

Orange Water and Sewer Authority
Virtual Public Hearings and Meeting of the Board of Directors
May 28, 2020

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular meeting, and public hearings during that meeting, all by virtual means in accordance with law, on Thursday, May 28, 2020, at 7:00 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), 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) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. Bruce Runberg made a motion to close the Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budgets and Proposed Rates, Fees and Charges for Fiscal Year 2021 that begins on July 1, 2020, subject to the rights of the public to submit comments for up to 24 hours after the public hearings, as provided by amended NC General Statutes 166A; the motion was seconded by Bruce Boehm and was unanimously approved.
2. Ruchir Vora made a motion to approve the Minutes of the April 9, 2020 Virtual Work Session of the Board of Directors, second by Bruce Boehm and was unanimously approved.
3. Ruchir Vora made a motion to approve the Minutes of the April 23, 2020 Virtual Meeting of the Board of Directors; second by Bruce Boehm, and his Motion was unanimously approved.

* * * * *

Announcements

Ray DuBose announced that due to COVID-19 public health concerns, the OWASA Board of Directors held this meeting virtually utilizing Microsoft Teams software. Mr. DuBose stated that Board Members and staff were participating in the meeting remotely.

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 announced that on May 14, 2020, the Orange County Board of County Commissioners reappointed him to the OWASA Board of Directors for a second full term effective June 30, 2020 with an ending term date of June 30, 2023.

Mr. DuBose announced that on the May 20, 2020, the Chapel Hill Town Council approved extending Advisory Board Member Terms Ending in June 2020 and it deferred its usual spring appointments to the Fall. John Morris and Ruchi Vora's terms as OWASA Board Members are thus extended from June 30, 2020 to November 30, 2020.

Mr. DuBose announced that earlier today he and Mary Tiger attended a virtual Orange County Climate Council Meeting and key actions discussed were: a climate action reporting database to identify overlaps and gaps of climate action efforts in the County; and the formation of a Communications and Engagement Committee. In addition, the Council approved a letter it recommended be sent by local Boards and Commission to the Governor encouraging the State to provide funding needed for local government recovery.

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: Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and Proposed Rates, Fees and Charges

Ray DuBose opened the concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and proposed Rates, Fees and Charges for Fiscal Year (FY) 2021 that begins July 1, 2020 through June 30, 2021.

Stephen Winters, Director of Finance and Customer Services, said OWASA is a public, non-profit agency providing water, sewer and reclaimed water services to the community. The organization's revenue comes solely from customer fees and income after paying for expenses and debt payments is reinvested in the water and sewer treatment plants and pipelines that makeup OWASA's community-owned water and sewer system.

Mr. Winters said prior to the pandemic, staff anticipated a five percent rate increase for FY 2021; and because of the impact the coronavirus has had on the community, staff reworked the budget without a rate increase. To balance the budget without a rate increase, merit and cost of labor increases for employees were eliminated, and about \$5 million in Capital Improvements Program expenditures have been deferred to future years.

Mr. Winters said the projected total revenue under the revised FY 2021 Budget is about \$37 million. The proposed Budget includes expenditures of \$23.2 million in operating expenses; \$20.3 million in capital improvements expenditures; and \$9.1 million for debt service payments.

Vishnu Gangadharan, Engineering Manager – Capital Projects, provided an update on a revised five-year CIP Budget reduced by \$5.5 million by postponing projects to future years. He said the five-year CIP Budget represents about \$101 million in infrastructure investments including: \$23.9 million in wastewater treatment; \$6.6 million in water supply; \$19.2 million in water treatment; \$30.5 million in water distribution; and \$21.1 million in wastewater collection. Mr. Gangadharan said that the majority of CIP investment is allocated to the replacement and rehabilitation of the existing infrastructure rather than system growth or enhancements.

Mr. Winters said the projected rate increases for the next five years assumes a return to normal operating conditions at some point in FY 2021. Mr. Winters said the Board is scheduled to decide on the FY 2021 Budget and rates on June 11, 2020.

Mr. DuBose opened the concurrent Public Hearings for public comments and stated that no requests to speak or written public comments were received for tonight's meeting. Mr. DuBose said the public is invited to provide comments via written materials within 24 hours after tonight's public hearings via e-mail or U.S. Postal Service to the OWASA Board of Directors.

Bruce Runberg made a motion to close the Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budgets and Proposed Rates, Fees and Charges for Fiscal Year 2021 that begins on July 1, 2020, subject to the rights of the public to submit comments for up to 24 hours after the public hearings, as provided by amended NC General Statutes 166A; the motion was seconded by Bruce Boehm and was unanimously approved. Please see Motion No. 1.

Mr. DuBose opened the discussion for Board comments or questions.

Ruchir Vora asked if there are customers other than UNC that use reclaimed water; staff noted that one other customer uses a small amount of reclaimed water.

Item Two: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Three: Minutes

Ruchir Vora made a motion to approve the Minutes of the April 9, 2020 Virtual Work Session of the Board of Directors; second by Bruce Boehm and unanimously approved. Please see Motion 2.

Item Four: Minutes

Ruchir Vora made a motion to approve the Minutes of the April 23, 2020 Virtual Meeting of the Board of Directors; second by Bruce Boehm and unanimously approved. Please see Motion 3.

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

Ed Kerwin, Executive Director, said on May 26, 2020, staff began implementation of Phase 2 of OWASA's Return to Normal Operations and all is going as expected. Staff remains in close communication and coordination with local governments and area water utilities.

Todd Taylor, General Manager of Operations, said that those staff members able to telework continue to do so and that social distancing guidelines and other measures are in place to allow field crews to perform preventative maintenance and laboratory staff to operate in a limited capacity. Mr. Taylor said OWASA's lake recreation season will open at a reduced capacity with a variety of social distancing measures on May 29, 2020.

Mary Tiger, Sustainability Manager, said OWASA continues to suspend service disconnection for non-payment through July 1, 2020, or possibly longer. Ms. Tiger provided the Board with an update on the number of past due accounts. Staff will keep the Board updated on plans for customer payment plans and will continue to pursue funding for utility billing assistance with various types of funding including Care to Share and possible federal funding.

Mr. Kerwin requested the Board's support for staff to use its discretion on when to restart service disconnection which could be July 1, 2020 or later this year.

The Board supported staff's recommendation to use its discretion to restart service disconnections and to extend customer payment plans as necessary.

Item Six: Update on Website Relaunch

Mary Tiger, Sustainability Manager, and Blake Hodge, Communications Specialist, provided a presentation on the relaunch of OWASA's website on March 9, 2020. The updated website is more intuitive and incorporates refreshed branding.

Bruce Boehm suggested the website chat function provide after-hour automatic messaging to inform visitors of normal business hours; staff will follow up.

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

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

- Agenda items for Board's June 11, 2020 Virtual Work Session:

- Approval of the Schedule of Rates, Fees and Charges; Annual Budget; Five-Year Capital Improvements Program for Fiscal Year 2021
- Update on COVID19
- Election of Officers
- Resolution to Authorize the Executive Director to Execute an Amendment to the Memorandum of Agreement for the Western Intake Partnership
- Award a Construction Contract for the West Cameron Avenue Water Main Replacement – Phase 1 (Tentative)
- Agenda items for the Board's June 25, 2020 Virtual Meeting:
 - Update on COVID19

Item Eight: Closed Session

Without objection, the Board will convene in Closed Session for the purpose of discussing two confidential personnel matters, as provided in N.C. General Statutes 143.318.11(6).

The Board meeting reconvened in open session at 9:38 p.m., and the meeting was adjourned.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board