

Orange Water and Sewer Authority
Virtual Meeting of the Board of Directors
August 27, 2020

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular meeting all by virtual means in accordance with law, on Thursday, August 27, 2020, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Monica Dodson, Jesse DuClau, Vishnu Gangadharan, Robert Epting, Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs, Esq. (Epting and Hackney), Ken Loflin, Andrea Orbich, Kelly Satterfield, Todd Taylor, Stephen Winters and Richard Wyatt.

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

Motions

1. Ruchir Vora made a motion to approve the Minutes of the August 13, 2020 Virtual Closed Session of the Board of Directors for the Purpose of Discussing a Confidential Matter, second by Bruce Runberg and was unanimously approved.

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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, General Counsel, and staff participated 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 Mary Tiger and he attended the August 20, 2020, virtual Orange County Climate Council meeting. He noted Council Committees developed a database of the climate action underway in our community and identified policy and practices that would advance climate action in our community. Mr. DuBose said the Climate Council is preparing for a public-facing event in October to summarize the formation of the Council, the work of the Committees, and outline a vision for the work ahead. The next meeting will be held virtually on September 17, 2020.

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Jody Eimers said the Human Resource (HR) Committee met on August 26, 2020 to discuss OWASA's efforts to encourage young people into water industry careers and the possibility of adding an apprenticeship program with an emphasis on expanding opportunities for underrepresented groups. Ms. Eimers said staff provided an overview of OWASA's current career exposure efforts and discussed potential career development opportunities. The HR Committee requested three items: consider a partnership with North Carolina Rural Water Association's Apprenticeship Program with the goal of including consideration of an apprenticeship program for OWASA in the Fiscal Year 2022 Budget; consider opportunities available for OWASA to participate in college level work/study (co-operative) programs; and provide information regarding internships over the last five years to include numbers of interns and length of assignment. The Board will receive an update at a February 2021 meeting.

Ruchir Vora announced a virtual meeting between the Chapel Hill Town Council's OWASA Committee and the Chapel Hill Appointees to the OWASA Board of Directors on Thursday, September 17, 2020, at 8:00 a.m. Topics for discussion are: update on OWASA's Response to COVID-19; update on OWASA's Diversity and Inclusion Program; Chapel Hill Appointments (3) to the OWASA Board; OWASA investments in system resiliency; and OWASA Energy Management.

Petitions and Requests

Ray DuBose said no petitions or requests were received from the public.

Mr. DuBose said Bruce Boehm requested via e-mail an update on the recruitment of the General Manager of Operations.

Todd Taylor, Executive Director, said 65 candidate applications were received and Tyrus Johnson (Safety and Risk Manager) and he conducted the first round of interviews with nine candidates. Of the nine candidates, five will be invited for formal panel interviews scheduled around mid-September 2020.

Mr. DuBose asked for petitions and requests from the staff; none were received.

Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Minutes

Ruchir Vora made a motion to approve the Minutes of the August 13, 2020 Virtual Closed Session of the Board of Directors for the Purpose of Discussing a Confidential Matter, second by Bruce Runberg and was unanimously approved. Please see Motion 1.

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

Todd Taylor, Executive Director, reminded the Board that Orange County has extended its State of Emergency declaration until October 31, 2020, and OWASA will extend its temporary suspension of disconnects for non-payment through the same time period. He also noted field crews will be moving to a new phase of the Return to Normal Operations Plan at the end of August which will allow for resumption of most preventative maintenance activities while also maintaining safety measures.

Item Four: Preliminary Financial Report for the Twelve-Month Period Ended June 30, 2020

Stephen Winters, Director of Finance and Customer Service, provided a PowerPoint presentation on the preliminary financial report for the 12-month period ending June 30, 2020. He said that because of the COVID-19 pandemic, water volume demand is down about 12 percent since March 2020 when compared with the prior year. Mr. Winters reported water and sewer revenue for the year was about \$2.3 million less than original projections. For the year, OWASA met all but one financial performance measurement target. He noted that due to lower than expected revenue, the balance in the working capital reserve was about \$1.4 million less than the target. Mr. Winters said the report is considered preliminary until the conclusion of the annual independent audit; the final report will be presented to the Board on September 24, 2020.

Mr. Winters reported that water and sewer revenue for July 2020 was about \$70,000 over budget. However, he noted that the Fiscal Year (FY) 2021 budget for water and sewer revenue was reduced from original projections to account for the impact of the pandemic. Staff has been asked to limit nonessential operating expenses because of the uncertain economic outlook.

Item Five: Capital Improvement Program Semiannual Report

Vishnu Gangadharan, Engineering Manager - Capital Improvements, provided a PowerPoint presentation on the Semiannual Capital Improvements Program (CIP) report for Fiscal Year (FY) 2020. He reported that approximately \$25.6 million was invested in a total of 68 capital projects that were active during the reporting period. This CIP expenditure total was 97 percent of the FY 2020 budget, a percentage which falls within the Board-adopted target range for CIP execution. Mr. Gangadharan said there was a slight increase in the minority- and women-owned businesses participation since the Board update in December 2019, though there have been few bidding opportunities in that time.

Item Six: Summary of Board Meeting Action Items

Todd Taylor said there were no items and provided an overview of the next two Board meetings;

- Agenda items for September 10, 2020 virtual Work Session:
 - o Annual update on OWASA's Equal Employment Opportunity, Affirmative Action Report and Diversity & Inclusion
 - o Annual Report on Disposal of Surplus Personal Property
 - o Consideration of Juneteenth Paid Holiday

- Discuss Work Plan for New Executive Director
- Update to the Human Resources Policy Regarding Referral Fee Program
- Agenda items for the September 24, 2020 virtual Annual Meeting:
 - Annual Report and Financial Audit
 - Forest Management Update
 - Update on the Water Main Prioritization Model
 - Approve General Counsel Engagement
 - (Tentative) Discuss Process to Update the Strategic Plan
- The Board agreed to review and provide comments on the 2016 Board self-assessment; once finalized the Board will complete the self-assessment and responses will be consolidated. Staff will inquire about the unbudgeted cost to have a facilitator assist the Board with reviewing and discussing the self-assessment should the Board move forward to meet remotely to discuss the self-assessment this year. An update will be provided on September 10, 2020.

Item Seven: Closed Session

Without objection, the Board will convene in a Closed Session for the Purpose of discussing two personnel matters as provided in NC General Statutes 143.318.11(6).

Following the Closed Session, the Board reconvened in open session and the meeting was adjourned at 7:52 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board