

Orange Water and Sewer Authority
Virtual Meeting of the Board of Directors
January 28, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular meeting by virtual means in accordance with law, on Thursday, January 28, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Monica Dodson, Vishnu Gangadharan, Robert Epting, Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs, Esq. (Epting and Hackney), Simon Lobdell, Andrea Orbich, Johnny Riley, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Ben Poulson, UNC Associate Director of Energy Services.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Melvin Markley to the Orange Water and Sewer Authority and Carrboro-Chapel Hill-Orange County Community. (Motion by Bruce Boehm, second by Jody Eimers and the motion unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021. (Motion by Bruce Boehm, second by Jody Eimers and the motion unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021. (Motion by Bruce Boehm, second by Jody Eimers and the motion unanimously approved.)
4. Bruce Boehm made a motion to approve the Minutes of the January 14, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Jody Eimers and the motion 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 the Board of Directors will hold a virtual Special Meeting on Thursday, February 4, 2021 beginning at 5:00 p.m. to Discuss the Process to Develop a Strategic Plan.

Mr. DuBose announced that on January 26, 2021, he, Jody Eimers and Todd Taylor held an OWASA Orientation for Newly Elected Orange County Board of County Commissioners Jean Hamilton and Amy Fowler.

Jody Eimers announced that she and Mr. DuBose met with Todd Taylor, Executive Director, on Friday, January 15, 2021, to provide Mr. Taylor performance related feedback as discussed by the Board in Closed Session on January 14, 2021. Ms. Eimers said they also discussed preparing for the interim performance evaluation for Mr. Taylor, without him present, in Closed Session on April 8, 2021, followed another Closed Session on April 22, 2021 with Mr. Taylor.

John Morris announced a meeting between Chapel Hill Town Council's OWASA Committee and Chapel Hill Appointees to the OWASA Board Appointees on Tuesday, February 23, 2021 at 3:00 p.m. via virtual Zoom meeting.

Mary Tiger said she attended the January 21, 2021, virtual Orange County Climate Council meeting. She said the Climate Council discussed upcoming transition of Council leadership, received updates from individual Committees, and new member recruitment. The next meeting will be held virtually on February 18, 2021.

Bruce Boehm asked if the Board would like to discuss whether to schedule a discussion at a future Meeting of the feedback received from staff and Counsel on the Board Assessment Survey. The Board agreed to schedule this discussion at a future meeting (February 25 or March 11 or 25, 2021) and a facilitator will be hired to assist in the directing the discussion.

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: Capital Improvements Program Semiannual Report

The Board received this as an information item.

Item Three: Resolution Honoring the Service of Melvin Markley to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill Community

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

Item Four: Adoption of Preliminary Resolutions for Revenue Bonds

Bruce Boehm made a motion to approve the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021; second by Jody Eimers and the motion unanimously approved. Please see Motion 2.

Bruce Boehm made a motion to approve the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021, second by Jody Eimers and the motion was unanimously approved. Please see Motion 3.

Item Five: Minutes

Bruce Boehm made a motion to approve the Minutes of the January 14, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Jody Eimers and the motion was unanimously approved. Please see Motion 4.

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

Todd Taylor, Executive Director, provided an update on OWASA's response to COVID-19, noting staff continues to take proactive measures to ensure we are providing the community with high-quality and reliable water, wastewater, and reclaimed water services during the pandemic including scheduling employees for the vaccination.

Monica Dodson, Wastewater Treatment and Biosolids Recycling Manager, provided an update on the weekly wastewater samples to researchers with the North Carolina Policy Collaboratory. The goal of this phase of the project, which ended in December, was to perfect the analytical methods and to contribute valuable information to the State of North Carolina on the presence and persistence of COVID-19 in wastewater. A full report is under development and will be available soon and will be shared with the Board of Directors and local government partners. In

the meantime, Ms. Dodson said North Carolina is one of eight states participating in the National Wastewater Surveillance System being initiated by Centers for Disease Control and Prevention and the United States Department of Health and Human Services. OWASA was contacted by the North Carolina Department of Health and Human Services in December and has agreed to participate in this national wastewater surveillance monitoring.

Mary Tiger, Strategic Initiatives Manager, noted a moratorium on service disconnection for non-payment remains in-place. She provided an update on the extent and severity of past due accounts, including staff's work to contact those customers who are in arrears to provide information on where customers may apply for financial assistance and noted OWASA's commitment to give 30-day notice before resuming standard collection practices. Ms. Tiger noted funding is currently available through OWASA's Care to Share bill-assistance program and will be available in the future through Orange County Emergency Housing Assistance, funded by federal support.

Item Seven: 2020 Annual Lakes Recreation Report

Johnny Riley, Reservoir and Land Resources Supervisor, provided the 2020 annual lakes recreation report on the lake recreation season, including visitors, expenses, revenue, and operational changes due to the pandemic.

Kevin Leibel suggested because of the significant resources of our lakes, perhaps the Board would consider optimizing the amenities of the lakes as part of the new Strategic Plan or in another way to promote the lakes.

Item Eight: Financial Report for the Six-Month Period Ended December 31, 2020

Stephen Winters, Director of Finance and Customer Service, presented the financial report for the six-month period ended December 31, 2020. He noted all but one of OWASA's financial performance targets were met. Total income for the period was about \$691,000 greater than budgeted; and operating expenses were about \$1.1 million less than budgeted due to non-essential departmental spending being reduced due to the COVID-19 pandemic.

Item Nine: Fiscal Year (FY) 2022 Budget Calendar and Assumptions

Stephen Winters, Director of Finance and Customer Service, provided a verbal update on the draft FY 2022 budget calendar and planning assumptions. On February 11, 2021, the Board will hear presentations from the managers of our operating departments which will provide insight into how the managers are developing their budgets.

Bruce Boehm suggested scheduling various discussions such as rates and employee merit increases earlier in the budget process.

Jody Eimers suggested the Board consider a flat rate merit increase for employees in the next fiscal year.

Item Ten: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items and provided an overview of the next two Board meetings;

- Schedule Board discussion and mediator on the feedback received from Staff and General Counsel on the Board Assessment Survey at a future Board meeting (February 25 or March 11 or 25);
- Agenda items for February 4, 2020 virtual Special Meeting of the Board:
 - o To discuss the process to develop a new Strategic Plan.
- Agenda items for the February 11, 2020 virtual Work Session:
 - o Department Managers Fiscal Year 2022 Budget Presentations
 - o Affordability Outreach Program Update
 - o Apprenticeship Program Update
 - o Closed Session to prepare for the General Counsel's Interim Review

There being no further business to come before the Board, the Chair adjourned the meeting at 7:50 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

**Resolution Honoring the Service of Melvin Markley to the Orange Water and Sewer Authority
and the Carrboro-Chapel Hill-Orange County Community**

Whereas, Melvin Markley has worked dependably and faithfully for 35 years as a Utility Mechanic in the Orange Water and Sewer Authority's (OWASA) Distribution and Collection System Department, as an essential public employee in service to the people of the Carrboro-Chapel Hill-Orange County community; and

Whereas, during Mr. Markley's career at OWASA he worked in all aspects of the Distribution and Collection Systems. He spent a large part of his career on the Water Service and Hydrant Crew, known as the "Hydrant Man," due to his wealth of knowledge and experience with maintenance and repair of fire hydrants. Mr. Markley is a dedicated employee and team player who was always willing to answer a call around the clock to assist his team with emergency repairs; and

Whereas, throughout Mr. Markley's career, he was a key member in planning and executing numerous initiatives in the Distribution and Collection System Department. Most recently he was an essential member of the Collection System Preventative Maintenance Program where he utilized his years of experience and knowledge of the system to improve and expand the sewer cleaning program; and

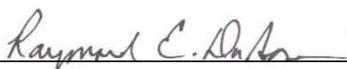
Whereas, by his partnership and example, Mr. Markley has successfully trained and developed a generation of Utility Mechanics, and his contribution as a hard-working, detail-oriented, dedicated, kind and generous person has enriched those fortunate enough to know and work with him; and

Whereas, Mr. Markley has earned the admiration and respect of his co-workers at OWASA and has made many lasting contributions to OWASA and the community, and retires from OWASA on February 1, 2021;

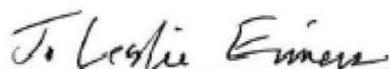
Now, Therefore, Be It Resolved:

That the Board of Directors of the Orange Water and Sewer Authority (OWASA) hereby honors and expresses its sincere appreciation for the distinguished public service of Melvin Markley to OWASA and the people of Carrboro, Chapel Hill and Orange County, and the Board of Directors extends its best wishes to Mr. Markley for good health and happiness in his retirement.

Adopted this 28th day of January 2021.


Raymond E. DuBose, P.E., Chair

ATTEST:


Jo Leslie Eimers, Secretary

RESOLUTION DIRECTING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PUBLIC SALE OF ORANGE WATER AND SEWER AUTHORITY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2021

WHEREAS, the Orange Water and Sewer Authority (“OWASA”), acting by and through its Board of Directors (the “Board”), is authorized by The State and Local Government Revenue Bond Act of North Carolina, Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (the “Act”), and particularly Sections 159-83(a)(5) and 159-81(3)a and b thereof, to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, betterment or improvement of facilities for obtaining, conserving, treating and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use and the collection, treatment, purification or disposal of sewage; and

WHEREAS, OWASA owns and operates facilities for the production, collection, treatment, transmission and distribution of water and the collection, transmission, treatment and disposal of sewage; and

WHEREAS, OWASA proposes to issue its Water and Sewer System Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) for the purpose of providing funds, together with other available funds, to (i) acquire, construct and equip certain improvements to OWASA’s water and sewer system, including, but not limited to, replacement and rehabilitation of water and sewer mains, replacement and rehabilitation of water and wastewater pumping stations, chemical facility improvements and water pump improvements at the Jones Ferry Road Water Treatment Plant, replacement of sewer interceptors, and improvements to and rehabilitation of facilities and equipment at the Mason Farm Wastewater Treatment Plant (collectively, the “2021 Additional

Project”) and (ii) pay certain costs and expenses incurred in connection with the sale and issuance of the Series 2021 Bonds; and

WHEREAS, OWASA proposes to issue the Series 2021 Bonds in an aggregate principal amount not to exceed \$21,000,000, the determination of the aggregate principal amount of the Series 2021 Bonds to be made at the time of the public sale of the Series 2021 Bonds;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE WATER AND SEWER AUTHORITY DOES HEREBY DETERMINE AND RESOLVE, as follows:

1. The Board hereby finds and determines, in connection with the issuance of the Series 2021 Bonds, that (i) the issuance of the Series 2021 Bonds is necessary or expedient for OWASA, (ii) the proposed aggregate principal amount of the Series 2021 Bonds is adequate and not excessive for the proposed purposes of such issue, (iii) the proposed 2021 Additional Project is feasible, (iv) OWASA’s debt management procedures and policies are good and OWASA’s finances are managed in strict compliance with law and (v) under current economic conditions, the Series 2021 Bonds can be marketed at a reasonable interest cost to OWASA.

2. The Board hereby authorizes the filing of an application with the Local Government Commission for approval of the issuance of the Series 2021 Bonds, in an aggregate principal amount not to exceed \$21,000,000, pursuant to Section 159-86 of the Act and directs the Executive Director of OWASA and the Director of Finance and Customer Service of OWASA, as representatives of OWASA, to file such application with the Local Government Commission.

3. The Local Government Commission is hereby requested to sell the Series 2021 Bonds at public sale after advertisement and upon sealed and electronic bids to the bidder offering to purchase the Series 2021 Bonds at the lowest interest cost to OWASA, such cost to be

determined in accordance with the true interest cost method, subject to the right of OWASA to change, cancel or reschedule the date or time established for the receipt of bids.

4. This resolution shall take effect immediately upon its passage.

Adopted this 28th day of January, 2021.



Raymond DuBose, P.E., Chair

ATTEST:



Jo Leslie Eimers, Secretary

RESOLUTION REQUESTING THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING TEAM TO BE USED IN CONNECTION WITH THE ISSUANCE AND SALE OF ORANGE WATER AND SEWER AUTHORITY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2021

WHEREAS, the Orange Water and Sewer Authority (“OWASA”), acting by and through its Board of Directors (the “Board”), is authorized by The State and Local Government Revenue Bond Act of North Carolina, Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (the “Act”), and particularly Sections 159-83(a)(5) and 159-81(3)a and b thereof, to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, betterment or improvement of facilities for obtaining, conserving, treating and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use and the collection, treatment, purification or disposal of sewage; and

WHEREAS, OWASA owns and operates facilities for the production, collection, treatment, transmission and distribution of water and the collection, transmission, treatment and disposal of sewage; and

WHEREAS, OWASA proposes to issue its Water and Sewer System Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) for the purpose of providing funds, together with other available funds, to (i) acquire, construct and equip certain improvements to OWASA’s water and sewer system, including, but not limited to, replacement and rehabilitation of water and sewer mains, replacement and rehabilitation of water and wastewater pumping stations, chemical facility improvements and water pump improvements at the Jones Ferry Road Water Treatment Plant, replacement of sewer interceptors, and improvements to and rehabilitation of facilities and equipment at the Mason Farm Wastewater Treatment Plant (collectively, the “2021 Additional

Project”) and (ii) pay certain costs and expenses incurred in connection with the sale and issuance of the Series 2021 Bonds; and

WHEREAS, OWASA proposes to issue the Series 2021 Bonds in an aggregate principal amount not to exceed \$21,000,000, the determination of the aggregate principal amount of the Series 2021 Bonds to be made at the time of the public sale of the Series 2021 Bonds; and

WHEREAS, OWASA has selected for recommendation to the Local Government Commission a financing team to be used in connection with the issuance and public sale of the Series 2021 Bonds; and

WHEREAS, the selection of said financing team was made by OWASA after a review of the record of service to OWASA of the members of said financing team; and

WHEREAS, OWASA wishes to obtain the approval of the Local Government Commission for said financing team;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE WATER AND SEWER AUTHORITY DOES HEREBY DETERMINE AND RESOLVE, as follows:

1. The Board hereby recommends that the following financing team members be engaged in connection with the issuance and public sale of the Series 2021 Bonds and requests that the Local Government Commission approve said financing team members:

Bond Counsel:	McGuireWoods LLP
Trustee and Bond Registrar:	The Bank of New York Mellon Trust Company, N.A.
Financial Advisor to OWASA:	First Tryon Advisors
Feasibility Consultant (Agreed-upon Procedures):	Stantec Consulting Services, Inc.

2. This resolution shall take effect immediately upon its passage.

Adopted this 28th day of January, 2021.


Raymond DuBose, P.E., Chair

ATTEST:


Jo Leslie Eimers, Secretary