



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Agenda

Work Session of the OWASA Board of Directors

Thursday, May 13, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing [Microsoft Teams](#) software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and you will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
 - Update on Appointments/Reappointments from the Chapel Hill Town Council and Orange County Board of County Commissioners
- b. Announcements by Board Members
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Chair)

Consent Agenda

Action

1. Fiscal Year 2021 Budget Amendment (Mary Darr/Stephen Winters)
2. Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross and Blue Shield of North Carolina for Employee Health and Dental Insurance Plans; and The Hartford for Employee Life, Dependent Life, Accidental Death and Dismemberment, and Long-Term Disability Insurance Plans (Stephanie Glasgow/Ellen Tucker, Gallagher)
3. Approve Final Process for Developing Strategic Plan (Todd Taylor/Mary Tiger)

4. Minutes of the April 8, 2021 Work Session of the Board of Directors (Andrea Orbich)
5. Minutes of the April 22, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Jody Eimers)

Regular Agenda

Discussion and Action

6. Resolution Honoring the Service of Sherman Betts to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community (Ray DuBose/Jesse DuClau)

Discussion

7. Long-Range Water Supply Plan: Guiding Principles for Evaluating Water Supply Alternatives (Ruth Rouse)
8. Discuss Employee Merit Pay for Fiscal Year 2022 (Stephanie Glasgow)
9. Review Board Work Schedule
 - a. Request(s) by Board Committees, Board Members and Staff (Ray DuBose)
 - b. May 27, 2021 Board Meeting (Todd Taylor)
 - c. June 10, 2021 Work Session (Todd Taylor)
 - d. 12 Month Board Meeting Schedule (Todd Taylor)
 - e. Pending Key Staff Action Items (Todd Taylor)

Summary of Work Session Items

10. Executive Director will summarize the key staff action items from the Work Session

Closed Session

11. The Board of Directors will Meet in a Closed Session for the Purpose of Discussing a Potential Real Property Acquisition, as provided in N.C. General Statutes 143-318.11 (a.5) (Ruth Rouse)

Agenda Item 1:

Fiscal Year 2021 Budget Amendment

Background:

The draft FY 2022 budget includes funds for purchasing two road tractors at a cost of about \$312,000. The trucks will be used by the Water Treatment Plant (WTP) and the Wastewater Treatment Plant (WWTP) to haul treatment residuals for beneficial reuse and replace vehicles at each plant that are nearing the end of their useful lives. The cost of the road tractors for the WTP and WWTP will be approximately \$160,000 and \$152,000, respectively. Through the Volkswagen Clean Diesel settlement, OWASA will receive a reimbursement of \$240,000, bringing OWASA's net cost to about \$72,000.

We have recently learned that demand for the trucks we need is extremely high and manufacturers project delivery lead times of one year or longer. However, a vehicle that meets our specifications for the WTP will be available for delivery just after the beginning of FY 2022 and to secure the purchase of the truck, we need to commit to its purchase by mid-May.

Rationale for Purchasing the Vehicle for the Water Treatment Plant:

Due to the condition of the road tractor currently used by the WTP, the critical role it plays in the plant's operation, and concerns about safety and the truck's reliability, staff recommends purchasing the replacement truck now rather than continuing to invest in repairs and maintenance and continuing to risk adverse impacts on WTP operations for another full year or longer.

Need for a Budget Amendment:

As mentioned, the road tractor for the WTP is included in the draft FY 2022 budget. In previous discussions about the FY 2022 budget, the Board has indicated support for the purchase of the two trucks and staff is under the impression that the Board will approve a budget for the new year that includes funds for acquiring the two vehicles. If the Board agrees with staff's recommendation to purchase the truck for the WTP now, we need to amend the FY 2021 budget to include the gross cost of the truck (\$160,000).

Amending the FY 2021 budget to include the purchase of the truck will have no impact on the draft FY 2022 budget or staff's rate increase recommendation. Technically, the budget amendment adds the cost of the truck to the FY 2021 budget, but since the truck will not be delivered to OWASA until after July 1, 2021, the purchase will be an FY 2022 transaction. Effectively, the amendment merely gives staff the authority to commit to the purchase before July 1, 2021.

Action Requested:

Approve the attached resolution to amend the FY 2021 budget.

Information:

Resolution Amending the Fiscal Year 2021 Annual Budget

Resolution Amending the Fiscal Year (FY) 2021 Annual Budget

Whereas, North Carolina General Statute 159-15 provides the authority for the Board of Directors to amend the adopted budget; and

Whereas, OWASA utilizes a road tractor at its Jones Ferry Road Water Treatment Plant (WTP) to haul treatment residuals for beneficial reuse that is nearing the end of its useful life; and

Whereas, hauling treatment residuals is critical to the WTP's operation; and

Whereas, staff has determined that the road tractor needs to be replaced due to concerns about safety, the vehicle's reliability, and the cost of repairs and maintenance; and

Whereas, staff has determined that the road tractor currently in-service can be replaced for a net cost of about \$40,000 (purchase price of about \$160,000 less a reimbursement from the Volkswagen Clean Diesel Settlement of \$120,000); and

Whereas, because of shortages in the anticipated supply of road tractors like those operated by OWASA to transport residuals for useful agricultural applications, and because OWASA has an opportunity now to contract to purchase one tractor it previously planned to order in FY 2022, provided its order is executed before the end of FY 2021, and the Board of Directors has determined to authorize staff to contract for the purchase of the new tractor before the end of FY 2021; and

Whereas, OWASA is not permitted to contract for this purchase unless the Finance Director certifies that funds have been budgeted and are available to fund the purchase; and

Whereas, because this purchase was anticipated in FY 2022, and has only recently become possible in FY 2021, no funds were provided in the FY 2021 capital equipment budget for this purpose, and the FY 2021 budget must be amended to permit staff lawfully to enter into the purchase contract for this road tractor, during FY 2021; and

Whereas, staff is projecting that FY 2021 capital improvements program expenditures will be about \$3.1 million less than budgeted, and this budget amendment will have no impact on funds needed for other purposes in FY 2021;

Now, Therefore, Be It Resolved:

1. That pursuant to the provisions of North Carolina G.S. 159-15, the Official Budget of Orange Water and Sewer Authority for the FY 2021 is amended as set forth in Attachment A.
2. That \$160,000 in the capital improvements program budget be transferred to the capital equipment budget as set forth in Attachment A.

Resolution Amending the FY 2021 Annual Budget

May 13, 2021

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3. That the Executive Director is authorized and instructed to implement the revised budget as herein set forth.

Adopted this 13th day of May 2021.

Raymond E. DuBose, P.E., Chair

ATTEST:

Jo Leslie Eimers, Secretary

ORANGE WATER AND SEWER AUTHORITY
FISCAL YEAR 2021 ANNUAL BUDGET
STATEMENT OF INCOME, EXPENSE AND DEBT SERVICE

	FY 2021 Annual Budget	Amendment	FY 2021 Amended Budget
Operating Revenue			
Water	\$17,701,102		\$17,701,102
Sewer	17,018,502		17,018,502
Reclaimed Water	463,200		463,200
Service Initiation Fee	18,820		18,820
Other	922,685		922,685
Refunds and Adjustments	(198,125)		(198,125)
Total Operating Revenue	<u>35,926,184</u>	<u>0</u>	<u>35,926,184</u>
Operating Expense			
General and Administrative	7,836,615		7,836,615
Operations	<u>15,353,729</u>		<u>15,353,729</u>
Total Operating Expense	<u>23,190,344</u>	<u>0</u>	<u>23,190,344</u>
Net Operating Income	<u>12,735,840</u>	<u>0</u>	<u>12,735,840</u>
Non-operating Revenue			
Customer Fees	1,081,490		1,081,490
Interest	<u>81,296</u>		<u>81,296</u>
Total Net Income	<u>13,898,626</u>	<u>0</u>	<u>13,898,626</u>
Debt Service			
Existing	7,568,498		7,568,498
New	<u>1,499,760</u>		<u>1,499,760</u>
Total Debt Service	<u>9,068,258</u>		<u>9,068,258</u>
Net Income Less Debt Service	<u>\$4,830,368</u>	<u>\$0</u>	<u>\$4,830,368</u>
General Fund			
Resources			
Transfer From Revenue	\$4,830,368		\$4,830,368
Transfer from Construction Fund (loan proceeds)	15,488,632		15,488,632
Grants and Contributions	<u>0</u>		<u>0</u>
Annual Income Available for Capital	<u>20,319,000</u>	<u>0</u>	<u>20,319,000</u>
Capital Expenditures			
Project Ordinances			
General Fund Contribution	4,830,368	(160,000)	4,670,368
Funded by Bond Proceeds	<u>15,488,632</u>		<u>15,488,632</u>
Total Project Resolutions	<u>20,319,000</u>	<u>(160,000)</u>	<u>20,159,000</u>
Capital Equipment	<u>704,500</u>	<u>160,000</u>	<u>864,500</u>
Total Capital Outlay	<u>21,023,500</u>	<u>0</u>	<u>21,023,500</u>
Annual General Fund Balance	<u>(704,500)</u>		<u>(704,500)</u>
General Fund Beginning Balance	<u>19,368,140</u>		<u>19,368,140</u>
General Fund Ending Balance	18,663,640		18,663,640
Project Funding	(81,500)		(81,500)
Reserves	<u>18,745,140</u>		<u>18,745,140</u>
Unallocated General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Agenda Item 2:

Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross and Blue Shield of North Carolina (BCBSNC) for Employee Health and Dental Insurance Plans; and The Hartford for Employee Life, Dependent Life, Accidental Death and Dismemberment (AD&D), and Long-Term Disability (LTD) Insurance Plans

Purpose:

Authorize the Executive Director to execute contracts for insurance plans to replace those scheduled to expire on June 30, 2021.

Background:

OWASA began using the firm of Gallagher in April 2014 to manage benefit plans and negotiate premiums for Employee Health, Dental, Life, Dependent Life, AD&D and LTD Insurance.

The current contracts expire on June 30, 2021.

The Board began receiving information on renewals from OWASA staff and Ellen Tucker with Gallagher in January 2021. At the January 14, 2021 work session, the Board received a presentation that included:

- Financial Performance of Health Insurance Plan
- Overview of Claims Data
- Renewal Considerations

On April 8, 2021, the Board was provided a presentation from Gallagher that included:

- Health Plan Renewal
 - Financial Performance
 - Benchmarking with Area Entities
 - Renewal Options and Considerations
- Dental Plan Renewal
- Next Steps

After Gallagher completed negotiations, BCBSNC agreed to reduce Health premiums by a total of 11% and no change for the Dental premiums. The reduction in Health premiums provides a savings of approximately \$170,255 to both OWASA (\$152,477) and employees (\$17,778). In addition, The Hartford agreed to renew the Life, Dependent Life, AD&D and LTD plans with no change in rates guaranteed for 2 years.

May 13, 2021

Attachment 1 is a letter from Ellen Tucker recommending we accept renewals with BCBSNC and The Hartford for the benefit year beginning July 1, 2021.

Information:

- Attachment 1: Letter from Ellen Tucker with Gallagher recommending renewals as follows:
 - Health Insurance renewal with BCBSNC with a decrease of 11% in premiums.
 - Dental Insurance renewal with BCBSNC with no change in premiums.
 - Life, Dependent Life, AD&D and LTD renewal with The Hartford with no change in premiums for 2 years.
- Attachment 2: Resolution for consideration authorizing the Executive Director to Execute Contracts.



May 3, 2021

Stephanie Glasgow
Director of Human Resources and Safety
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, North Carolina 27510

Stephanie:

Gallagher has analyzed the renewals for all plans and negotiated with carriers as directed by the OWASA Board of Directors. The results of those negotiations and our recommendations are as follows:

Medical Plan

BCBSNC originally released a 6.1% rate increase, which was negotiated to an 11% decrease. We recommend that OWASA accept the 11% renewal decrease and renew medical with BCBSNC.

Dental Plan

BCBSNC requested a 4.9% increase on dental but agreed to remain at current rates, after negotiations. Our recommendation is to accept no change in rates and renew dental with BCBSNC.

Life/AD&D, Dependent Life, and Long Term Disability

The Hartford agreed to renew with no increase in rates, guaranteed until July 1, 2023. Purchasing life and long-term disability through The Hartford also includes package pricing savings on medical. We recommend renewing with The Hartford, with rates guaranteed for 2 years.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Ellen M Tucker'.

Ellen M Tucker
Area Vice President
Gallagher

Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross Blue Shield of North Carolina (BCBSNC) for Employee Health and Dental Insurance; and The Hartford for Life, Dependent Life, Accidental Death and Dismemberment (AD&D), and Long-Term Disability (LTD) Insurance

Whereas, OWASA employees are provided health and dental insurance coverage through BCBSNC; life, dependent life, AD&D, and LTD insurance coverage is through The Hartford. OWASA's contracts with BCBSNC and The Hartford will expire on June 30, 2021; 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 consultant Gallagher, OWASA has obtained proposals from BCBSNC for continuing health coverage with a decrease in annual premiums of 11%, and no change in annual premiums for Dental coverage for the period of July 1, 2021 through June 30, 2022; Life, Dependent Life, AD&D, LTD policies are renewing with no change and rates are guaranteed through June 30, 2023; and

Whereas, with the capable assistance of Gallagher the Board of Directors has determined that the rates proposed by BCBSNC and The Hartford 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 BCBSNC's proposals for Health and Dental insurance coverage for the term and on the conditions proposed.
2. That the Board of Directors has determined to accept The Hartford's proposal for Life, Dependent Life, AD&D, and LTD for the term and on the conditions proposed.
3. That the Executive Director is hereby authorized and directed to execute the contracts.

Adopted this 13th day of May 2021.

Raymond E. Dubose, P.E., Chair

ATTEST:

Jo Leslie Eimers, Secretary

Agenda Item 3:

Approve Final Process for Developing Strategic Plan

Purpose:

To review and approve process for developing OWASA's new strategic plan.

Background:

The OWASA Board of Directors have identified principles to guide the development OWASA's new strategic plan. On April 22, 2021, the Board discussed a draft process proposed by staff to develop the new strategic plan in light of these guiding principles.

The following document reflects the changes, as requested by the Board of Directors at their April 22, 2021 meeting. Amendments from the draft version discussed on April 22 are highlighted in yellow.

Action Needed:

Review and approve process for developing OWASA's new strategic plan.

Information:

- Process for Developing OWASA's Strategic Plan (2023-2027)
- 12-Month Board Meeting Schedule to Integrate Strategic Planning Process and Updates (See Item 9d in Agenda Packet)

May 13, 2021



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Process for Developing OWASA's Strategic Plan (FY 2023-2027)

Guiding Principles for Strategic Plan Process

1. An updated strategic plan is needed to ensure that we are anticipating and preparing for the future that we want and setting a course for aligning scarce resources with our strategic goals and objectives.
2. The strategic planning process will consider and/or reinforce OWASA's mission, vision, and values.
3. This process is a time to think comprehensively and identify broad-reaching strategic goals and initiatives.
4. The horizon for the strategic plan will be five to six years, during which updates can be proposed by the Board and/or staff leadership, as necessary.
5. The strategic planning process will involve and engage the Board, staff, the community, and other stakeholders. We will actively seek feedback to include and consider diverse perspectives. An active communications strategy will be integral to the process.
6. The strategic planning process will be managed by OWASA staff.
7. Staff leadership will work together with the Board of Directors to develop the strategic plan. The final strategic plan will be approved by the Board of Directors.
8. The strategic plan will set goals that align with our mission, vision, and values.
9. The plan will be operationalized throughout the Plan's implementation with SMART (Specific, Measurable, Attainable, Relevant, and Time-based) strategic objectives.
10. Staff will define a process for reporting on progress, including performance measures.
11. The strategic plan will be used to align resources and guide budgets in the coming decade.

Overview of Process

The overall process starts by engaging staff and stakeholders by soliciting their input and collecting data and analysis that will provide a common foundation for staff and Board consideration. From this foundation, the OWASA Board of Directors and Staff Leadership will work together to reconsider OWASA's mission, vision, and values and identify and prioritize strategic initiatives and goals. The OWASA Board will approve the final strategic plan, which staff will operationalize through the development of SMART objectives, action plans, and budget requests.

Key Phases, Process Considerations, and Timeline for Plan Development

Phase	Key Questions	Activities	Purpose	Resources	Timeframe
Develop a Plan; Set Guiding Principles	<ul style="list-style-type: none"> Why and how do we want to develop a strategic plan? How far into the future do we want to plan? How will we include input and buy-in from all those needed to accomplish it? What will be different as a result of having developed a strategic plan? How do we intend to use our plan? What resources are needed to conduct the strategic planning process? What is our process for reviewing and updating the Plan once created? 	Board Work Session(s) discussing staff proposed process	Develop consensus on the purpose and process for developing the strategic plan	Board and Staff Leadership time (2-3 Work Sessions)	December 2020 –May 2021
Conduct Scan of Environment and Organization	<p>Organization Questions</p> <ul style="list-style-type: none"> What have we done well over time? Where have we fallen short in the past, and how have we recovered? What historical trends help us understand where we have been and where we are going? <p>Environmental Questions</p> <ul style="list-style-type: none"> What is currently happening or emerging that presents opportunities and challenges for OWASA? What does the community value, as it relates to OWASA? What upcoming changes in the technology and regulations present opportunities or challenges to OWASA? 	Stakeholder work sessions	Engage key stakeholders to better understand and inform organizational priorities	Staff and stakeholder time	July - August 2021
		Departmental strategic priority setting	Collectively identify major issues and opportunities on the horizon on a departmental level	Staff time	July – September 2021
		Current and past Board Member survey	Collect current and historical perspective	Outside consultant to work with staff and Board to develop survey and summarize results; For community and staff surveys – staff will offer to present at community and staff meetings and invite participation in survey following meeting	July – September 2021
		Staff survey	Collect perspective and projection of challenges ahead		
		Community survey (in English and Spanish)	Collect community input on OWASA and their priorities for the utility		

Phase	Key Questions	Activities	Purpose	Resources	Timeframe
		Peer review	Identify “best in class” utilities that we want to emulate and develop case studies (focusing on strategic direction and plans)	Staff time (leadership and advisory group) to identify utility examples and collect their strategic plans	July – September 2021
		Report Review, including: <ul style="list-style-type: none"> • AWWA State of Industry Report • Effective Utility Management Report • OWASA’s Strategic Trends Report • OWASA Summary of Strategic and Key Initiatives • Chamber of Commerce State of the Community • Strategic Plans for Chapel Hill, Carrboro, Orange County, and UNC 	Develop understanding and alignment with industry, local, and organizational issues	Staff time to curate and summarize good examples	July - September 2021
Synthesize Environment and Organization Scan	<ul style="list-style-type: none"> • How do our strengths position us to be successful moving forward? • Where can we improve? • How do we turn our strengths into opportunities? • What obstacles do we face? 	Staff focus group	Review and discuss environmental and organizational scan; summarize key trends; certain past staff members will be invited to participate in staff focus groups	Staff time	October 2021
		Work session	Review and discuss environmental and organizational scan; consider key trends identified by staff; summarize key trends	Consultant to facilitate 1 session Board and staff time (1-2 dedicated work sessions)	November – December 2021

Phase	Key Questions	Activities	Purpose	Resources	Timeframe
Review Mission, Vision, and Values	<ul style="list-style-type: none"> Why does OWASA exist? What services do we provide to what people, and at what quality and cost? If OWASA was the best it could be, what would it look like? How would you describe OWASA's ideal future? How does our mission relate to our vision? What values guide us every day and in every aspect of our work? 	Work sessions	Imagine and agree upon a shared picture of who OWASA is and what our future should be	Consultant to facilitate 1 Session Board and Staff Leadership Time (1 Dedicated Work Session)	January 2022
Identifying and Prioritizing Strategic Initiatives and Goals	<ul style="list-style-type: none"> What are our organizational priorities? What broad conditions or results do we desire to see? What do we think will be different if we do this? When will we see results? What partnerships are needed to achieve our goals? 	Board and Staff Leadership Work Sessions	Identify and prioritize goals and initiatives that advance OWASA towards our vision	Consultant to facilitate 1 session Board and Leadership Team time (1-2 Dedicated Work Sessions)	February 2022
		Staff engagement	Consult with staff on draft goals and initiatives; draft implementation plan, including budget requests for Year 1 (FY23)	Staff time	March – April 2022
		Community outreach	Inform community of strategic planning process and draft goals and initiatives	Staff time	May – June 2022
Finalize Plan		Staff time and 1 Work session			Fall 2022

Strategic Plan Implementation

- Align strategic plan with Budget: Fiscal Years 2023-2027
- Implement strategic plan: Fiscal Years 2023 - 2027
- Develop, evaluate progress, and communicate results against SMART objectives: 2022 – 2027
- Conduct interim review and update: As necessary

Communications Strategy

As stated in the Guiding Principles, an active communications strategy is integral to the process. The second phase of the process (Conduct Scan of Environment and Organization) will involve a high level of stakeholder and community engagement and input. To build community enthusiasm and interest in participating in this phase, we will utilize our existing networks (WCHL, social media, email lists, etc.) to introduce our goals for the strategic plan and invite members to take the survey. In addition, staff will offer to present to community groups and discuss how community feedback will be considered in the development of the strategic plan.

After this phase, the process is designed to allow the Board and staff to consider and prioritize this input. During the later phases, it will be important to keep the community informed and to provide information about how additional input can be submitted for consideration. To provide this information, we will maintain and use an email list of interested stakeholders and community members whom we will keep apprised of meetings, decisions, and milestones. We will maintain a dedicated website to summarize information on OWASA's strategic plan. The strategic plan will be an ongoing topic of update for local government elected officials.

Key Roles in the Process

1. **Board of Directors:** The Board of Directors will set the Guiding Principles for the strategic planning process and approve the final process framework. Throughout the strategic planning process, the Board will participate in dedicated work sessions with the Staff Leadership Team outside of regularly scheduled Board meetings. Ultimately, the Board of Directors will approve the final strategic plan. **In the summer of 2021 and again in 2021, Board leadership and staff will conduct a session with new Board members to update them on the strategic planning process.**
2. **Staff Leadership Team:** The Executive Director and OWASA Directors will participate in discussions with the Board of Directors to review OWASA's Mission, Vision, and Values; synthesize the environment and organization scan, and set strategic goals and initiatives. These discussions will take place in dedicated work sessions, outside of regularly scheduled Board meetings.
3. **Project Manager:** The Strategic Initiatives Manager will manage the overall process, including the organization of meetings, facilitation of some meetings, and selection and oversight of consultants. In addition, the SIM will manage the communications strategy.
4. **Strategic Planning Advisory Resource Counsel (SPARC):** A group of OWASA staff will serve as a sounding board throughout the entire strategic planning process, including the development of the process itself. They will review key documents and provide feedback that will be summarized for the Board and Leadership Team. They will participate in focus groups and serve as ambassadors of the strategic plan process within their workgroups. The SPARC will be critical to developing the strategic implementation plan.
5. **All OWASA Staff:** All OWASA staff will be invited to participate in the survey and provide feedback on draft strategic goals and initiatives. **In addition, past staff that participated in the last strategic plan will be invited to participate in focus groups.**
6. **Community Stakeholders:** Representatives from key stakeholders in the community will be invited to participate in an interactive priority setting exercise designed for water utilities. This

event provides a meaningful opportunity to (a) solicit feedback of their priorities for OWASA and (b) provide insight into the various priorities of a water and wastewater utility.

7. **Past OWASA Board Members:** Past OWASA Board Members will be invited to provide historical context through a survey.
8. **Consultants:** The consultant will assist staff with two primary tasks, as well as provide input throughout the entire process.
 - a. Survey development
 - b. Board discussion facilitation
 - i. Review of Mission, Vision and Values: 1 session
 - ii. Synthesize Environmental and Organizational Scan (SWOC Analysis): 1 session
 - iii. Setting Strategic Goals and Initiatives: 1 session

Additional Budget for Strategic Planning Process

1. Consultants: \$15,000
 - a. Survey development
 - b. Board and staff discussion facilitation
 - c. General consulting
2. Translation Services: \$500

Definitions

1. **Vision:** The Vision statement is aspirational, reflecting a shared sense of where OWASA wants to be in the future.
2. **Mission:** The Mission statement describes what OWASA does that contributes to the vision.
3. **Values:** Our Values describe how OWASA carries out our work.
4. **Strategic Initiatives:** Broad actions that move OWASA closer to our vision, in alignment with our highest priorities.
5. **Strategic Goals:** Specific objectives and results that OWASA aims to achieve during the implementation of the strategic plan. Strategic goals are the desired outcome of an action. Staff will develop Specific, Measurable, Achievable, Realistic and Time-Limited ways to measure achievement of the goals.
6. **Strategic Actions:** Means through which OWASA will achieve strategic goals. Strategic action plans assign responsibility and estimate costs.

ITEM 4

Orange Water and Sewer Authority
Virtual Work Session of the Board of Directors
April 8, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular work session by virtual means in accordance with law, on Thursday, April 8, 2021, 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, Kevin Leibel, Robert Morgan, John N. Morris and Bruce Runberg.

OWASA staff present: Mary Darr, Monica Dodson, Jesse DuClau, Robert Epting, Esq. (Epting and Hackney), Blake Hodge, Vishnu Gangadharan, Stephanie Glasgow, Robin Jacobs (Epting and Hackney), Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Ben Poulson (UNC Associate Director of Energy Services), Meg Holton (UNC Water Resources Manager), Kelly Satterfield, and Ellen Tucker (Gallagher).

Motions

1. John Morris made a Motion to modify the personal leave bonus requirements and allow employees to use their one-time personal leave provided for 2021 in increments of one hour and thereafter in increments of 30 minutes; second by Bruce Boehm and the Motion was unanimously approved.
2. John Morris made a Motion to approve the Minutes of the March 11, 2021, Work Session of the Board of Directors; second by Bruce Boehm and the Motion was unanimously approved.

* * * * *

Announcements

Chair Ray DuBose announced that due to COVID-19 public health concerns, the OWASA Board of Directors held the work session 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 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 on April 21, 2021, Jody Eimers and he will attend a virtual quarterly meeting with members of the Orange County Board of County Commissioners to discuss items of mutual interest.

Robert Morgan announced that on April 20, 2021, Yinka Ayankoya and he will provide OWASA's Annual Update to the Carrboro Town Council; Ray DuBose and Todd Taylor will also attend.

Item One: Quarterly Report on Board and Committee Meetings

The Board received this as an information item.

Item Two: Modification to the One-Time Additional Employee Personal Leave Merit Bonuses

John Morris made a Motion to modify the personal leave bonus requirements and allow employees to use their one-time personal leave provided for 2021 in increments of one hour and thereafter in increments of 30 minutes; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

John Morris commented that the results of the staff and General Counsel feedback received on the Board self-assessment were good, and he requested Todd Taylor provide an update from staff on issues regarding requests from Board Members that are especially time-consuming; the Board agreed.

John Morris made a Motion to approve the Minutes of the March 11, 2021, Work Session of the Board of Directors; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 2.

Item Four: Review Employee Health and Dental Insurance Renewals

Stephanie Glasgow, Director of Human Resources and Safety, and Ellen Tucker, Gallagher, provided information on OWASA's employee health and dental insurance renewals for Fiscal Year 2022 which is scheduled for approval at the May 13, 2021 meeting.

After discussion, the Board agreed to continue with Blue Cross Blue Shield for insurance renewals. The Board requested staff provide five years of comparison information on gross health insurance claims versus large claimants via email. When the process begins in January 2022, the report to the Board will include detailed background health insurance information as well as a discussion on whether to solicit proposals for health and dental insurance in the open market next year.

Item Five: Draft Fiscal Year 2022 Budget and Proposed Rates

Stephen Winters, Director of Finance and Customer Service, provided a presentation on the draft Fiscal Year (FY) 2022 budget and staff's recommendation of a 5% rate increase to fund operating costs and capital investments. Public hearings on the proposed budget and rate increase are scheduled for May 27, 2021.

Item Six: OWASA Board Member Recruitment Outreach Discussion

Mary Tiger, Strategic Initiatives Manager, provided information on potential outreach strategies for Board Members to engage to assist in recruiting Board Member applicants for the next round of

appointments later this spring by the elected officials from Towns of Carrboro and Chapel Hill and Orange County.

Staff will prepare a notice utilizing OWASA's e-bill messaging; John Morris agreed to prepare an article for the Local Reporter; Ray DuBose and Bruce Boehm agreed to participate in the next Wonderful Water radio segment; Bruce Runberg noted Orange Slices is an opportunity for promoting Board Member recruitment; and some Board Members agreed to share articles on their social media platforms.

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

The Board agreed to defer this item to the April 22, 2021 Board meeting.

Item Eight: Decision on Whether to Complete a Board of Directors Self-Assessment

The Board agreed to postpone a self-assessment this year and will reevaluate in 2021.

Item Nine: Review Board Work Schedule

Todd Taylor said two items were added to the April 22, 2021 agenda: to consider Board Members Eligible for Nominations for Election as Board Officers and to evaluate interim and permanent solutions to improve boat access at University Lake and lakes recreation schedule for calendar year 2021.

Mr. Taylor said one item was added to May 13, 2021 agenda, Resolution Honoring the service of Sherman Betts to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community.

Item Ten: Summary of Work Session Items

Todd Taylor said staff will provide:

- an update on issues regarding Requests from Board Members that are especially time-consuming;
- compilation of 5 years of comparison information on gross health insurance claims versus large claimants, to be provided via email;
- detailed background health insurance information and discussion on whether to market employee health/dental insurance;
- land record information on OWASA's Seaforth property via email; and
- assistance to the Board with OWASA Board Member Recruitment this spring: coordinate Wonderful Water radio interview; assist with article content for local publications; and send e-bill messages.

Item Eleven: Closed Session

Without objection, the Board of Directors convened in a Closed Session for the purpose of discussion a personnel matter as provided in NC General Statutes 143.318.11(6).

There being no further business to come before the Board, the Chair adjourned the meeting at 8:08 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

DRAFT

ITEM 5

Orange Water and Sewer Authority

Closed Session of the Board of Directors

April 22, 2021

The Board of Directors of Orange Water and Sewer Authority met virtually in Closed Session on Thursday, April 22, 2021, following the Board meeting.

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

Staff present: Todd Taylor, Executive Director.

Item One

The Board of Directors met in Closed Session with the Executive Director to evaluate the Progress Report of the Executive Director's Key Focus Areas from September 2020 to April 2021.

No official action was taken at the meeting.

The meeting was adjourned at 8:17 p.m.

Jo Leslie Eimers, Chair
Human Resources Committee

Agenda Item 6:

Resolution Honoring the Service of Sherman Betts to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community

Background:

Mr. Sherman Betts will retire effective May 31, 2021, as a Crew Leader with 36 years of service in OWASA's Distribution and Collection System Department.

Action Needed:

Adoption of the Resolution Honoring the Service of Sherman Betts to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community.

Information:

Resolution Honoring the Service of Sherman Betts to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community

May 13, 2021

Resolution Honoring the Service of Sherman Betts to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community

Whereas, Sherman Betts has worked dependably and faithfully for 36 years for 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. Betts' 36-year career at OWASA he has worked in all maintenance and repair aspects of OWASA's water distribution and wastewater collection systems. Mr. Betts has held many positions in the department, including the past 24 years as a highly successful Crew Leader, most recently leading OWASA's Sewer Maintenance and Easement Crew. His knowledge of and experience with the community's water and sewer systems, coupled with his dedication to the organization, employees, and the customers he has served, have made him a critical member of the OWASA Team; and

Whereas, throughout Mr. Betts' career, he has been a key member in planning and executing numerous initiatives in the Distribution and Collection System Department. Most recently he played a key role as a leader 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 rehabilitation efforts vital to reducing inflow and infiltration in the collection system; and

Whereas, by his leadership and example, Mr. Betts has successfully trained and developed generations 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. Betts has earned the admiration and respect of his co-workers at OWASA and has made many lasting contributions to the organization and the community, and he will retire from OWASA on May 31, 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 Sherman Betts to OWASA and the people of Carrboro, Chapel Hill, and Orange County, and the Board of Directors extends its best wishes to Mr. Betts for good health and happiness in his retirement.

Adopted this 13th day of May 2021.

Raymond E. DuBose, P.E., Chair

ATTEST:

Jo Leslie Eimers, Secretary

Agenda Item 7:

Long-Range Water Supply Plan (LRWSP): Guiding Principles for Evaluating Water Supply Alternatives

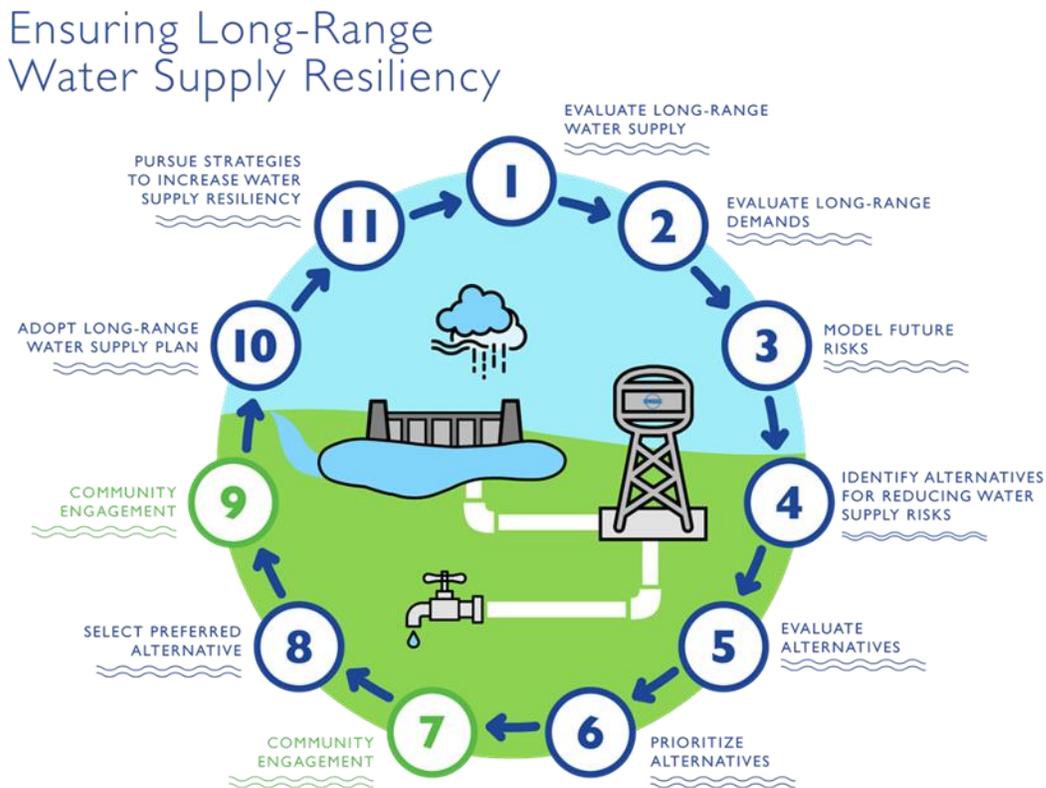
Purpose:

To receive feedback and guidance from the Board of Directors on draft guiding principles that will be used to evaluate water supply alternatives.

Background:

OWASA is updating its LRWSP to ensure that we have an adequate supply of water for our community through 2070. OWASA has updated its projections of water supply needs, estimated the yield of its planned supplies, evaluated demand management and supply alternatives to meet its long-term needs, and completed an initial round of community engagement. Figure 1 illustrates the LRWSP process; we are currently in Step 8: Select Preferred Alternative.

Figure 1: Long-Range Water Supply Planning Process



At its [August 13, 2020 meeting](#), the Board of Directors discussed various supply and demand management alternatives. Alternatives providing access to OWASA's existing allocation to water in Jordan Lake appear to be the most viable candidates to meet future needs following the addition of the Shallow Quarry Reservoir to our water supply portfolio in 2035. The Board agreed with staff's recommendation to further evaluate these alternatives and to move forward with the initial community engagement phase of the LRWSP. The Board also discussed developing guiding principles to evaluate viable supply alternatives before selecting a preferred alternative and whether they should prioritize those guiding principles. In light of that discussion, staff developed the proposed guiding principles below based on feedback heard during the community engagement process as summarized in the [March 11, 2021 Board agenda](#), comments heard from Board members over the history of the update of this LRWSP, and OWASA's [mission, vision and values](#).

Draft Guiding Principles:

Staff developed the guiding principles below to evaluate viable supply alternatives¹. Staff has not attempted to weight these guiding principles and seeks Board guidance on whether they would like to weight or prioritize the guiding principles. On other projects the Board has elected not to weight or prioritize guiding principles; the only exception is that they decided to note that "protection of water quality" is the highest priority for the forest management guiding principles.

- We will continue to provide the community with high quality drinking water that meets or surpasses federal and state public health requirements regardless of the source(s) of supply. Any supply alternative that cannot meet this guiding principle will be eliminated from further consideration.
- We will develop our water supply portfolio to meet our community's drinking water needs for the next two generations (to 2070).
- We will continue to use our local water supplies in Cane Creek Reservoir, University Lake, and the Quarry Reservoir as our primary water sources to the maximum extent practicable.
- We will consider the following factors for each supply option:
 - ability to reduce our vulnerability to extended drought conditions;
 - impact on our water rates;
 - flexibility to change course as we learn more about future customer demands, growth, climate impacts and other uncertainties;
 - support for regional water supply planning efforts;
 - impacts on the environment.

¹ OWASA will continue to support and encourage the water conservation ethic embraced by our community, including UNC Chapel Hill's continued use of reclaimed water. Demand management (conservation) alternatives that are financially viable will be included in OWASA's Water Conservation Plan, which will be an appendix to the LRWSP.

- We will actively seek input on our water supply options from our customers and consider diverse perspectives.

Next Steps:

No formal motion or action is needed. However, if the Board is comfortable with the guiding principles, they may elect to approve them this evening. A follow-on discussion is currently scheduled for the June 10, 2021 work session.

Once the Board approves the guiding principles, the following steps are planned to complete the LRWSP:

1. Staff with consultant assistance evaluates the Jordan Lake alternatives against the guiding principles in Fiscal Year (FY) 22 (assuming funding included in the draft FY 22 budget is approved).
2. Staff presents the alternatives analysis to the Board along with a proposed community engagement plan (CEP).
3. The Board selects a preferred supply alternative based on the guiding principles and approves the CEP.
4. Staff implements the CEP.
5. Staff summarizes the feedback from the community and presents the final draft of LRWSP to Board for review.
6. Staff incorporates feedback from the Board, finalizes the LRWSP and commences implementation.

Agenda Item 8:

Employee Merit Pay for Fiscal Year (FY) 2022

Purpose:

To provide the Board information on Employee Cost of Labor/Merit Pay Increases for FY 2022.

Background:

On January 10, 2013 the Board adopted recommendations from the Employee Classification and Compensation Study which included Pay Administration Guidelines for maintaining a market-based pay structure and for implementing Cost of Labor Adjustments (COLA) to OWASA's pay structure in proportion to movements in the labor market.

On December 14, 2017 the Board adopted a resolution updating the Pay Administration Guidelines establishing:

- Four rating categories for employees: Exceptional, Exceeds Expectations, Meets Expectations, and Below Expectations.
- A salary increase will be provided to the top three categories.
- Merit increase percentages are provided based on the performance rating received. Unless otherwise determined by the Board, Meets Expectations are eligible for one times (1x) the Board approved merit increase, Exceeds Expectations are eligible for 1.5 (1.5x) the merit increase amount, and Exceptional are eligible for two times (2x) the merit increase amount.
- Up to 40% of the high-performing employees may be rated as Exceptional or Exceeds Expectations with no more than 15% in the Exceptional category.
- It is the Board's desire for employees meeting the expectation of their position to move from the entry point to the mid-point of their pay range in approximately seven to nine years. To accomplish this, annual merit increases for ratings of Meets Expectations and above should be no less than 2.9% of their current annual salary.
- The Schedule of Classification and Compensation pay ranges shall be increased by the same percentage as the COLA.
- The Board will approve implementation of the COLA and merit increases annually. The Board may modify the Pay Administration Guidelines for any reason including if it deems that available resources and labor market conditions do not support implementation as prescribed by the Policy.

Employees receiving "Exceptional", "Exceeds Expectations" or "Meets Expectations" rating will be eligible for a merit increase and a COLA increase. Employees rated as "Below Expectations" are not eligible for any salary increase unless their salary falls below the minimum of their position's pay range; since employees must be paid a salary within their position's pay range, an increase would only be enough to bring their salary to the minimum.

May 13, 2021

Employee Merit Pay for FY 2022

May 13, 2021

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The formulas for merit pay increases are illustrated below.

Rating	Cost of Labor (COLA) Increase	Merit Increase
Exceptional	1x	2x
Exceeds Expectations	1x	1.5x
Meets Expectations	1x	1x (not less than 2.9%)
Below Expectations	No Increase	No Increase

Due to the financial impact of the pandemic on OWASA and the community, employees did not receive Merit or Cost of Labor Adjustments in FY 2021.

Market Analysis:

Each year, OWASA staff provide comparable information from local entities to assist the Board in their decision making. See Attachment #1 for local entity data from FY 2021 and FY 2022.

Attachment #2 provides the most recent World at Work survey data. This data projects calendar year 2021 COLA increases to be from 0.7% to 2.8%, Merit Pay increases to be from 1.9% to 3.1%. Total Pay increases are projected to be 2.0% to 3.5%.

The Fiscal Year 2022 budget includes a placeholder of 3% of wages or about \$252,000.

Options for FY 2022 Employee Pay Increases:

Option #1

Rating	Cost of Labor (COLA) Increase	Merit Increase	Total Increase
Meets Expectations	1.0%	2.90%	3.90%
Exceeds Expectations	1.0%	4.35%	5.35%
Exceptional	1.0%	5.80%	6.80%
Approximate total budget impact			\$328,000
Approximate amount in excess of 3% placeholder in draft budget			\$76,000

Option #2

Rating	Cost of Labor (COLA) Increase	Merit Increase	Total Increase
Meets Expectations	2.5%	2.90%	5.40%
Exceeds Expectations	2.5%	4.35%	6.85%
Exceptional	2.5%	5.80%	8.30%
Approximate total budget impact			\$454,000

Rating	Cost of Labor (COLA) Increase	Merit Increase	Total Increase
Approximate amount in excess of 3% placeholder in draft budget			\$202,000

Schedule:

Information is provided to assist the Board in its decision as part of the annual budget development process. The Board is scheduled to consider a resolution regarding employee pay increases when it approves the FY 2022 budget and rate adjustment on June 10, 2021.

Typically, the employee performance evaluation period runs from October 1 to September 30 and employee pay adjustments are effective as of the first pay period in November. Staff would prefer to align the performance evaluation period with our fiscal year and implement annual raises as of the first pay period in July 2021 and we are considering ways to make the transition. While it is not necessary for the Board to approve a change in the performance evaluation period, moving the effective date of pay increases will have an impact on the budget in the year the transition is made.

Staff Recommendation:

Due to the economic impact of the pandemic on OWASA and the local economy, employees have not had a salary increase since November 1, 2019. Additionally, OWASA’s workforce worked throughout the pandemic to continue to provide essential high-quality water, sewer, and reclaimed water services to the community without the benefit of any form of premium pay.

Staff recommends that the Board approve a cost of labor increase of 1% and a merit increase of 2.9% for eligible employees. Additionally, because staff would not have received a raise in two years (November 2019 – November 2021) under our current pay adjustment schedule, we recommend that Board approve a budget for FY 2022 that provides the necessary funds for raises to go into effect as of the first pay period in July. If the Board follows staff’s recommendation for the amount and timing of employee raises, the total cost of the pay increase would be approximately \$328,000 which represents an increase of approximately \$76,000 more than the amount provided for in the draft budget. This increase would not impact the recommended 5% rate increase or decrease level of service.

Action Requested:

Authorize staff to adjust the FY 2022 Budget scheduled for approval at the Board’s June 10, 2021 work session to provide a cost of labor increase of 1% and a merit increase of 2.9% for eligible employees in accordance with OWASA’s Pay Administration Guidelines.

Information:

- Attachment 1: Local Entity Data from FY 2021 and FY 2022
- Attachment 2: World at Work Survey Data

Local Entity Data from Fiscal Year (FY) 2021 and 2022

Entity Attachment 2	FY 2021 Pay Increases	COVID Premium Pay	Grant/Stimulus Funds used toward employee wages	Proposed FY 2022 Pay Increases
OWASA	None Eligible employees received one-time Personal Leave Bonuses based on their annual performance review rating (3 to 5 leave days) effective January 2021.	None	None	Placeholder 3%
Town of Chapel Hill	None	<p>In March 2021, all employees received a \$800 bonus</p> <p>June 2020 employees who altered their work schedule and were directly exposed to the public on a regular basis received the following:</p> <ul style="list-style-type: none"> • Public Safety employees received 120 hours of leave • Employees out in the field and in the transit department received 64 hours of leave <p>This leave is earned time off which does not expire and is not paid out upon separation. If funding is available in the Spring of 2021, the Town may allow a “leave buy back” program</p>	Funding may be received soon and if any funds are used toward employee wages it would be for the “leave buy back”	TBD 3%

Local Entity Data from Fiscal Year (FY) 2021 and 2022

Entity Attachment 2	FY 2021 Pay Increases	COVID Premium Pay	Grant/Stimulus Funds used toward employee wages	Proposed FY 2022 Pay Increases
Town of Carrboro	None	In April 2021, employees received a \$900 bonus with an additional \$700 to “essential” workers	Awaiting more information about the American Rescue Plan	Placeholder Cost of Living “across the board” 2% increase
City of Durham	None	A 5% salary increase for essential employees who were expected to continue providing critical service, ended June 2020	Still awaiting federal determination on how to apply	All employees receive 2% pay adjustment Bonus for pay-for-performance for those rated effective or better based on employee’s salary: <ul style="list-style-type: none"> • \$1,500 earning < \$50,000 • \$1,250 earning between \$50,000 & \$90,000 • \$1,000 earning > \$90,000
City of Raleigh	Across the board 2% pay increase for all employees receiving at least a Meets Expectations performance rating	A 5% salary increase premium pay was provided, ended July 2020	Information unavailable	<ul style="list-style-type: none"> • Non-exempt Positions: Employees at midpoint receive 2%; below midpoint 4%; Employees at maximum or above receive a lump sum payment not to exceed 2% • Exempt Positions: Departments receive 3% of merit pool to determine increases based on employee’s placement in the range and their

Local Entity Data from Fiscal Year (FY) 2021 and 2022

Entity Attachment 2	FY 2021 Pay Increases	COVID Premium Pay	Grant/Stimulus Funds used toward employee wages	Proposed FY 2022 Pay Increases
				<p>performance. Increases are between 1% – 5%; any employee at maximum is eligible to receive a lump sum payment not to exceed 3%</p> <ul style="list-style-type: none"> • Range movement for lowest 5 pay grades; employees below the new minimum receive an adjustment prior to merit being applied
Orange County	None	In November 2020, all employees received a one-time bonus equivalent to \$100 for each month worked between March – November 2020 (max \$900)	Yes, used CARES and other grants to hire temp staff and wages for employees when reassigned for various COVID related duties	<p>TBD</p> <p>o</p> <p>o h</p> <p>o</p> <p>-</p>

Local Entity Data from Fiscal Year (FY) 2021 and 2022

Entity Attachment 2	FY 2021 Pay Increases	COVID Premium Pay	Grant/Stimulus Funds used toward employee wages	Proposed FY 2022 Pay Increases
Town of Hillsborough	None	July 2020 employees received a bonus and vacation leave <ul style="list-style-type: none"> • Critical employees received \$400 and 24 hours of leave • Employees telecommuting plus onsite duties received \$200 and 16 hours of leave • Telecommuting employees received \$100 and 8 hours of leave 	None	TBD
Town of Cary	None 1.5% Market Adjustment to Pay Ranges	In March 2020, provided performance awards in various amounts for employees performing duties outside their normal requirements and for employees in positions with greater risk of exposure; these ended September 2020	Information unavailable	TBD

Based on the most recent World at Work survey data projected for 2021, Cost of Labor increases are projected to be from 0.7% to 2.8% and Merit Pay increases are projected to be from 1.9% to 3.1%. Total Pay increases are projected to be 2.0% to 3.5%. See the following World at Work data.

WORLD AT WORK SALARY SURVEY DATA

	2020				2021 projected			
	COLA	Merit	Other	Total ⁴	COLA	Merit	Other	Total ⁴
	(Percent)				(Percent)			
1-499 Employees, \$30M-\$100M revenue								
All Industries								
National	1.3	2.7	1.1	3.2	1.9	2.7	1.1	3.1
Southern ¹	*	2.7	0.9	3.0	*	2.9	0.9	3.2
NC	-	3.2	0.9	3.8	-	3.0	1.0	3.4
Public Administration ²								
National	-	-	-	-	-	-	-	-
Southern ¹	-	-	-	-	-	-	-	-
NC	-	-	-	-	-	-	-	-
Utilities ³								
National	2.3	*	-	3.1	2.8	*	-	3.5
Southern ¹	-	-	-	-	-	-	-	-
NC	-	-	-	-	-	-	-	-
All Size Employees, All Size Revenue								
All Industries								
National	1.5	2.6	0.8	2.9	1.5	2.7	0.9	2.9
Southern ¹	1.4	2.6	0.6	2.8	1.3	2.7	0.9	2.9
NC	0.9	2.6	0.7	2.8	0.9	2.7	1.1	3.0
Public Administration ²								
National	2.0	2.7	1.5	3.2	1.0	1.9	0.5	2.0
Southern ¹	1.5	2.8	0.8	3.1	1.1	2.3	0.5	2.4
NC	1.2	2.6	0.4	2.9	0.7	2.2	0.5	2.3
Utilities ³								
National	1.9	2.9	1.1	3.2	2.4	2.9	1.3	3.1
Southern ¹	0.9	2.9	0.8	3.2	*	2.9	0.9	3.2
NC	*	3.0	0.7	3.4	-	3.1	0.8	3.5

(*) Fewer than 5 responses

(-) No responses

¹ Southern includes these states: AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX

² Public Administration includes cities, states, port authorities, retirement systems, airport authorities, etc.

³ Utilities include organizations such as Alliant Energy, Black Hills Corp, City Utilities of Springfield, MO, Entergy, NY Power Authority, TN Valley Authority, Westinghouse Electric

⁴ "General Increase/COLA," "Merit" and "Other" do not add to the "Total Increase" because not every organization provides all three types of increase.

Agenda Item 9:

Review Board Work Schedule

Purpose:

- a) Request(s) by Board Committees, Board Members, Counsel and Staff
- b) May 27, 2021 Virtual Public Hearings and Board Meeting
- c) June 10, 2021 Virtual Board Work Session
- d) Review 12 Month Board Meeting Schedule
- e) Review Pending Key Staff Action Items

Information:

- Draft agenda for the virtual May 27, 2021 meeting
- Draft agenda for the virtual June 10, 2021 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

May 13, 2021

Agenda
Virtual Public Hearing and Meeting of the OWASA Board of Directors
Thursday, May 27, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing [Microsoft Teams](#) software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and members of the public will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

Announcements

1. Announcements by the Chair
 - A. Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
2. Announcements by Board Members
3. Announcements by Staff
4. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public
2. Board
3. Staff

Public Hearings

1. Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and Proposed Rates, Fees and Charges (Stephen Winters/Vishnu Gangadharan)
 - A. Staff Presentation
 - B. Public Comments

- C. Motion to Close Public Hearings (written comments will be accepted 24 hours following the Hearings)

Consent Agenda

Information and Reports

- 2. 12 Month Board Meeting Schedule (Todd Taylor)

Action

- 3. Minutes of the April 22, 2021 Meeting of the Board of Directors (Andrea Orbich)
- 4. Minutes of the May 13, 2021 Closed Session for the Purpose of Discussing a Potential Real Property Acquisition (Robrt Epting)

Regular Agenda

Information and Reports

- 5. Update on OWASA's COVID-19 Information and Discussion by the Board (Todd Taylor/ Mary Tiger)

Discussion and Action

- 6. Approve Employee Insurance Renewals (Stephanie Glasgow/Ellen Tucker, Gallagher) (if needed)

Summary of Board Meeting Action Items

- 7. Executive Director will summarize the key staff action items from the Board Meeting and note significant items for discussion and/or action expected at the next meeting

Agenda
Work Session of the OWASA Board of Directors
Thursday, June 10, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing [Microsoft Teams](#) software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and you will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
- b. Announcements by Board Members
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Chair)

Consent Agenda

Action

1. Minutes of the May 13, 2021 Work Session of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion and Action

2. Approval of the Schedule of Rates, Fees and Charges; Annual Budget; Five-Year Capital Improvements Program (CIP); and Cost of Living and Merit Pay Increases (Stephen Winters)
 - A. Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after October 1, 2021

- B. Resolution Adopting the Budget for Orange Water and Sewer Authority for Fiscal Year (FY) 2022
- C. Resolution Approving the CIP for FY 2022-2026 and the Accompanying FY 2022 Capital Project Resolution
- D. Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees

Discussion

- 3. Long-Range Water Supply Plan – Guiding Principles (Ruth Rouse)
- 4. Review Board Work Schedule
 - a. Request(s) by Board Committees, Board Members and Staff (Ray DuBose)
 - b. June 24, 2021 Board Meeting (Todd Taylor)
 - c. July 8, 2021 Work Session (Todd Taylor)
 - d. 12 Month Board Meeting Schedule (Todd Taylor)
 - e. Pending Key Staff Action Items (Todd Taylor)
 - f. Action Items Reoccurring Every 3 to 5+ Years (Todd Taylor)

Election of Officers (Effective July 1, 2021)

- 5. Report of the Nominating Committee for Election of Officers (Ray DuBose)
 - a. Chair of the Board
 - b. Vice Chair of the Board
 - c. Secretary of the Board

Summary of Work Session Items

- 6. Executive Director will summarize the key staff action items from the Work Session

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 7, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
May 2021	Resolution Honoring the Service of Sherman Betts Approve Employee Insurance Renewals (C) Finalize Process for Developing Strategic Plan LRWSP – Guiding Principles Employee Merit Pay for FY22 (C) Fiscal Year 2021 Budget Amendment CS - Discuss a Potential Real Property Acquisition 5/13/2021	Update on COVID-19 Public Hearings – FY 22 Budget and Rates (C) Approve Employee Insurance Renewals (if needed) (C) (Public Hearings) 5/27/2021	
June 2021	LRWSP – Guiding Principles Approve FY 22 Budget and Rates (including Employee Merit Pay decision) (C) Election of Officers (C) 6/10/2021	Update on COVID-19 6/24/2021	<i>Incoming Executive Committee to interview Strategic Plan consultants (TBD)</i>
July 2021	D&I Update (C) Strategic Plan Update Award of West Cameron Avenue Water Main Replacement Phase 2 Construction Contract 7/8/2021	TBD 7/22/2021	<i>Possible welcome of new Board member(s)</i>
August 2021	Strategic Plan Update CS – Prepare for GC Annual Review (C) 8/12/2021	Preliminary 12 Month Financial Report (C) CIP Semiannual Report (C) CS – GC Annual Review (C) 8/26/2021	
September 2021	Annual Report on Disposal of Surplus Personal Property (C) EEO/Affirmative Action Report and D&I Update (C) Strategic Plan Update 9/9/2021	Annual Report and Financial Audit (C) Approve GC Engagement (C) Forest Management Program Update (Annual Meeting of the BOD) 9/23/2021	
October 2021	Strategic Plan Update CS – Prepare for ED Annual Review (C) 10/14/2021	Strategic Trends Report (C) Annual Update of the Energy Management Plan (C) Q1 Financial Report (C) CS – ED Annual Performance Review (C) 10/28/2021	
November 2021	(Tentative) LRWSP – Draft Alternatives Analysis and CEP 11/11/2021	<i>Holiday – no meeting</i>	<i>Strategic Plan Work Session (TBD)</i>
December 2021	TBD 12/9/2021	<i>Holiday – no meeting</i>	<i>Strategic Plan Work Session (TBD)</i>
January 2022	Appoint Audit Firm (C) Employee Health and Dental Insurance Update for FY 23 (C) D&I Update (C) (Tentative) LRWSP – Select Alternative and Approve CEP 1/13/2022	2021 Annual Lakes Recreation Report (C) CIP Semiannual Report (C) Q2 Financial Report (C) Discuss FY 23 Budget Calendar and Planning Assumptions (C) 1/27/2022	<i>Strategic Plan Work Session (TBD)</i>
February 2022	Department Managers FY 23 Budget Presentations (C) Reliability and Resiliency Improvements Update (C) Affordability Program Update (C) CS – Prepare for GC Interim Review (C) 2/10/2022	CS – GC Interim Review (C) 2/24/2022	<i>Strategic Plan Work Session(s) (TBD)</i>

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 7, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
March 2022	FY 23 Draft Operating and Capital Equipment Budgets 3/10/2022	Set date for Public Hearings – FY 23 Budget & Rates FY 23 Budgets and Rate Adjustment 3/24/2022	
April 2022	Review Employee Health and Dental Insurance Renewals FY 23 Draft Budget and Rate Adjustment Strategic Plan Update BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) CS – Prepare for ED Interim Review 4/14/2022	Q3 Financial Report Authorize Staff to Publish FY23 Budget and Rate Information CS – ED Interim Review 4/28/2022	

The 12 Month Board Meeting Schedule shows Strategic Plan initiatives and other priority efforts that the Board and staff plan to give greatest consideration to during the next twelve months. The schedule also shows major recurring agenda items that require Board action, or items that have been scheduled in response to the Board's prior standing request. This schedule does not show all the items the Board may consider in a work session or business meeting. It also does not reflect meetings at which the Board will discuss and act on the update of the Strategic Plan.

The 12 Month Board Meeting Schedule will be reviewed and updated at each monthly work session and may also be discussed and updated at the Board's business meetings.

In addition to the initiatives shown in this schedule, staff will be working on other Strategic Plan and organizational priorities that are not expected to require major additional discussion with the Board except as part of budget deliberations.

The schedule implies that the following Strategic Plan initiatives would be addressed beyond the 12-month period. The Board may conclude that one or more of the following initiatives are higher priority. The schedule will be revised as needed to reflect the Board's priorities, and any additional initiatives that the Board may decide to address.

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forest Management.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.

The OWASA Board determines which topics it wants to explore as a full Board (potentially in a work session format) and which topics it wants to assign to Board committees or committee chairs for further analysis and development of recommendations. Board also determines priorities and desired timeframes for addressing topics. Committee meetings will be updated on the schedule routinely.

Abbreviations Used in Draft Schedule:

☞	Recurring agenda item (generally these are "required" items)	CE	Community Engagement
AV/AMI	Agua Vista/Advanced Metering Infrastructure	CEP	Community Engagement Plan
BOCC	Orange County Board of County Commissioners	CHTC	Chapel Hill Town Council
BOD	Board of Directors	CIP	Capital Improvements Program
		COLA	Cost of Labor Adjustment

OWASA Board of Directors – 12 Month Board Meeting Schedule

(March 2021 to February 2022)

CS	Closed Session of the Board	MWBE	Minority/Women-owned Business Enterprises
CTC	Carrboro Town Council	MST	Mountains-to-Sea Trail
CY	Calendar Year	MFMM	Multi-Family Master Meter
D&I	Diversity and Inclusion	NCDOT	North Carolina Department of Transportation
ED	Executive Director	NRTS	Natural Resources and Technical Services
EEO	Equal Employment Opportunity	OC	Orange County
EPA	Environmental Protection Agency	Q	Quarter
FY	Fiscal Year	RFP	Request for Proposals
GC	General Counsel	SRF	State Revolving Fund
HR	Human Resources	SOW	Scope of Work
KPI	Key Performance Indicator	TBD	To Be Determined
LRWSP	Long-Range Water Supply Plan	WTP	Water Treatment Plant
MOA	Memorandum of Agreement	WWTP	Wastewater Treatment Plant

Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
1.	4-22-2021	Provide local elected Councils/Board information about outstanding bills and assistance of OWASA Customers.	NA	Tiger	Underway
2.	4-22-2021	Provide an update on lake recreation schedule.	TBD	Darr Riley	
3.	4-22-2021	Incorporate Board feedback into final draft Strategic Planning process.	5-13-2021	Tiger	Completed
4.	4-8-2021	Update on issues regarding Requests from Board Members that are especially time-consuming.	NA	Taylor	Completed – emailed on 5-4-2021.
5.	4-8-2021	Provide 5 years of comparison information on gross health insurance claims versus large claimants via email.	NA	Glasgow	Completed – emailed on 5-3-2021.
6.	4-8-2021	Provide detailed background health insurance information and discussion on whether to market employee health/dental insurance.	1-13-2022	Glasgow	Completed – added to the 12 Month Board Meeting Schedule.
7.	4-8-2021	Provide land record information on OWASA's Seaforth property via email.	NA	Rouse Winters	Completed – emailed on 4-16-2021.
8.	4-8-2021	To assist the Board with OWASA Board Member Recruitment this spring: coordinate Wonderful Water radio interview; assist with article content for local publications; and send e-bill messages.	NA	Battle Hodge Tiger	Completed
9.	3-11-2021	Organize a Board/staff field trip to biosolids property to better inform and understand stream and wetland mitigation banking.	NA	Tiger	Goal: Fall field trip when weather is good and COVID is less of a threat
10.	12-10-2020	Review water main replacement model effectiveness metric.	NA	Gangadharan Spinelli	Staff is conducting additional analysis on historical break data before bringing a recommendation back to Board.