

Orange Water and Sewer Authority
Virtual Work Session of the Board of Directors
May 13, 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, May 13, 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: Sherman Betts, Mary Darr, Jesse DuClau, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Robin Jacobs (Epting and Hackney), Andrea Orbich, Nicolas Rogers, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

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

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Amending the Fiscal Year 2021 Annual Budget. (Motion by Bruce Runberg, second by Bruce Boehm and the Motion was unanimously approved.)
2. Bruce Runberg made a Motion to approve the Minutes of the April 8, 2021, Work Session of the Board of Directors; second by Bruce Boehm and the Motion was unanimously approved.
3. Bruce Runberg made a Motion to approve the Minutes of the April 22, 2021, Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Bruce Boehm and the Motion was unanimously approved.
4. Kevin Leibel made a Motion to approve the Final Process for developing a Strategic Plan; second by Jody Eimers and the Motion was unanimously approved.
5. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross and Blue Shield of North Carolina for Employee Health and Dental Insurance Plans; and The Hartford for Employee Life, Dependent Life, Accidental Death and Dismemberment, and Long-Term Disability Insurance Plans as amended. (Motion by Bruce Boehm, second by Yinka Ayankoya and the Motion was unanimously approved.)
6. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Sherman Betts to the Orange Water and Sewer

Authority and the Carrboro-Chapel Hill-Orange County Community. (Motion by Robert Morgan, second by Jody Eimers and the Motion was unanimously approved.)

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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 May 4, 2021, Jody Eimers was reappointed to the OWASA Board of Directors by the Orange County Board of County Commissioners and on May 5th Todd BenDor was appointed to the OWASA Board by the Chapel Hill Town Council. Mr. BenDor will take his Oath of Office on May 17th and his first Board Meeting will be May 27th. Mr. DuBose said a new Board Member Orientation is scheduled for Monday, May 24th and invited other Board Members to attend.

Kevin Leibel asked when the Board would return to in person meetings.

Todd Taylor said the virtual Board meetings coincide with Orange County's state of emergency which will expire on June 30, 2021, and in-person Board meetings will begin on July 8, 2021.

Item One: Fiscal Year 2021 Budget Amendment

Bruce Runberg made a Motion to approve the Resolution Amending the Fiscal Year 2021 Annual Budget; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 1.

Item Two: 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

Bruce Boehm suggested Robert Epting, General Counsel, draft a "Whereas" statement to be included in the resolution properly recognizing the OWASA employees who have reduced insurance claims by 10 percent last year.

Mr. Epting proposed: "Whereas, OWASA's employees have made reasonable, appropriate use of these insurance benefits, their claims were down by 10 percent over the preceding year, and their prudence contributed substantially to the favorable rates being offered for renewal; and"

Without objection, the Board agreed with Mr. Epting's proposed Whereas.

Bruce Boehm made a Motion to approve the 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 as amended; second by Yinka Ayankoya and the Motion was unanimously approved. Please see Motion 5.

Item Three: Approve Final Process for Developing Strategic Plan

Kevin Leibel made a Motion to approve the Final Process for developing a Strategic Plan; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 4.

Item Four: Minutes

Bruce Runberg made a Motion to approve the Minutes of the April 8, 2021, Work Session of the Board of Directors; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 2.

Item Five: Minutes

Bruce Runberg made a Motion to approve the Minutes of the April 22, 2021, Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 3.

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

Ray DuBose read aloud the resolution honoring the service of Sherman Betts and expressed the Board's congratulations and deep appreciation for his dedicated service of 36 years to OWASA.

Robert Morgan made a Motion to approve the Resolution; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 6.

Mr. DuBose also provided comments from Ed Kerwin, former OWASA Executive Director, who wanted to express his congratulations to Mr. Betts' on his retirement and noted Mr. Betts' contributions over the years has been tremendous, from answering customer calls after hours as well as reporting to work whenever necessary, particularly during Hurricane Fran in 1996.

Jesse DuClau, Distribution and Collection Systems Manager, Nicholas Rogers, Assistant Distribution and Collection Systems Manager, and Todd Taylor, Executive Director, also expressed their sincere appreciation, described Mr. Betts' incredible work ethic, and congratulated Mr. Betts for his 36 years of dedicated service to OWASA.

Item Seven: Long-Range Water Supply Plan: Guiding Principles for Evaluating Water Supply Alternatives

Ruth Rouse, Planning and Development Manager, provided a verbal overview of this item and requested feedback from the Board on the draft Guiding Principles which will be used to evaluate water supply alternatives.

Board discussion and feedback on the draft Guiding Principles included a request to rank the draft Guiding Principles as high, medium, and low priority. The Board also requested a Guiding Principle be added that addresses being a good partner to those who live or travel near OWASA facilities. Other suggestions to consider as factors to evaluate for each supply option included: ensure integrity and resiliency of the system by addressing items such as single points of failure; break out impact on the environment in two categories of short- and long-term; break out costs to differentiate between capital costs and costs per gallon which may have higher impact on rates; and provide information regarding benefits to OWASA to support regional water supply planning efforts.

It was also suggested that the document include a preamble which summarizes assumptions including the local governing bodies would not modify the service area. The Board will continue this discussion on June 10, 2021.

Item Eight: Discuss Employee Merit Pay for Fiscal Year 2022

Stephanie Glasgow, Director Human Resources and Safety, provided an overview on employee cost of labor and merit pay increases for Fiscal Year 2022.

Jody Eimers commented that OWASA has a world class group of employees and to continue to attract the best employees, she supports option 1 – 2.9% merit increase and a cost of labor of 1%.

Bruce Boehm said he supports option 1 and staff's recommendation to adjust aligning performance evaluation period with the fiscal year.

Robert Morgan said he fully supports staff's recommendation.

Ray DuBose suggested moving the Executive Director's performance evaluation period to align with the fiscal year.

Without objection, the Board authorized staff to adjust the fiscal year 2022 budget schedule for approval on June 10, 2021, 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, and to move the performance review of the Executive Director as recommended.

Item Nine: Review Board Work Schedule

Todd Taylor said an item was added for discussion and action to the May 27, 2021, agenda: Guidance on Individual Board Member Interactions with OWASA Staff Members; and the June 10, 2021, agenda will include a Resolution Honoring the Service of Robert Morgan to Orange Water and Sewer Authority and Carrboro-Chapel Hill-Orange County Community.

The Board agreed to cancel the June 24, July 22, and August 12, 2021 Board Meetings.

Item Ten: Summary of Work Session Items

Todd Taylor said staff will provide:

- Incorporate Board feedback and add prioritization of high, medium, or low in the Long-Range Water Supply Plan Guiding Principles; and
- Cancel the June 24, July 22, and August 12, 2021 Board Meetings.

Item Eleven: Closed Session

Without objection, the Board of Directors convened in a Closed Session for the purpose of discussion a potential real property acquisition, as provided in N.C. General Statutes 143.318.11(a.5).

Following the Closed Session, the Board reconvened in open session, reported no action was taken in the closed session, and the meeting at 8:26 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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

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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

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, OWASA's employees have made reasonable, appropriate use of these insurance benefits, their claims were down by 10 percent over the preceding year, and their prudence contributed substantially to the favorable rates being offered for renewal; and

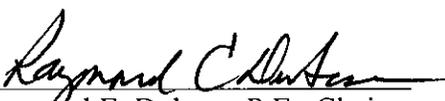
Whereas, with the capable assistance of consultant Gallagher, OWASA has obtained proposals from BCBSNC for continuing health coverage with a decrease in annual premiums of 11%, and no change in annual premiums for Dental coverage for the period of July 1, 2021 through June 30, 2022; Life, Dependent Life, 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

**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

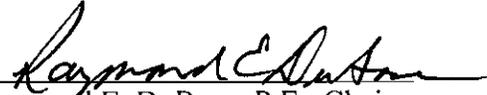
Whereas, by his leadership and example, Mr. Betts has successfully trained and developed generations of Utility Mechanics, and his contribution as a hard-working, detail-oriented, dedicated, kind and generous person has enriched those fortunate enough to know and work with him; and

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;

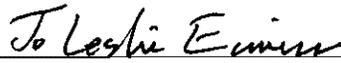
Now, Therefore, Be It Resolved:

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