budget and rates and on June 11, 2020, will vote on the final budget and rates.

Item Six: Onboarding Program for OWASA's New Executive Director

The Board received and accepted the onboarding program for OWASA's next Executive Director to prepare for a smooth and effective transition. It was noted that the COVID-19 event may impact the schedule, format, and priorities of the onboarding program.

Item Seven: Board Members Eligible for Nominations for Election as Board Officers

Robert Morgan, John Morris and Bruce Runberg stated they do not wish to seek a Board Officer position.

Ray DuBose said the Board would begin nominations in sequence for the Office of Chair, Vice Chair and Secretary.

John Morris nominated Ray DuBose as Chair of the Board and the nomination was seconded by Jody Eimers.

Yinka Ayankoya nominated Jody Eimers as Chair of the Board and the nomination was seconded by Bruce Boehm.

There were no further nominations, and the Board agreed the nominees for the Election of Chair of the Board for Fiscal Year 2021 will be Ray DuBose and Jody Eimers.

Robert Morgan nominated Bruce Boehm as Vice Chair of the Board and the nomination was seconded by John Morris.

Yinka Ayankoya nominated Jody Eimers as Vice Chair of the Board and the nomination was seconded by Bruce Runberg.

There were no further nominations, and the Board agreed the nominees for the Election of Vice Chair of the Board for Fiscal Year 2021 will be Bruce Boehm and Jody Eimers.

Bruce Boehm nominated Yinka Ayankoya as Secretary of the Board and the nomination was seconded by Robert Morgan.

John Morris nominated Jody Eimers as Secretary of the Board and the nomination was seconded by Yinka Ayankoya.

Orange Water and Sewer Authority

May 14, 2020

Page 5

There were no further nominations, and the Board agreed the nominees for the Election of Secretary of the Board for Fiscal Year 2021 will be Yinka Ayankoya and Jody Eimers.

Without objection, the Board closed the nominations for the Election of Board Officers for Fiscal Year 2021.

Item Eight: Review Board Work Schedule

The May 28, 2020, meeting agenda will be amended to begin at 7:00 p.m. instead of 6:00 p.m.

Item Nine: Summary of Work Session Items

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

- Staff will follow up on Mr. Vora's inquiry about possible interferences with COVID-19 testing of wastewater as it pertains to possible waste discharge from UNC facilities.
- Staff will communicate to the public and with local partners regarding potential challenges of a zero percent rate increase

Item Ten: Closed Session

Without objection, the Board of Directors moved into a virtual closed session for the purpose of conferring with its consultant regarding personnel matters, as provided in N.C. General Statutes 143.318.11(6).

The Board meeting reconvened in open session at 8:53 p.m. and the meeting was adjourned.

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 \$2,963,000 for the replacement of the West Cameron Avenue Water Main; 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 \$2,963,000; 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 14th day of May 2020.


Raymond E. DuBose, P.E., Chair

ATTEST:



Bruce Boehm, Secretary

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

Whereas, OWASA employees are provided health and dental insurance coverage, through OWASA's contract with Blue Cross Blue Shield of North Carolina (BCBSNC), which will expire on June 30, 2020; and

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

Whereas, with the capable assistance of its insurance consultant Gallagher, OWASA has obtained proposals from BCBSNC for continuing the health coverage for a decrease in annual premiums of 10%, and renewal of Dental coverage with a 5% increase in rates for the period of July 1, 2020 through June 30, 2021; and

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

Now, Therefore, Be It Resolved:

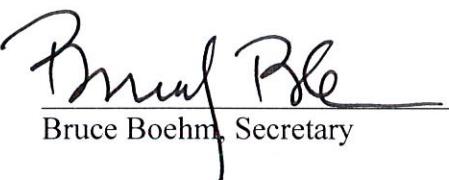
1. That the Board of Directors has determined to accept the BCBSNC proposals for Health and Dental insurance coverage for the term and on the conditions proposed; and,
2. That the Executive Director is hereby authorized and directed to execute the contracts.

Adopted this 14th day of May 2020.



Raymond E. Dubose, P.E., Chair

ATTEST:



Bruce Boehm, Secretary