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
Virtual Meeting of the OWASA Board of Directors
Thursday, August 26, 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

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
   A. Update on the July and August Orange County Climate Council Meetings (Ray DuBose)
3. Announcements by Staff
   A. Allison Spinelli, OWASA's New Engineering Manager - Capital Projects (Vishnu Gangadharan)
4. Additional Comments, Suggestions, and Information Items by Board Members (Jody Eimers)

Petitions and Requests

1. Public
2. Board
3. Staff

Consent Agenda

Information and Reports

1. 12 Month Board Meeting Schedule (Todd Taylor)

Action

2. Minutes of the July 8, 2021 Work Session of the Board of Directors (Andrea Orbich)

Regular Agenda

Discussion and Action

3. Award a Construction Contract for the West Cameron Avenue Water Main Replacement Phase 2 (Simon Lobdell)
4. Fiscal Year 2021 Budget Amendment (Stephen Winters)

Information and Reports

5. Preliminary Financial Report for the Twelve-Month Period Ended June 30, 2021 (Stephen Winters)
6. Capital Improvements Program Semiannual Report (Allison Spinelli)
7. Update on OWASA's COVID-19 Information and Discussion by the Board (Todd Taylor/Mary Tiger)

Discussion

8. COVID Protocols for In-person Board of Directors Meetings (Jody Eimers/Todd Taylor)

Summary of Work Session Items

9. 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.

Closed Session

10. The Board of Directors will Meet in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statutes 143.318.11(6) (Ray DuBose)

OWASA Board of Directors – 12 Month Board Meeting Schedule (August 20, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
August 2021	Canceled 8/12/2021	Award of West Cameron Avenue Water Main Replacement Phase 2 Construction Contract FY 2021 Budget Amendment Preliminary 12 Month Financial Report ( ) CIP Semiannual Report ( ) Update on COVID-19 COVID Protocols for In-person BOD Meetings CS – Prepare for GC Annual Review ( ) 8/26/2021	*Meeting between the BOCC Members & Orange County Appointees to the BOD (TBD)*
September 2021	Annual Report on Disposal of Surplus Personal Property ( ) EEO/Affirmative Action Report and D&I Update ( ) Strategic Plan Update CS – Prepare for GC Annual Review ( ) 9/9/2021	Annual Report and Financial Audit ( ) Approve GC Engagement ( ) PFAS Cost Recovery Forest Management Program Update (Annual Meeting of the BOD) 9/23/2021	*Possible welcome of new Board member(s)* *Meeting between the BOCC Members & Orange County Appointees to the BOD (TBD)*
October 2021	Strategic Plan Update (Tentative) LRWSP - Preview of Jordan Lake Alternatives CS – Cybersecurity Update 10/14/2021	(Tentative) Receipt of the OC Board of Health Report on Drinking Water Fluoridation Strategic Trends Report ( ) Q1 Financial Report ( ) 10/28/2021	*Possible welcome of new Board member(s)* *BOD D&I Training Sessions (TBD)*
November 2021	(Tentative) LRWSP – Draft Alternatives Analysis and CEP 11/11/2021	*Holiday – no meeting*	*Strategic Plan Work Session (TBD)*
December 2021	Annual Update of the Energy Management Plan ( ) Information Session on Medical Insurance Renewals CS – Prepare for ED Interim Review ( ) 12/9/2021	*Holiday – no meeting*	*Strategic Plan Work Session (TBD)*
January 2022	Appoint Audit Firm ( ) Employee Health and Dental Insurance Update for FY 23 ( ) D&I Update ( ) (Tentative) LRWSP – Select Alternative and Approve CEP CS – ED Interim Performance Review ( ) 1/13/2022	2021 Annual Lakes Recreation Report ( ) CIP Semiannual Report ( ) Q2 Financial Report ( ) Discuss FY 23 Budget Calendar and Planning Assumptions ( ) 1/27/2022	*Strategic Plan Work Session (TBD)*
February 2022	Department Managers FY 23 Budget Presentations ( ) Reliability and Resiliency Improvements Update ( ) CS – Prepare for GC Interim Review ( ) 2/10/2022	Affordability Program Update ( ) CS – GC Interim Review ( ) 2/24/2022	*Strategic Plan Work Session(s) (TBD)*
March 2022	FY 23 Draft Budget ( ) 3/10/2022	Set date for Public Hearings – FY 23 Budget & Rates ( ) FY 23 Draft Budget 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) ( ) Planning for BOD Self-Assessment ( ) 4/14/2022	Q3 Financial Report ( ) Authorize Staff to Publish FY23 Budget and Rate Information ( ) BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions – if needed) ( ) 4/28/2022	

OWASA Board of Directors – 12 Month Board Meeting Schedule (August 20, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
May 2022	Approve Employee Insurance Renewals ↻ Employee Merit Pay for FY23 ↻ CS – Prepare ED Annual Review ↻ 5/12/2022	Public Hearings – FY 23 Budget and Rates ↻ CS –ED Annual Performance Review ↻ (Public Hearings) 5/26/2022	
June 2022	Approve FY 23 Budget and Rates (including Employee Merit Pay decision) ↻ Election of Officers ↻ 6/9/2022	TBD 6/23/2022	
July 2022	D&I Update ↻ 7/14/2022	TBD 7/28/2022	*Possible welcome of new Board member(s)*

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.

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)
AV/AMI	Agua Vista/Advanced Metering Infrastructure
BOCC	Orange County Board of County Commissioners
BOD	Board of Directors
CCR	Cane Creek Reservoir
CE	Community Engagement
CEP	Community Engagement Plan
CHTC	Chapel Hill Town Council
CIP	Capital Improvements Program
COLA	Cost of Labor Adjustment
CS	Closed Session of the Board
CTC	Carrboro Town Council
CY	Calendar Year
D&I	Diversity and Inclusion
ED	Executive Director
EEO	Equal Employment Opportunity
EPA	Environmental Protection Agency
FY	Fiscal Year
GC	General Counsel

OWASA Board of Directors – 12 Month Board Meeting Schedule (August 2020)

HR	Human Resources
KPI	Key Performance Indicator
LRWSP	Long-Range Water Supply Plan
MOA	Memorandum of Agreement
MWBE	Minority/Women-owned Business Enterprises
MST	Mountains-to-Sea Trail
MFMM	Multi-Family Master Meter
NCDOT	North Carolina Department of Transportation
NRTS	Natural Resources and Technical Services
OC	Orange County
Q	Quarter
RFP	Request for Proposals
SRF	State Revolving Fund
SOW	Scope of Work
TBD	To Be Determined
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

Orange Water and Sewer Authority

Virtual Work Session of the Board of Directors

July 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, July 8, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Monica Dodson, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Christopher Giesting, Stephanie Glasgow, Robin Jacobs (Epting and Hackney), Deepthi Kalyanam, Wil Lawson, Andrea Orbich, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager) and Kelly Satterfield.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority approved the Resolution to Purchase Remaining One-Third Interest in Property Adjacent to Cane Creek Reservoir. (Motion by Ray DuBose, second by Yinka Ayankoya and the Motion was unanimously approved.)

2. Ray DuBose made a Motion to approve the Minutes of the May 27, 2021, Public Hearing and Board Meeting of the Board of Directors; second by Yinka Ayankoya and the Motion was unanimously approved.

3. Ray DuBose made a Motion to approve the Minutes of the June 10, 2021, Work Session of the Board of Directors; second by Yinka Ayankoya and the Motion was unanimously approved.

4. Ray DuBose made a Motion to approve the Minutes of the June 10, 2021, Closed Session of the Board of Directors; second by Yinka Ayankoya and the Motion was unanimously approved.

5. Ray DuBose made a motion that letters be sent to the Carrboro Town Council and to the Chapel Hill Town Council, noting the importance of a full and diverse complement of Board Members to do OWASA's work and requesting the vacancies be filled; that all staff and the public be encouraged to wear masks and practice social distancing at all OWASA Board meetings; and that staff and Board should begin evaluating options for hybrid Board meetings in the Community Room. The Motion was seconded by Bruce Boehm and unanimously approved.

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Announcements

Chair Jody Eimers announced that due to COVID-19 public health concerns, the OWASA Board of Directors held this meeting virtually utilizing Microsoft Teams software. Ms. Eimers stated that Board Members, General Counsel, and staff participated in the meeting remotely.

Ms. Eimers 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.

Ms. Eimers said the Executive Committee of the Board will meet on Thursday, August 12, 2021, at 3:00 p.m. to review the roles of the Committee.

Ms. Eimers announced the following update to the Standing Committees of the OWASA Board of Directors:

- Community Engagement Committee: Yinka Ayankoya, Kevin Leibel and John Morris (Chair).
- Finance Committee: Bruce Boehm, Kevin Leibel and Yinka Ayankoya (Chair).
- Human Resources Committee: Bruce Boehm, Todd BenDor and Ray DuBose (Chair).
- Natural Resources and Technical Services Committee: Todd BenDor, Ray DuBose, John Morris and Bruce Boehm (Chair).

John Morris announced the Chapel Hill Town Council OWASA Committee and the Chapel Hill Appointees to the OWASA Board of Directors met on June 23, 2021. The group received updates on: the Long-Range Water Supply Plan; OWASA's standard collection practices and the status of OWASA revenues; and the development of OWASA's new strategic plan. The group agreed to meet again in the fall of 2021.

Mary Darr, General Manager of Operations, introduced Christopher Giesting, OWASA's new Water Supply and Treatment Manager.

Mary Tiger, Strategic Initiatives Manager, announced that on June 17, 2021, she attended the Orange County Climate Council meeting during which the roles and functions of the Committee of the Council were discussed. The next meeting of the Orange County Climate Council will be July 15, 2021 at 7:00 p.m.

Item One: Quarterly Report on Board and Committee Meetings

The Board accepted this as an information item.

Item Two: Potential Acquisition of Remaining One-third Interest in Property Adjacent to Cane Creek Reservoir

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Ray DuBose made a Motion to approve the Resolution to Purchase Remaining One-third Interest in Property Adjacent to Cane Creek Reservoir; second by Yinka Ayankoya and the Motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

Ray DuBose made a Motion to approve the Minutes of the May 27, 2021, Public Hearing and Meeting of the Board of Directors; second by Yinka Ayankoya and the Motion was unanimously approved. Please see Motion 2.

Item Four: Minutes

Ray DuBose made a Motion to approve the Minutes of the June 10, 2021, Work Session of the Board of Directors; second by Yinka Ayankoya and the Motion was unanimously approved. Please see Motion 3.

Item Five: Minutes

Ray DuBose made a Motion to approve the Minutes of the June 10, 2021, Closed Session of the Board of Directors; second by Yinka Ayankoya and the Motion was unanimously approved. Please see Motion 4.

Item Six: Diversity and Inclusion Program Update – January to June 2021

Stephanie Glasgow, Director of Human Resources and Safety, provided an overview of the Diversity and Inclusion (D&I) Program from January to June 2021. Ms. Glasgow said OWASA held a Career Fair for several Utility Mechanic vacancies on June 24, 2021.

Deepthi Kalyanam, Utilities Engineer, provided an update on activities of the Diversity Resource Group including information on quarterly meetup and viewing the Algorithmic Bias and Fairness video. Wil Lawson, Operations Supervisor - Wastewater Treatment Plant, provided an update on activities of the Diversity Recruitment Group (DRG) including revising diversity and inclusion interview questions as well as facilitate supervisory training on the recruitment, selection and hiring process at the May 13, 2021, staff meeting. Mary Darr, General Manager of Operations, provided an update from the Diversity Leadership Group regarding performance evaluation documents to now include diversity and inclusion assessments in those evaluations. Ms. Darr said a joint Diversity Group meeting was held in May 2021 to provide updates from each group and plan future goals and initiatives, including the upcoming organizational assessment.

The Board expressed continued support and appreciation to staff for the leadership of the Employee D&I program and requested the Algorithmic Bias and Fairness video be shared with the Board. The Executive Committee will discuss timing of the Board's D&I training session at August 12, 2021 Executive Committee meeting.

Item Seven: Strategic Plan Update

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Mary Tiger, Strategic Initiatives Manager, provided update on the development of OWASA's updated strategic plan. She reported that the staff advisory group has been meeting in recent months to provide feedback on the strategic planning process.

The Board requested that the stakeholder list be updated to include: Justice United, NAACP, Community Home Trust, retail, light industrial/contractors, a land conservation organization, and other diverse groups to assure diversity across the stakeholder participants. The Board also asked that staff consider inviting residential customers to the stakeholder sessions.

Staff will revise the stakeholder list based on Board feedback and work to schedule separate Board Work Sessions to update the Strategic Plan this fall and winter.

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

Ruth Rouse, Planning and Development Manager, provided a presentation on the draft Guiding Principles and the weighting factors that will be used to evaluate water supply alternatives to reliably access OWASA's allocation of water in Jordan Lake which will be used to evaluate water supply alternatives.

Bruce Boehm suggested the second paragraph in the introduction to Guiding Principles be rephrased to be consistent in applying the Guiding Principles to all the alternatives, not just to the Jordan Lake alternatives.

John Morris requested a preview of the analysis of the Jordan Lake alternatives in October, prior to approval in the November Board meeting.

Ray DuBose said he supports Guiding Principles and is ready to move forward.

The Board requested staff update Long-Range Water Supply Plan (LRWSP) Guiding Principles to reflect Board's feedback.

Without objection, the Board approved the Guiding Principles, as amended, to use when evaluating water supply alternatives to reliably access OWASA's allocation of water in Jordan Lake.

Item Nine: Meetings of the OWASA Board of Directors

Robert Epting, General Counsel, provided an overview of remote participation in OWASA Board meetings following the COVID-19 emergency. Mr. Epting noted the July 6, 2021, opinion from the School of Government on Coates' Cannons Blog: Public Meetings After the Lifting of the State-Level State of Emergency, which has been shared with the Board.

After much discussion, the Board decided it would encourage wearing masks and social distancing at all OWASA Board meetings and work sessions; staff will evaluate options for hybrid Board meetings at OWASA; and a letter will be sent to Carrboro and Chapel Hill Town

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Councils requesting they fill their vacant seats as soon as they are able to interested candidates they deem appropriate for this service.

Ray DuBose made a motion that letters be sent to the Carrboro Town Council and to the Chapel Hill Town Council, noting the importance of a full and diverse complement of Board Members to do OWASA's work and requesting the vacancies be filled; that all staff and the public be encouraged to wear masks and practice social distancing at all OWASA Board meetings; and that staff and Board should begin evaluating options for hybrid Board meetings in the Community Room. The Motion was seconded by Bruce Boehm and unanimously approved. Please see Motion 5.

Without objection, the Board agreed all future OWASA Board of Director meetings and work sessions will be held in OWASA's Community room beginning at 6:00 p.m.

Item Ten: Review Proposed Work Plan for OWASA's Executive Director

Bruce Boehm suggested, and the Board agreed, the Executive Director's Work Plan include an additional Human Resources Initiative regarding employee recruitment and retention due to the current hiring shortage.

Bruce Boehm made a motion to approve the Key Focus Areas for OWASA's Executive Director for the Period of June 2021 to May 2022 as amended; second by Ray DuBose and the Motion was unanimously approved. Please see Motion 6.

Item Eleven: Review Board Work Schedule

There were no comments on this item.

Item Twelve: Summary of Work Session Items

Todd Taylor noted the following staff action items:

- The Executive Committee will discuss timing of the Board's diversity and including training session.
- Provide the Board a link to the Algorithmic Bias and Fairness video.
- Revise Strategic Plan Stakeholder listed based on Board feedback.
- Schedule separate Board Work Sessions to update the Strategic Plan this fall and winter.
- Update introduction to the Long-Range Water Supply Plan Guiding Principles to reflect the Board's feedback.
- Schedule an October preview of the analysis of the Jordan Lake alternatives.
- Draft and send a letter to Carrboro and Chapel Hill Town Council's requesting they fill the appointments to OWASA Board of Directors.

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- Encourage wearing masks and social distancing for all in-person OWASA Board Meetings and Work Sessions.
- Evaluate options for hybrid Board Meetings and Work Sessions at OWASA.
- Provide the Board a link to the School of Government article on Coates' Cannons Blog: Public Meetings After the Lifting of the State-Level State of Emergency.
- Update Executive Director Key Focus Areas to include Board feedback.

There being no further business to come before the Board, the Chair adjourned the meeting at 8:07 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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Agenda Item:

- Award a Construction Contract for the West Cameron Avenue Water Main Replacement Phase 2

Purpose:

- To recommend that the OWASA Board of Directors award a construction contract to Moffat Pipe, Inc. (Moffat) for the construction of the West Cameron Avenue Water Main Replacement Phase 2 (Project).

Background:

- The West Cameron Avenue Water Main Replacement project includes the replacement and abandonment of aging water mains in a mile-long corridor along West Cameron Avenue stretching from South Columbia Street to Merritt Mill Road and then continuing west along the Norfolk-Southern Railroad right-of-way between Merritt Mill Road and East Main Street. The West Cameron Avenue Waterline replacement will replace 2 mains that include a 12" 1941 Asbestos Concrete (AC) main and a 12" 1928 Cast Iron (CI) main with a new ductile iron 12" main. The CI line was one of the original mains serving the campus of the University of North Carolina (UNC) at Chapel Hill.

- The project was identified by the Water Main Prioritization Model based on age, break history, customer impact, and other factors, and is part of OWASA's prioritized program for the continuous renewal of the water distribution system.

- OWASA received two bids for the work and Moffat Pipe was the low bidder with a base bid of $3,322,095.00. A bid alternate was not selected for the replacement of a 2" main on Cameron Court. Moffat's bid was below the engineer's estimate.

- Staff took several steps as outlined in OWASA's Minority Business Participation Outreach Plan in an attempt to increase the participation of minority contractors in this contract opportunity. The prime contractor being recommended for award is a Woman-Owned Business Enterprise.

Action Requested:

- Approve the Resolution to Award the Construction Contract for the West Cameron Avenue Water Main Replacement Phase 2 Project

- Approve the Resolution Accepting a Revised Low-Interest Loan Offer from the State of North Carolina

MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor, P.E.

FROM: Simon Lobdell, P.E.

DATE: August 18, 2021

SUBJECT: Award of a Construction Contract for the West Cameron Avenue Water Main Replacement Phase 2

Purpose:

This memorandum recommends the OWASA Board of Directors award a construction contract to Moffat Pipe, Inc. (Moffat) for the construction of the West Cameron Avenue Water Main Replacement Phase 2 (Project).

Background:

The West Cameron Avenue Water Main Replacement project includes the replacement and abandonment of aging water mains in a mile-long corridor along West Cameron Avenue stretching from South Columbia Street to Merritt Mill Road and then continuing west along the Norfolk-Southern Railroad right-of-way between Merritt Mill Road and East Main Street (see Attachment 1). The West Cameron Avenue Water Main replacement replaces approximately 6000 feet of two water mains that include a 12" 1941 Asbestos Concrete (AC) main and a 12" 1928 Cast Iron (CI) main with a single 3200 feet ductile iron 12" main. The CI main was one of the original mains serving the campus of the University of North Carolina (UNC) at Chapel Hill.

The project was identified by the Water Main Prioritization Model based on age, break history, customer impact, and other factors, and is part of OWASA's prioritized program for the continuous renewal of the water distribution system. The final project schedule was coordinated with construction plans for UNC cogeneration facility and Town resurfacing projects. Upon completion of the water main project, the Town plans to resurface West Cameron Avenue and perform any necessary road repairs.

The project team has engaged the Town and local residents in various ways throughout the design phase, including three community meetings, paper mailers, review with the Town of Chapel Hill and significant efforts to coordinate with UNC and other nearby stakeholders.

McKim and Creed was selected as the design engineer and evaluated alternatives for the construction type and sequencing of work. Attachment 1 shows the extent of water line replacements at this site. As Attachment 1 indicates, the project was divided into two phases: Phase 1 (in green) was

completed in Summer 2020 to take advantage of reduced vehicular and pedestrian traffic in the congested intersection of West Cameron Avenue and South Columbia Street during the start of the COVID-19 pandemic. Phase 2 (in red) will complete the remainder of the project work. Together, the two phases are expected to cost $4.7 million. The total project initially received a $2.96 million low-interest loan from the Drinking Water State Revolving Fund, and has been approved for additional funding of approximately $1.7 million by the North Carolina Department of Environmental Quality, Division of Water Infrastructure (DWI). As a result of rewriting the loan, the new final loan rate has also decreased from a fixed rate of 1.42% to 1.02%.

Advertising and Bidding:

The Engineer completed the Project design and bid documents in April 2021. The bid advertisement was posted to websites, news outlets, and emailed to contractors on May 17, 2021. Additionally, throughout the bid process, the Engineer and OWASA staff made direct contact with numerous general contractors via phone calls and emails. A total of two bids were submitted at the initial June 17, 2021 deadline. Since state statute requires receipt of a minimum of three bids for construction contracts greater than $500,000, the two bids received were returned unopened and the contract was re-advertised with a re-bid date of June 25, 2021. On June 25, 2021, a total of two bids were received and opened publicly, and the results are summarized below. The alternate scope included the replacement of a 490-foot section of two-inch main on Cameron Court.

Bidder	Base Bid	Alternate Scope	Total
Mid-Atlantic Infrastructure Systems, Inc.	$3,528,526.50	$213,961.00	$3,742,487.50
Moffat Pipe, Inc	$3,322,095.00	$140,250.00	$3,462,345.00
Engineer's Estimate	*$3,468,000.00*	*$118,800.00*	*$3,586,800.00*

After an evaluation of the low bidder's project references, current projects list, financial statement and references, safety performance data, debarment status, and claims and judgements information, Moffat was determined to be the low, responsive and responsible bidder. Because the overall project exceeded our initial CIP estimate and the alternate scope can feasibly and efficiently be completed by OWASA's construction crew, staff is recommends awarding the contract at the base bid of $3,322,095. The Cameron Court alternate scope will be completed by our construction crew as time and priority dictates. A copy of the certified bid tabulation is attached with the Engineer's recommendation for award (Attachment 2).

Minority and Women Business Enterprise (MWBE) Participation:

OWASA's Minority Business Participation Outreach Plan guidelines include all the statutory requirements from the State of North Carolina and specify a 10% goal for participation by minority businesses. OWASA staff took several actions to solicit minority participation in this contract, including advertising the construction bid with the Greater Diversity News, publishing the advertisement on the websites of the State of North Carolina Interactive Purchasing System (NC IPS) and OWASA, and posting advertisement in multiple plan rooms. Staff also emailed the advertisement directly to MWBE contractors identified in NC IPS as having relevant experience.

OWASA also requires bidders to complete "good faith efforts" to solicit participation by minority subcontractors, and to attest to those efforts via an affidavit submitted with the bid. Staff reiterated this requirement at the pre-bid meeting and provided the bidders with detailed guidelines. The apparent low bidder (Moffat) is a Woman-Owned Business Enterprise (WBE) and they anticipate self-performing at least $2,000,000.00 of the work.

Additionally, Moffat provided the required documentation of their good faith efforts, including identification of their subcontractors who qualify as Minority and Women-owned Business Enterprise (MWBE) contractors. The total percentage of work going to MWBE in this contract is approximately 60.8% of the contract value, consisting of 60.2% (WBE) to Moffat, and 0.6% (WBE) to Fred Adams Paving Company. The nature and scope of this project afforded limited subcontracting opportunities.

Bid Analysis and Recommendation:

Both bids received were within the anticipated range and lower than the engineer's estimate. Moffat has demonstrated sufficient qualifications in past project performance (including Phase 1 of this Project), personnel qualifications/experience, and reference checks. The Engineer and OWASA staff also determined that Moffat met safety performance, relevant project experience, bonding capacity, and other requirements.

McKim and Creed's recommendation that the construction contract for this project be awarded to Moffat is attached along with the certified bid tabulation (Attachment 2). OWASA staff concurs with this recommendation. To proceed, we request the Board's adoption of the two attached resolutions, which include:

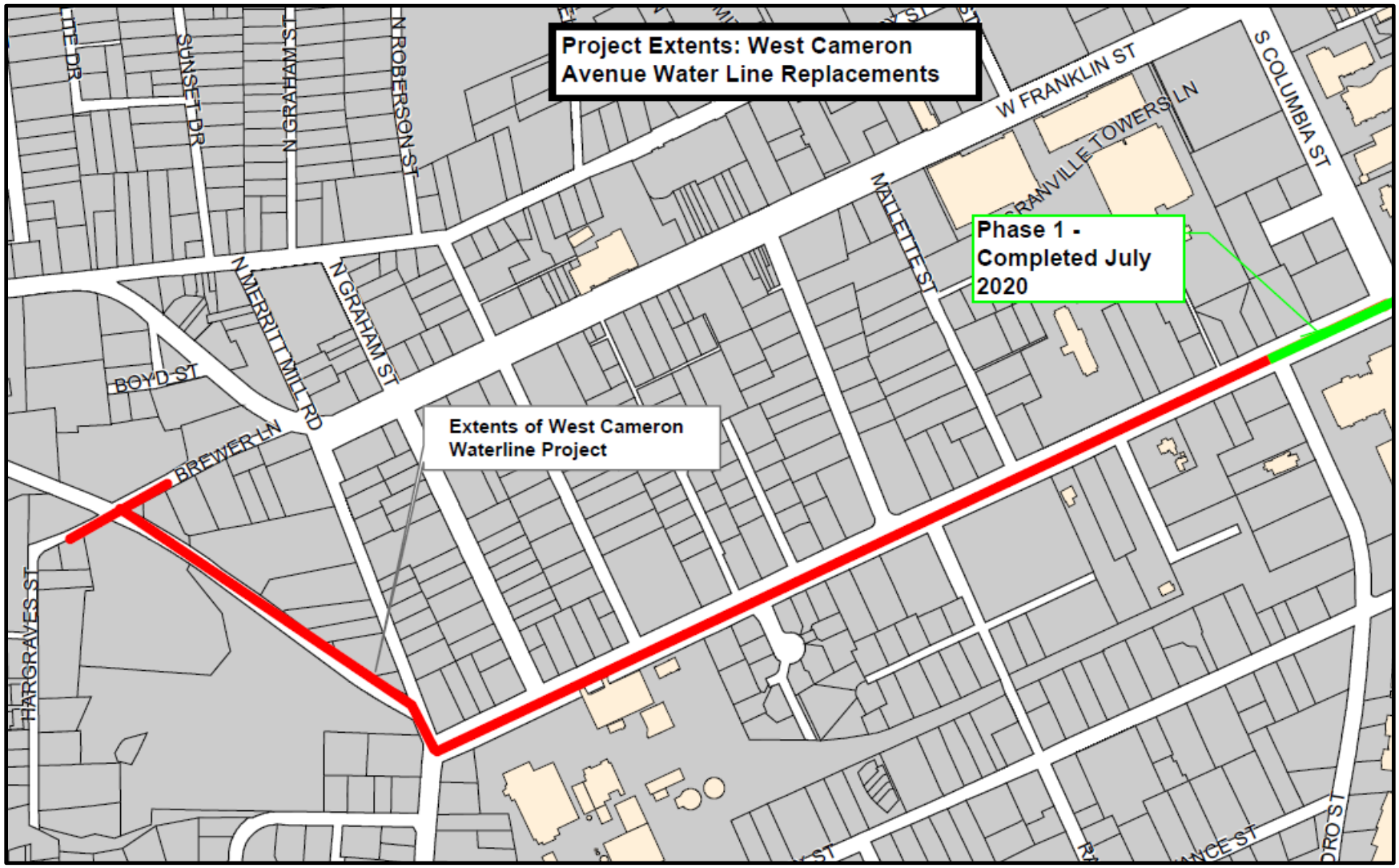
- Attachment 3: Resolution awarding the construction contract contingent on the pending approval of SRF final loan issuance (which will occur upon receipt of this board action); and
- Attachment 4: Resolution accepting the revised SRF loan offer.

Please contact me if you have any further questions.

Simon Lobdell, P.E.
Utilities Engineer

Attachments
1. Work Area Location Map
2. Engineer's Recommendation for Award and Certified Bid Tabulation
3. Construction Contract Award Resolution
4. Modified SRF Loan Acceptance Resolution

Attachment 1: Project Extents for West Cameron Avenue Water Main Replacements.



McKIM&CREED

ENGINEERS
SURVEYORS
PLANNERS

June 29, 2021 M&C 01519-0049 (54)

Mr. Simon Lobdell, PE
Utilities Engineer
Orange Water & Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

RE: West Cameron Avenue Water Main Replacement – Phase II
OWASA CIP No. 275-52
NC DWI WIF No. 1981
Recommendation of Award of Construction Contract

Dear Mr. Lobdell:

On Thursday, June 17, 2021, at 2:00 pm, the Orange Water and Sewer Authority received bids for the West Cameron Avenue Water Main Replacement – Phase II project. Two (2) bids were received; however, the bids were returned to bidders unopened, as the statutory requirement of receipt of three (3) bids for a formal bid opening was not met. As a result, the project was re-bid in accordance with the statutory requirements for formal bidding.

The re-bid date was established for Friday, June 25, 2021 at 2:00pm. On the date of the re-bid, the Orange Water and Sewer Authority received two (2) bids and the bids were opened and read aloud. The advertisement, bidding, and re-bid procedures were consistent with statutory requirements, to the best of our knowledge. Please refer to the attached detailed bid tabulation and bid summary tabulation for the bids received. The referenced bids have been reviewed by the Engineer, and Moffat Pipe, Inc. (NC License # 54906) is the apparent low bidder, with a bid submitted in the base bid amount of $3,322,095.00.

The Base Bid includes installation of approximately 3,200 linear feet of 12-inch restrained joint ductile iron water pipeline along West Cameron Avenue, installation of approximately 200 linear feet of 24-inch steel casing under existing railroad lines in (2) locations, installation of all temporary and permanent water

Venture IV Building
1730 Varsity Drive
Raleigh, NC 27606

919.233.8091
Fax 919.233.8031

www.mckimcreed.com

services, interconnections, and fire hydrant assemblies, and the abandonment of approximately 6,600 linear feet of 12-inch AC or CI pipeline by cellular concrete or grout fill.

The Add Alternate Bid includes the abandonment of approximately 500 linear feet of 2-inch galvanized pipeline and installation of approximately 500 linear feet of 2" PVC water pipeline along Cameron Court (Add Alternate No. 1). The following represents the total bid amounts as submitted by Moffat Pipe, Inc.:

Total Base Bid: $3,322,095.00
Total Add Alternate Bid: $140,250.00
Total Base Bid + Add Alternate Bid: $3,462,345.00

Upon review of the submitted bids, mathematical errors were found in the bid submitted by Mid-Atlantic Infrastructure Systems, Inc. The attached certified bid tabulations reflect the corrected bid amounts. Moffat Pipe, Inc. remains the apparent low bidder, and any combination of award of the base bid or base bid and add alternate, results in Moffat Pipe, Inc. being the apparent low bidder.

Moffat Pipe, Inc. is properly licensed and experienced in the type of construction involved, as indicated by the information supplied with the bid. Based on the Engineer's review of the bids, we recommend award of the project to the lowest responsible, responsive bidder, Moffat Pipe, Inc. The amount of award of the construction contract will depend on the selected base bid and add alternate as accepted by the Orange Water and Sewer Authority. The referenced bid is subject to review by the North Carolina Department of Environmental Quality, Division of Water Infrastructure.

Please accept this letter as the formal recommendation of award of construction contract to Moffat Pipe, Inc. This recommendation of award is subject to acceptance of the submitted bid by the Orange Water and Sewer Authority, in addition to approval by the North Carolina Department of Environmental Quality, Division of Water Infrastructure.

Enclosed you will find the following documents:

- Certified Bid Summary Tabulation
- Certified Detailed Bid Tabulation
- Moffat Pipe, Inc. Bid Package
- Moffat Pipe, Inc. Bid Bond

It is recommended a construction contingency be held in the budget to cover any unforeseen conditions which may be encountered during construction.

Per the requirements of the bidding documents, Moffat Pipe, Inc. has been requested to provide the following documents:

- Non-Collusion Affidavit of Subcontractors
- Affidavit C – Portion of Work to be Performed by Minority Firms
- American Iron and Steel Certification for SRF Projects
- NCDWI MBE/WBE Table B: Subcontract Solicitation List

Should you have any questions or concerns in regards to this letter or any of the enclosures, please do not hesitate to contact our office.

Sincerely,

McKIM & CREED, INC.



K. Jason Savage, PE
Construction Administrator

Enclosures

cc: File, w/encl.
Adam Paukovich, PE (M&C)
Matthew Rushing, EI (NCDEQ-DWI)

CERTIFIED BID TABULATION
ORANGE WATER AND SEWER AUTHORITY
WEST CAMERON AVENUE WATER MAIN REPLACEMENT - PHASE 2
CIP NO. 275-52
ORIGINAL BID DATE JUNE 17, 2021
RE-BID DATE JUNE 25, 2021
NC DWI PROJECT NO. WIF 1981
MC PROJECT NO. 01519-0049

BIDDER	LICENSE NO.	Attended Mandatory Pre-Bid	BID BOND	BASE BID	ADD ALTERNATE	TOTAL BID (Base + Alt)
Moffat Pipe, Inc.	54906	Y	✓	$3,322,095.00	$140,250.00	$3,462,345.00
Mid-Atlantic Infrastructure Systems, Inc.	47041	Y	✓	$3,528,526.50	$213,961.00	$3,742,487.50

*Math error - correct as shown

Certified as Correct

6/29/2021

K. Jason Savage, PE
Construction Administrator
McKim & Creed, Inc.

Date

NORTH CAROLINA PROFESSIONAL SEAL 037492 ENGINEER K. JASON SAVAGE

CERTIFIED DETAILED BID TABULATION
ORANGE WATER AND SEWER AUTHORITY
WEST CAMERON AVENUE WATER MAIN REPLACEMENT - PHASE 2
CIP NO. 275-52
RE-BID DATE: JUNE 25, 2021
NC DWI PROJECT NO. WIF 1981
MC PROJECT NO. 01519-0049

				MOFFAT PIPE INC		MID-ATLANTIC INFRASTRUCTURE SYSTEMS INC	
Item	**Description**	**Estimated Quantity**		**Bid Unit Price**	**Total**	**Bid Unit Price**	**Total**
SECTION A - BASE BID, WEST CAMERON AVENUE							
1	Mobilization and Demobilization	1	LS	$99,000.00	$99,000.00	$308,127.00	$308,127.00
2	Ductile Iron Water Main, Class 350 Restrained Joint						
a	12" Diameter	3,000	LF	$191.00	$573,000.00	$210.00	$630,000.00
b	8" Diameter	390	LF	$230.00	$89,700.00	$181.00	$70,590.00
c	6" Diameter	250	LF	$225.00	$56,250.00	$164.00	$41,000.00
d	4" Diameter	125	LF	$225.00	$28,125.00	$161.00	$20,125.00
3	Type K Hard Copper Water Main, 2" Diameter	50	LF	$180.00	$9,000.00	$138.00	$6,900.00
4	24" Diameter Steel Encasement Pipe (min. 0.625" wall thickness) Installed by Open Cut with 12" Diameter Ductile Iron, Class 350 Restrained Joint Carrier Pipe	200	LF	$800.00	$160,000.00	$608.00	$121,600.00
5	Testing, Seeding and Restoration for Water Mains						
a	12" Diameter	3200	LF	$10.00	$32,000.00	$84.00	$268,800.00
b	8" Diameter	390	LF	$10.00	$3,900.00	$95.00	$37,050.00
c	6" Diameter	250	LF	$10.00	$2,500.00	$119.00	$29,750.00
d	4" Diameter	125	LF	$10.00	$1,250.00	$178.00	$22,250.00
e	2" Diameter	50	LF	$10.00	$500.00	$297.00	$14,850.00
6	Ductile Iron Restrained Mechanical Joint Fittings Installed On and/or Connected to Existing Water Mains	2650	LBS	$23.00	$60,950.00	$53.00	$140,450.00
7	Ductile Iron Restrained Mechanical Joint Fittings Installed On New Water Mains	9440	LBS	$24.00	$226,560.00	$31.00	$292,640.00
8	Gate Valve with Box						
a	12" Diameter	35	EA	$6,000.00	$210,000.00	$4,224.00	$147,840.00
b	8" Diameter	16	EA	$4,200.00	$67,200.00	$2,649.00	$42,384.00
c	6" Diameter	7	EA	$3,700.00	$25,900.00	$1,954.00	$13,678.00
d	4" Diameter	4	EA	$3,500.00	$14,000.00	$1,673.00	$6,692.00

				MOFFAT PIPE INC		MID-ATLANTIC INFRASTRUCTURE SYSTEMS INC	
e	2" Diameter (including tap, saddle and brass nipple)	2	EA	$3,400.00	$6,800.00	$1,822.00	$3,644.00
f	16" Insertion Valve on Existing Water Main	1	EA	$34,000.00	$34,000.00	$27,930.00	$27,930.00
g	12" Insertion Valve on Existing Water Main w/ Concrete Restraint Assemby	1	EA	$31,000.00	$31,000.00	$21,660.00	$21,660.00
9	Fire Hydrant Assembly	5	EA	$10,000.00	$50,000.00	$8,613.00	$43,065.00
10	Remove Existing Fire Hydrant Assembly	5	EA	$1,200.00	$6,000.00	$950.00	$4,750.00
11	2" Permanent Blow Off Assembly	8	EA	$4,250.00	$34,000.00	$1,557.00	$12,456.00
12	4" Permanent Blow Off Assembly	3	EA	$6,000.00	$18,000.00	$7,314.00	$21,942.00
13	New 4" Water Service w/ 2" Meter and Meter Vault including Tee, Valve, Pipe, Fittings, Meter Setter and Meter Vault (complete)						
a	Same Side as Main (Open-Cut)	1	EA	$15,000.00	$15,000.00	$10,198.00	$10,198.00
b	Opposite Side From Main (Open-Cut)	1	EA	$19,000.00	$19,000.00	$15,520.00	$15,520.00
14	New 2" Water Service including Tap, Valve, Pipe, Fittings, Meter Setter and Meter Vault (complete)						
a	Same Side as Main (Open-Cut)	3	EA	$11,500.00	$34,500.00	$10,065.00	$30,195.00
15	New 3/4" or 1" Water Service including Tap, Corporation Stop, Pipe, Meter Setter and Meter Box (complete)						
a	Same Side as Main (Open-Cut)	24	EA	$3,800.00	$91,200.00	$2,248.00	$53,952.00
b	Opposite Side From Main (Trenchless)	16	EA	$5,400.00	$86,400.00	$2,692.00	$43,072.00
16	New 1" Dual Water Service, with 3/4" Meter Setters and Meter Boxes including Tap, Corporation Stop, Pipe and Fittings (complete)						
a	Same Side as Main (Open Cut)	2	EA	$7,000.00	$14,000.00	$6,607.00	$13,214.00
17	Temporary Water Service Connections and Interconnections (complete)						
a	3/4" or 1" Temporary Service	18	EA	$3,500.00	$63,000.00	$1,581.00	$28,458.00
b	2" Temporary Service or Interconnection	3	EA	$11,000.00	$33,000.00	$2,951.00	$8,853.00
c	4" Temporary Service or Interconnection	4	EA	$6,000.00	$24,000.00	$3,423.00	$13,692.00
d	6" Temporary Service or Interconnection	1	EA	$12,500.00	$12,500.00	$4,026.00	$4,026.00
e	Temporary Fire Hydrant Assembly Connection	2	EA	$8,000.00	$16,000.00	$7,788.00	$15,576.00
18	Abandon Existing Waterline by Grout Fill						
a	12" Diameter	6600	LF	$10.00	$66,000.00	$9.85	$65,010.00
b	8" Diameter	330	LF	$10.00	$3,300.00	$9.85	$3,250.50
c	6" Diameter	120	LF	$10.00	$1,200.00	$9.85	$1,182.00
d	4" Diameter	120	LF	$10.00	$1,200.00	$9.85	$1,182.00
19	Cut and Cap Existing Waterline						

				MOFFAT PIPE INC		MID-ATLANTIC INFRASTRUCTURE SYSTEMS INC	
a	12" Diameter	17	EA	$1,800.00	$30,600.00	$2,312.00	$39,304.00
b	8" Diameter	16	EA	$1,500.00	$24,000.00	$1,640.00	$26,240.00
c	6" Diameter	5	EA	$1,500.00	$7,500.00	$693.00	$3,465.00
d	4" Diameter	9	EA	$1,400.00	$12,600.00	$715.00	$6,435.00
e	2" Diameter	3	EA	$1,300.00	$3,900.00	$363.00	$1,089.00
20	Abandon Existing Valve Box In-Place	65	EA	$400.00	$26,000.00	$1,181.00	$76,765.00
21	Abandon Existing Water Manhole In-Place	7	EA	$800.00	$5,600.00	$1,269.00	$8,883.00
22	Remove and Replace NCDOT Asphalt Roadway / Trench Repair (11" B25.0C + 2" S9.5B)	550	SY	$220.00	$121,000.00	$165.00	$90,750.00
23	Remove and Replace Town of Chapel Hill Asphalt Roadway/Trench Repair (10" CABC+5" B25.0B + 1.5" SF9.5A)	2200	SY	$100.00	$220,000.00	$98.00	$215,600.00
24	Remove and Replace Town of Carrboro Asphalt Roadway/Trench Repair (8" CABC+2" SF9.5A)	50	SY	$50.00	$2,500.00	$170.00	$8,500.00
25	Remove and Replace Traffic Signal Loops	2600	LF	$12.00	$31,200.00	$14.00	$36,400.00
26	Mill Existing Asphalt and Overlay with 1.5" Surface Course Asphalt	2300	SY	$45.00	$103,500.00	$28.50	$65,550.00
27	Remove and Replace Concrete Sidewalk	80	SY	$65.00	$5,200.00	$52.00	$4,160.00
28	Remove and Replace Brick Sidewalk	130	SY	$200.00	$26,000.00	$148.00	$19,240.00
29	Remove and Replace Concrete Curb & Gutter	400	LF	$30.00	$12,000.00	$23.00	$9,200.00
30	Remove and Replace ADA Accessible Sidewalk Ramp	1	EA	$5,000.00	$5,000.00	$9,690.00	$9,690.00
31	Remove and Replace Railroad at Two Open Cut Crossings	1	LS	$215,000.00	$215,000.00	$123,782.00	$123,782.00
32	Rock Removal and Replacement with Select Backfill	125	CY	$100.00	$12,500.00	$175.00	$21,875.00
33	Undercut Excavation and Disposal of Unsuitable Material	275	CY	$40.00	$11,000.00	$35.00	$9,625.00
34	Separation/Protection Concrete	40	CY	$200.00	$8,000.00	$50.00	$2,000.00
35	Construction Fencing	100	LF	$5.00	$500.00	$13.60	$1,360.00
36	Tree Protection Fencing	100	LF	$2.50	$250.00	$3.00	$300.00
37	Standard Silt Fence	500	LF	$2.50	$1,250.00	$4.00	$2,000.00
38	Inlet Protection Devices	17	EA	$180.00	$3,060.00	$280.00	$4,760.00
39	Traffic and Pedestrain Control	1	LS	$80,000.00	$80,000.00	$50,000.00	$50,000.00
40	Allowances						
a	TOCH Engineering Fee Allowance	1	LS	$7,500.00	$7,500.00	$7,500.00	$7,500.00
b	NCDOT Bond Allowance	1	LS	$1,500.00	$1,500.00	$1,500.00	$1,500.00
c	Contingency Allowance	1	LS	$25,000.00	$25,000.00	$25,000.00	$25,000.00
TOTAL SECTION A - BASE BID (BID ITEMS 1 THRU 40)					**$3,322,095.00**		**$3,528,526.50**

				MOFFAT PIPE INC		MID-ATLANTIC INFRASTRUCTURE SYSTEMS INC	
ALTERNATE BID							
Item	**Description**	**Estimated Quantity**		**Bid Unit Price**	**Total**	**Bid Unit Price**	**Total**
SECTION B - ADD ALTERNATE NO. 1, CAMERON COURT							
1	SDR-21 PVC Water Main, 2" Diameter	490	LF	$130.00	$63,700.00	$214.00	$104,860.00
2	2" Permanent Blow Off Assembly	1	EA	$4,250.00	$4,250.00	$3,419.00	$3,419.00
3	Testing, Seeding and Restoration for Water Mains						
a	2" Diameter	490	LF	$10.00	$4,900.00	$73.00	$35,770.00
4	New 3/4" or 1" Water Service including Tap, Corporation Stop, Pipe, Meter Setter and Meter Box (complete)						
a	Same Side as Main (Open-Cut)	7	EA	$3,800.00	$26,600.00	$2,573.00	$18,011.00
b	Opposite Side From Main (Trenchless)	3	EA	$5,400.00	$16,200.00	$2,675.00	$8,025.00
5	New 1" Dual Water Service, with 3/4" Meter Setters and Meter Boxes including Tap, Corporation Stop, Pipe and Fittings (complete)						
a	Opposite Side From Main (Trenchless)	1	EA	$7,000.00	$7,000.00	$8,826.00	$8,826.00
6	Abandon Existing 2" Waterline	1	LS	$2,000.00	$2,000.00	$10,000.00	$10,000.00
7	Remove and Replace Town of Chapel Hill Asphalt Roadway/Trench Repair (10" CABC+5" B25.0B + 1.5" SF9.5A)	100	SY	$100.00	$10,000.00	$98.00	$9,800.00
8	Rock Removal and Replacement with Select Backfill	25	CY	$100.00	$2,500.00	$175.00	$4,375.00
9	Undercut Excavation and Disposal of Unsuitable Material	25	CY	$40.00	$1,000.00	$35.00	$875.00
10	Traffic and Pedestrain Control	1	LS	$2,100.00	$2,100.00	$10,000.00	$10,000.00
TOTAL SECTION B - ADD ALTERNATE NO.1 (BID ITEMS 1 THRU 10)					**$140,250.00**		**$213,961.00**
TOTAL BID PRICE, SECTION A+B					**$3,462,345.00**		**$3,742,487.50**

*Highlighed areas - Math error - correct as shown.



Certified as Correct

K. Jason Savage, PE
Construction Administrator
McKim & Creed, Inc.

6/29/2021
Date

Resolution Awarding a Construction Contract for the West Cameron Avenue Water Main Replacement Phase 2 Project

Whereas, there is a need to rehabilitate the water mains in the West Cameron Avenue corridor due to their age and condition; and

Whereas, advertisement to bid was published on the websites of the Greater Diversity News, publishing the advertisement on the websites of the State of North Carolina Interactive Purchasing System (NC IPS) and OWASA, and posting advertisement in multiple plan rooms on May 17, 2021; and

Whereas, after receiving only two bids on the first bid opening date of June 17, 2021 the project was re-bid; and

Whereas, two bids were subsequently received on June 25, 2021; and

Whereas, Moffat Pipe, Inc. of Wake Forest NC has been determined to be the low responsive, responsible bidder for the project; and

Whereas, on May 14, 2020 the Board approved a resolution authorizing funds for this project as part of the State Reserve Program loan: and

Whereas, on August 3, 2021 the NC Local Government Commission formally approved the increase of additional funds for our existing Revolving Loan (WIF -1981) by $1,694,920 for a total loan of $4,657,928.

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Moffat Pipe Inc., the low responsive, responsible bidder for the West Cameron Avenue Water Main Replacement, Phase 2, in accordance with the approved plans and specifications, in the amount of $3,322,095.00, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

3. That the tentative award is contingent upon the approval of the North Carolina Department of Environmental Quality.

Adopted this 26th day of August, 2021.

_____
Jo Leslie Eimers, Chair

ATTEST:

_____
John N. Morris, Secretary

Attachment 4

Resolution Accepting a Revised Low-Interest Loan Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offer and Acceptance Documents

Whereas, the Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and/or grants, as applicable, to aid eligible, drinking-water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

Whereas, the North Carolina Department of Environmental Quality had previously offered a State Revolving Loan in the amount of $2,963,000 for the replacement of the West Cameron Avenue Water Main; and

Whereas, the costs of the final scope have escalated from the time of the initial loan offer; and

Whereas, on May 14, 2020 the Board approved a resolution authorizing funds for this project as part of the State Revolving Fund loan; and

Whereas, on August 3, 2021 the North Carolina Local Government Commission formally approved the increase of additional funds for our existing Revolving Loan (WIF -1981) by $1,694,920 for a total loan amount of $4,657,928; and

Whereas, the Orange Water and Sewer Authority intends to construct said project in accordance with the engineering plans and specifications that have been or will have been approved by the North Carolina Public Water Supply Section.

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority does hereby accept the revised State Revolving Loan offer in the amount of $4,657,928; and

2. That the Orange Water and Sewer Authority does hereby give assurances to the North Carolina Department of Environmental Quality that they will adhere to all applicable items specified in the standard "Conditions" and "Assurances" of the Department's funding offer, awarded in the form of a State Revolving Loan; and

3. That the Orange Water and Sewer Authority Executive Director and successors so titled, is hereby authorized and directed to furnish such information, as the appropriate state agency may request, in connection with such application or the project; to make the Assurances as contained above; and to execute such other documents as may be required in connection with the application; and

4. That the Orange Water and Sewer Authority has complied substantially or will comply substantially with all federal, state and local laws, rules, regulations, and ordinances applicable to the project, and to federal and state grants and loans pertaining thereto.

Adopted this 26th day of August, 2021.

_____
Jo Leslie Eimers, Chair

ATTEST:

_____
John N. Morris, Secretary

Agenda Item:

- Fiscal Year (FY) 2021 Budget Amendment

Purpose:

- On November 12, 2020, the Board of Directors passed a motion to approve an update to OWASA's Energy Management Plan which included installing solar energy equipment at five OWASA sites.
- Solar equipment was installed at three of the sites prior to the end of FY 2021.
- In preparing the FY 2021 year-end financial reports for our annual audit, we determined that the costs of the solar projects should be classified as capital equipment.
- The capital equipment budget needs to be amended to include the costs of the solar equipment.
- For FY 2021, we were under budget in operating expenses by almost $1.5 million and to amend the budget, we propose reallocating funds from the operating budget to the capital equipment budget.
- We have received or will receive $195,000 in rebates from Duke Energy for the sites placed into service in FY 2021.

Action Requested:

- Approve the attached resolution to amend the FY 2021 budget.

August 26, 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.

MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor, P.E.

FROM: Stephen Winters, CPA

DATE: August 18, 2021

SUBJECT: Fiscal Year 2021 Budget Amendment

Agenda Item

Fiscal Year (FY) 2021 Budget Amendment

Background:

On November 12, 2020, the Board of Directors passed a motion to approve an update to OWASA's Energy Management Plan which included installing solar energy equipment at five OWASA sites. Solar equipment was installed at three of the sites prior to the end of FY 2021. Initially, we thought the costs of projects would be included in the operating or Capital Improvements Program budgets. However, in preparing the FY 2021 year-end financial reports for our annual audit, we determined that the costs of the solar projects should be classified as capital equipment and the capital equipment budget needs to be amended to include the costs. For the fiscal year, we were under budget in operating expenses by almost $1.5 million. For the amendment, we propose reallocating funds from the operating budget to the capital equipment budget.

As a reminder, we have received or will receive $195,000 in rebates from Duke Energy for the sites placed into service in FY 2021. The remaining cost of the solar equipment is being financed through a lease arrangement and based on our analysis, will be offset by savings in electricity costs.

Need for a Budget Amendment:

The leases are considered capital leases which means for accounting purposes, we must record the present value of the lease payments as both an asset and a liability.

The total present value of the lease payments of the solar equipment placed into service in FY 2021 is $458,074 which, when added to the other capital equipment purchases made during the year exceeds the budget for capital equipment expenditures. As noted in the table below, the capital equipment budget shortfall is just over $205,000.

Fiscal Year 2021		
Capital equipment budget		$864,500
Present value of solar lease payments (cost of asset)	458,074	
Cost of all other FY 2021capital equipment purchases	611,514	
Total cost of capital equipment purchases		1,069,588
Difference between budget and actual costs		$205,088
Amount of proposed budget amendment		$210,000

North Carolina General Statute 159-15 states that the Board of Directors may amend the budget at any time and in any manner.

Action Requested:

Approve the attached resolution to amend the FY 2021 budget.

Stephen Winters, CPA
Director of Finance and Customer Service

Attachment: Resolution

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 has adopted an Energy Management Plan with the goal of reducing purchased electricity by 35% by the end of Calendar Year 2022 compared to the Calendar Year 2010 baseline; and

Whereas, OWASA has determined that installing solar energy equipment and using the energy it produces will help to achieve its energy management goals; and

Whereas, solar equipment has been installed at three OWASA-owned sites at a cost, net of rebates, of $458,074; and

Whereas, staff has determined that entering into lease arrangements to finance the equipment provides OWASA the ability to use energy savings to offset the annual lease costs; and

Whereas, OWASA has received rebates toward the cost of this equipment in the amount of $195,000; and

Whereas, staff has determined that the solar equipment should be classified as capital equipment; and

Whereas, the FY 2021 capital equipment budget does not have adequate funds to cover the entire cost of the equipment; and

Whereas, staff has determined that FY 2021 operating costs are approximately $1.5 million under budget, 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 $210,000 in the operating budget be transferred to the capital equipment budget as set forth in Attachment A.

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

Adopted this 26th day of August 2021.

_____
Jo Leslie Eimers, Chair

ATTEST:

_____
John N. Morris, Secretary

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

	Amended 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	35,926,184	0	35,926,184
Operating Expense			
General and Administrative	7,836,615		7,836,615
Operations	15,353,729		15,353,729
Total Operating Expense	23,190,344	0	23,190,344
Net Operating Income	12,735,840	0	12,735,840
Non-operating Revenue			
Customer Fees	1,081,490		1,081,490
Interest	81,296		81,296
Total Net Income	13,898,626	0	13,898,626
Debt Service			
Existing	7,568,498		7,568,498
New	1,499,760		1,499,760
Total Debt Service	9,068,258		9,068,258
Net Income Less Debt Service	$4,830,368	$0	$4,830,368
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	0		0
Annual Income Available for Capital	20,319,000	0	20,319,000
Capital Expenditures			
Project Ordinances			
General Fund Contribution	4,670,368	(210,000)	4,460,368
Funded by Bond Proceeds	15,488,632		15,488,632
Total Project Resolutions	20,159,000	(210,000)	19,949,000
Capital Equipment	864,500	210,000	1,074,500
Total Capital Outlay	21,023,500	0	21,023,500
Annual General Fund Balance	(704,500)		(704,500)
General Fund Beginning Balance	19,368,140		19,368,140
General Fund Ending Balance	18,663,640		18,663,640
Project Funding	(81,500)		(81,500)
Reserves	18,745,140		18,745,140
Unallocated General Fund Balance	$0	$0	$0

Agenda Item:

- Preliminary Financial Report for the Twelve-Month Period Ended June 30, 2021

Purpose:

- To inform the Board of Directors of OWASA's financial performance and fiscal position.

Background:

- The preliminary financial report consists of a Statement of Net Position, an Income Statement that includes a budget to actual comparison, graphical presentations of financial performance indicators and a Financial Management Policy Report Card.

- Highlights of the report include:

    - All of our financial performance targets were met.

    - Total income for the period was about $289,000 greater than the budget.

    - System development fees were about $779,000 greater than budget.

    - Operating Expenses were about $1.3 million less than budget.

    - Net Income less Debt Service was about $2.7 million greater than budget. OWASA is a nonprofit entity. Net Income less Debt Service is used to fund investments in capital improvement projects and reserves.

    - Capital Improvements Program expenditures for the year were approximately $15.8 million.

Action Needed:

- Receive and discuss the preliminary financial report for the twelve-month period ended June 30, 2021.

August 26, 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.

MEMORANDUM

To:	Board of Directors
Through:	Todd Taylor, P.E.
From:	Stephen Winters, CPA
Date:	August 18, 2021
Subject:	Preliminary Financial Report for the twelve-month period ended June 30, 2021

Purpose

The preliminary financial report for the twelve-month period ended June 30, 2021 is presented to inform the Board of Directors of OWASA's financial position and financial performance in relation to budget. The report is considered preliminary until the annual audit of our financial statements is complete; the audited financial report is scheduled to be presented to the Board on September 23, 2021.

Contents

- Statement of Net Position
- Income Statement
- Graphs of Key Performance Indicators
- Financial Management Policy Report Card

Fiscal Performance

- As shown on page 10 of the report, all of our financial performance measurement targets were met for the period.

- In March 2020, the COVID-19 pandemic began impacting our service area. The University of North Carolina and many businesses were closed or significantly scaled back their operations. For the twelve-month period ending June 30, 2021, water volume demand was down from normal levels and water and sewer revenue was under budget by 1.1% or about $374,000.

- Average drinking water sales for the period was 5.55 million gallons per day (MGD), 5.98 MGD was projected. Combined drinking and reclaimed water sales for the period averaged 6.22 MGD versus a projection of 6.78 MGD.

- Total income was over budget by 0.8% or about $289,000 greater than the budget.

- System development fees were over budget by about $779,000. Several large meters that were scheduled to be set in FY 2020 were instead set in FY 2021.

- Total operating expenses for the period were 5.6% or about $1.3 million less than the budget. Due to the impact of the pandemic, staff limited non-essential operating expenses.

- General and administrative expenses were under budget by 4.4% or about $343,000. The difference is primarily due to deferring consulting expenses.
- Water supply and treatment department expenses were under budget by 9.5% or about $495,000. Energy costs, chemicals and supplies, and maintenance expenses made up most of the variance.
- Water distribution expenses were under budget by 6.8% or about $215,000. Position vacancies, energy, and maintenance made up most of the variance.
- Wastewater treatment expenses were under budget by 8.2% or about $452,000. The variance is due to being under budget in energy, chemicals, and maintenance.
- Wastewater collection expenses were under budget by 10.5% or about $151,000. Most expense categories were under budget.

Net Income less Debt Service for the period was approximately $2.7 million more than budget. OWASA is a nonprofit entity. Net Income less Debt Service is used to fund investments in capital improvement projects and reserves.

Capital Improvements Program (CIP) Summary

During the period, approximately $15.8 million (78% of the planned CIP budget) was invested in 44 active capital projects to rehabilitate, replace or improve various components of OWASA's water and wastewater infrastructure, most notably the equipment used to thicken or concentrate the solids produced in various parts of the Wastewater Treatment Plant (WWTP) process; concrete tanks used for secondary clarification of the treated wastewater stream at the WWTP; several chemical storage and pumping facilities at the Water Treatment Plant (WTP); water mains along Kensington Drive, and the intersection of Cameron Avenue and Columbia Street; water and sewer mains along Dobbins Drive; a spray system for the aeration basins at the WWTP, replacement of the administration building roof; and pipes and manholes throughout the wastewater collection system.

Construction activity and procurement activity was generally reduced throughout the fiscal year, with few projects in construction or awarded for construction. The notable exception to this was progress on important resiliency projects at the WTP including the Chemical Facilities Improvements and Finished Water Pumping Improvements and the start of the Jones Ferry Road Water Main Replacements.

The CIP Expenditure Chart in the Financial Report shows the actual and budgeted FY 2021 CIP expenditures, as well as the expenditure target of 90% to 105% of budgeted funds. The total FY 2021 expenditures of $15.8 million represents 78% of the budgeted funds, which falls below the Board-adopted target of executing between 90 to 105% of the CIP budget. The total expenditure is considerably lower than the forecast provided in the third quarter financial report (85%) in April, primarily due to schedule-based changes that resulted in planned FY 2021 work being delayed or being completed ahead of schedule in FY 2020. For additional information, please see the Capital Improvements Program Semiannual Report (August 26, 2021 Board Meeting agenda item five).

Action Requested

Receive and discuss the financial report.



Stephen Winters, CPA
Director of Finance and Customer Service

Attachment

Orange Water and Sewer Authority

Financial Report
For the Twelve-Month Period Ended
June 30, 2021

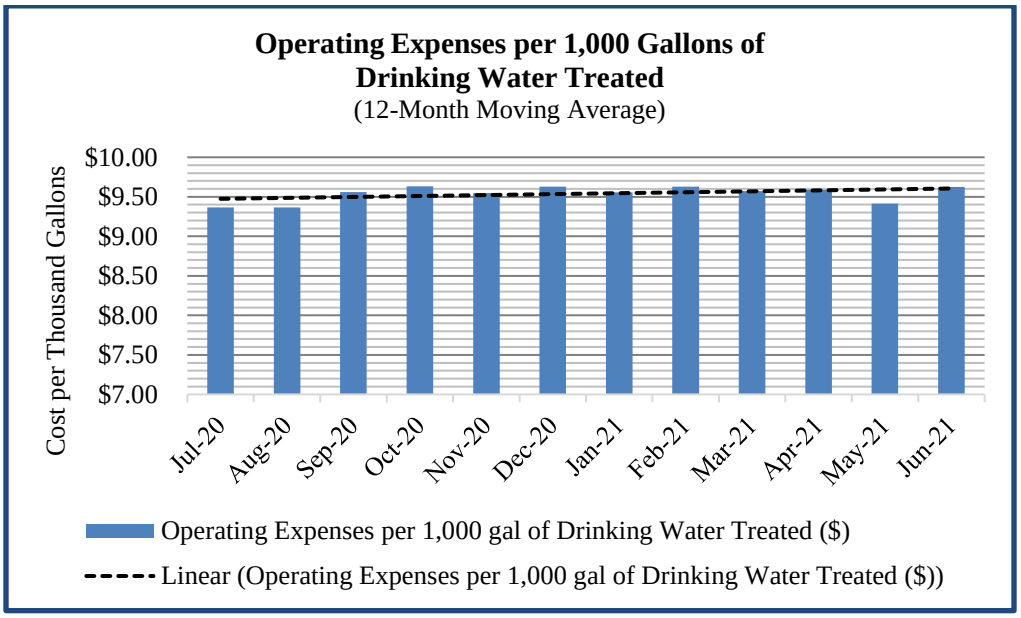
Orange Water and Sewer Authority
Statement of Net Position
June 30, 2021
(unaudited)

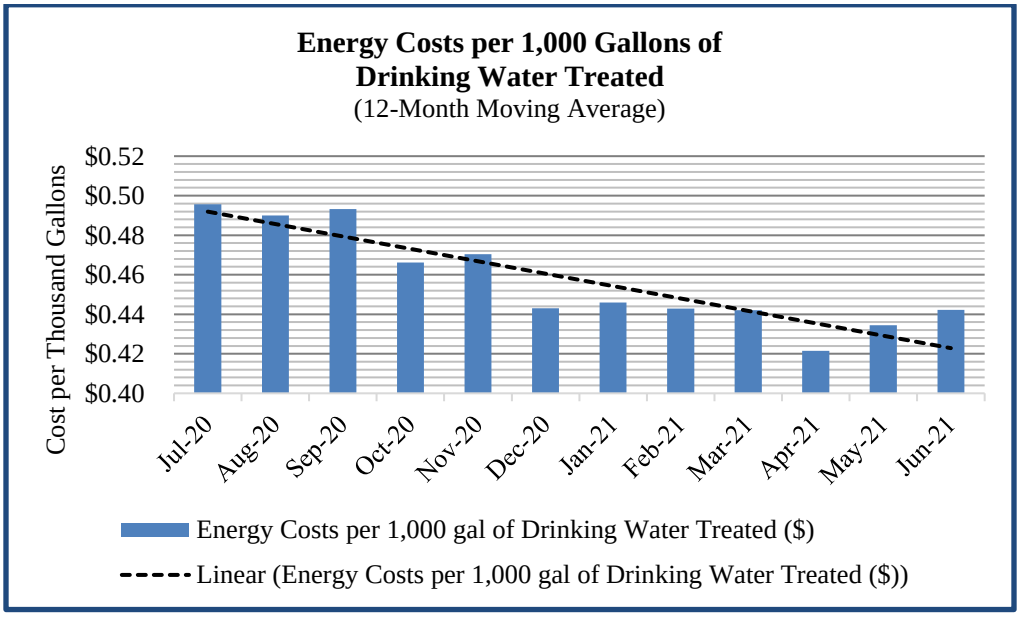
Assets	
Current Assets	
Cash	$29,191,743
Receivables	5,259,484
Inventory	1,429,256
Prepaid expenses	61,360
Restricted cash	2,494,538
Total Current Assets	38,436,381
Noncurrent Assets	
Capital assets (net of depreciation)	299,882,380
Other noncurrent assets	52,660,186
Total Noncurrent Assets	352,542,566
Total Assets	$390,978,947
Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued expenses	$5,387,350
Unearned income	250,822
Customer deposits	1,290,637
Total Current Liabilities	6,928,809
Noncurrent Liabilities	
Bonds payable	87,725,726
Other noncurrent liabilities	18,072,603
Total Noncurrent Liabilities	105,798,329
Net Position	
Contributed capital	125,498,527
Net position at the beginning of the year	152,026,658
Year-to-date accrual basis net income	726,624
Total Liabilities and Net Position	$390,978,947
Net income reconciliation:	
Accrual basis net income	$726,624
Depreciation, interest, other post-employment benefits expenses	15,116,844
Modified accrual basis net income	$15,843,468

Orange Water and Sewer Authority
Income Statement
For the Twelve-Month Period Ended June 30, 2021
(unaudited)

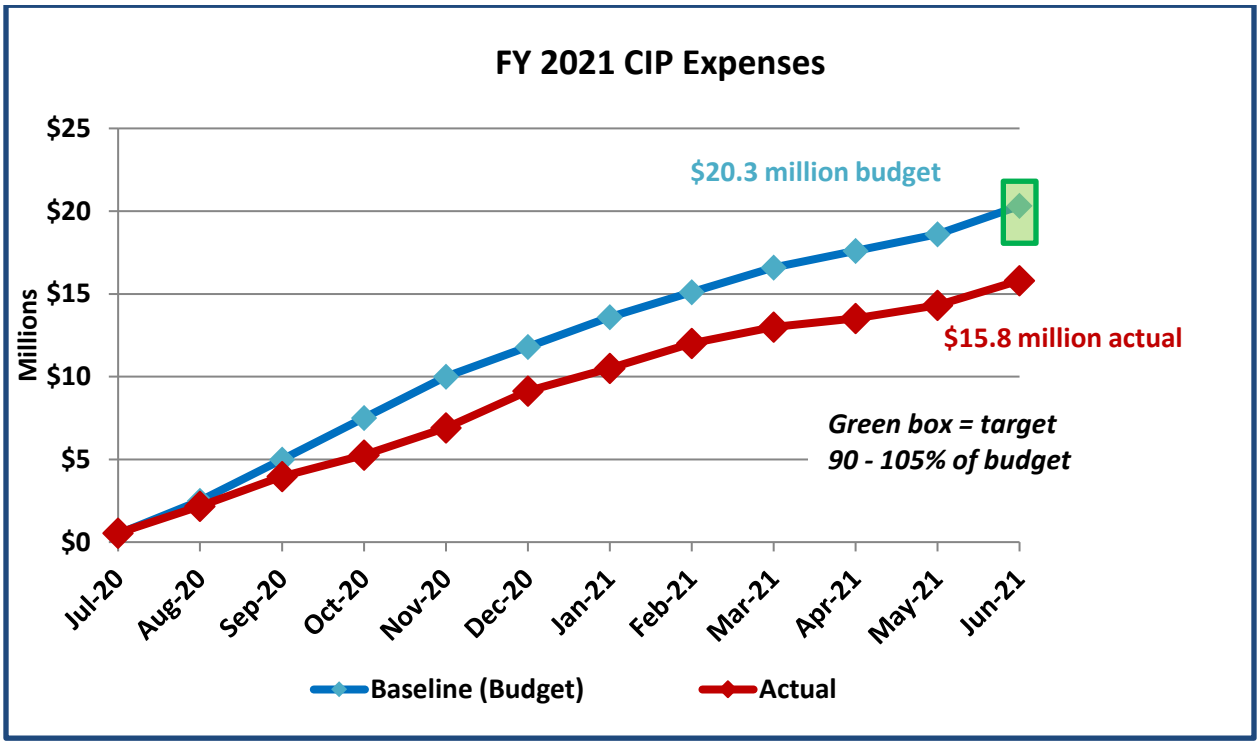
	Actual through June 30, 2021	Amended Budget through June 30, 2021	Variance (effect on net change in Fund Balance)	Percent Variance
Operating Revenue				
Water	$17,608,186	$17,701,102	($92,916)	(0.5%)
Sewer	16,746,389	17,018,502	(272,113)	(1.6)
Reclaimed Water	454,180	463,200	(9,020)	(1.9)
Service Initiation Fees	15,810	18,820	(3,010)	(16.0)
Other	815,984	922,686	(106,702)	(11.6)
Refunds and Allowances	(125,725)	(198,125)	72,400	36.5
Total Operating Revenue	35,514,824	35,926,185	(411,361)	(1.1)
Non-Operating Income (Expense)				
System Development Fees	1,860,926	1,081,490	779,436	72.1
Interest and Other Non-Operating Income	2,023	81,296	(79,273)	(97.5)
Total Non-Operating Income	1,862,949	1,162,786	700,163	60.2
Total Income	37,377,773	37,088,971	288,802	0.8
Operating Expense				
General and Administrative	7,493,386	7,836,615	343,229	4.4
Water Supply and Treatment	4,717,792	5,052,916	335,124	6.6
Water Distribution	2,966,871	3,181,641	214,770	6.8
Wastewater Treatment	5,072,712	5,314,542	241,830	4.6
Wastewater Collection	1,283,544	1,434,630	151,086	10.5
Total Operating Expense	21,534,305	22,820,344	1,286,039	5.6
Net Income (modified accrual)	15,843,468	14,268,627	1,574,841	11.0
Debt Service	7,933,465	9,068,258	1,134,793	12.5
Net Income less Debt Service	7,910,003	5,200,369	2,709,634	52.1
CIP Expenditures	15,809,264	20,319,000	4,509,736	22.2
Capital Equipment Expenditures	1,069,588	1,074,500	4,912	0.5
Net Change in Fund Balance	($8,968,849)	($16,193,131)	$7,224,282	

Orange Water and Sewer Authority
Select Financial Data
For the Twelve-Month Period Ended June 30, 2021





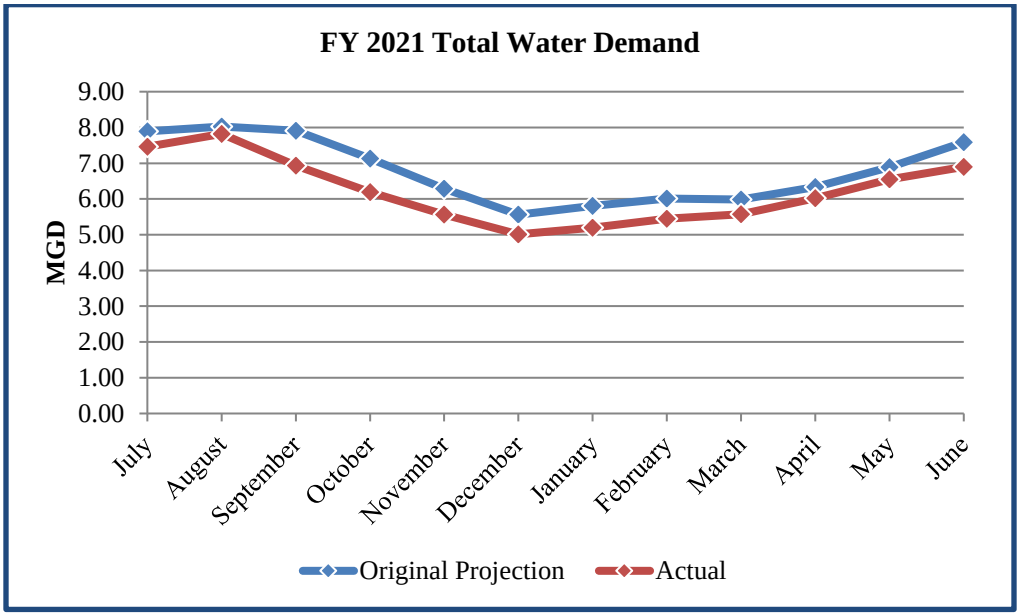
Orange Water and Sewer Authority
Select Financial Data
For the Twelve-Month Period Ended June 30, 2021



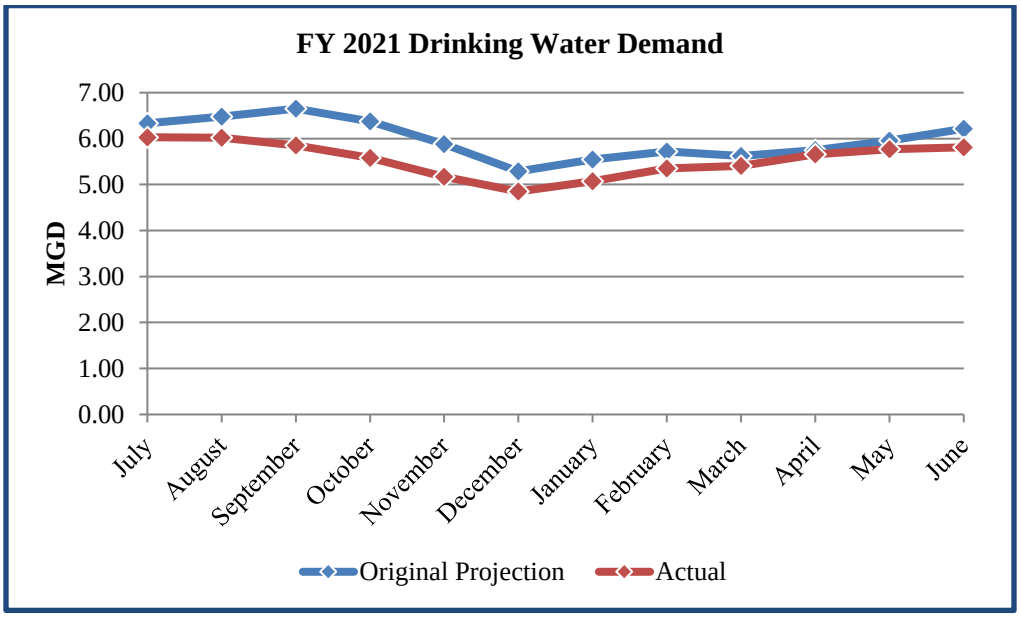
Orange Water and Sewer Authority
Select Financial Data
For the Twelve-Month Period Ended June 30, 2021

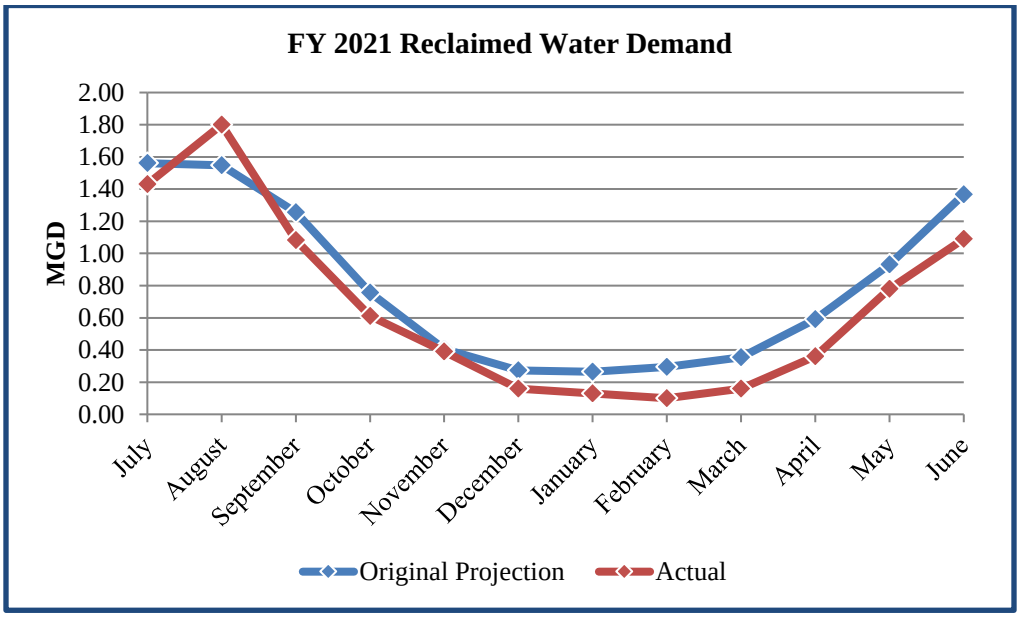
FY 2021 Water Sales Projection (Average Day)

	Original Projections		Actual Water Sales		Revised Projections	
	DW	RCW	DW	RCW	DW	RCW
July	6.33	1.56	6.03	1.43	6.03	1.43
August	6.48	1.55	6.02	1.80	6.02	1.80
September	6.65	1.26	5.85	1.08	5.85	1.08
October	6.37	0.76	5.58	0.61	5.58	0.61
November	5.88	0.41	5.17	0.39	5.17	0.39
December	5.29	0.27	4.85	0.16	4.85	0.16
January	5.54	0.26	5.07	0.13	5.07	0.13
February	5.72	0.29	5.35	0.10	5.35	0.10
March	5.62	0.35	5.41	0.16	5.41	0.16
April	5.75	0.59	5.66	0.36	5.66	0.36
May	5.96	0.93	5.77	0.78	5.77	0.78
June	6.22	1.37	5.81	1.09	5.81	1.09
Average	5.98	0.80	5.55	0.67	5.55	0.67

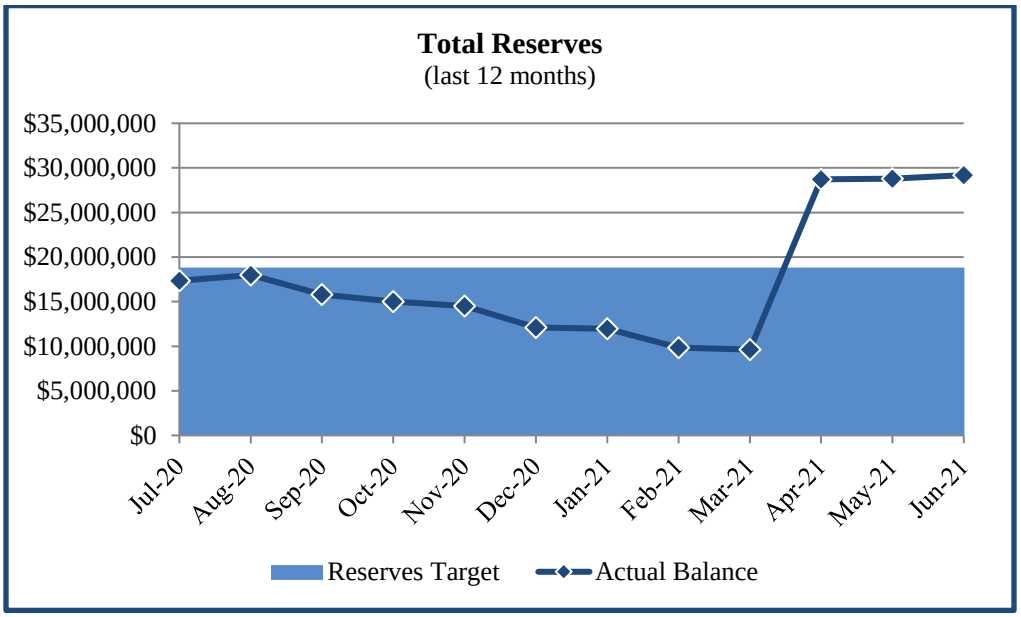


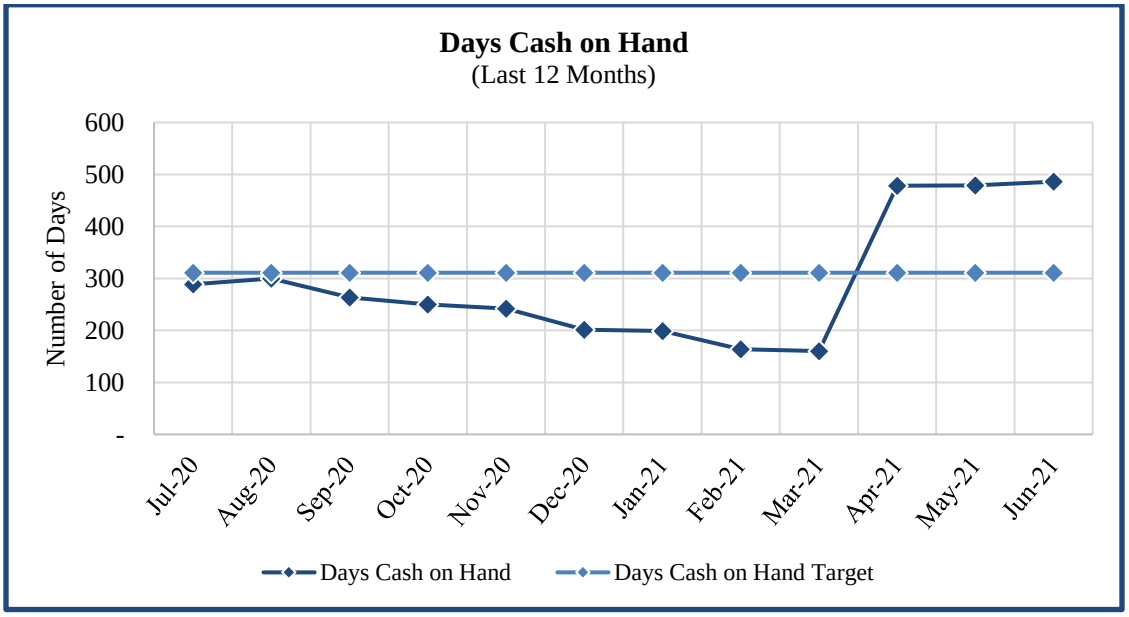
Orange Water and Sewer Authority
Select Financial Data
For the Twelve-Month Period Ended June 30, 2021



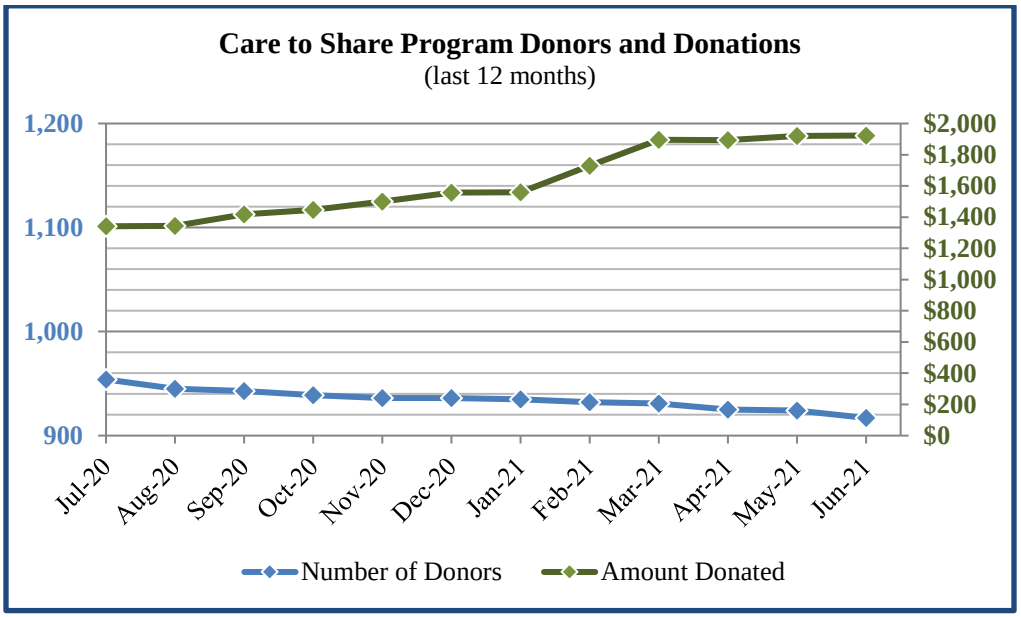


Orange Water and Sewer Authority
Select Financial Data
For the Twelve-Month Period Ended June 30, 2021





Orange Water and Sewer Authority
Select Financial Data
For the Twelve-Month Period Ended June 30, 2021



Orange Water and Sewer Authority
Financial Management Policy Report Card
For the Twelve-Month Period Ended June 30, 2021

Measurement	Objective	FY20 Results	FY21 Goal	YTD FY21 Results
Working Capital Reserves	Greater of four months Operating Expenses or 20% of succeeding three years CIP	$12.1M	$12.2M	$22.7M
Capital Improvements Reserve	2% of Net Capital Assets (Funding $400,000 per year until reach goal of approximately $6M)	$4.4M	$4.8M	$4.8M
Rate/Revenue Stabilization Reserve	5% of annual Water and Sewer Revenue	$1.9M	$1.7M	$1.7M
Debt Burden to Asset Value	Total Debt not more than 50% of Total Assets	26%	≤ 50%	29%
Sufficiency of Revenues above Debt Requirements[3]	Annual Debt Service no more than 35% of Gross Revenue	19%	≤ 35%	21%
Cash Financing of Capital[1]	Annual revenues and reserves provide at least 30% of CIP funding	32%	≥ 30%	32%
Debt Service Coverage Ratio	Annual Net Income not less than two times Annual Debt Service	2.1	2.0	2.0
Service Affordability Ratio[2]	Average annual OWASA bill not more than 1.5% of area median household income	1.31%	1.5%	1.31%

M = million

[1] Cash Financing of Capital based on 5-Year CIP Budget and potential borrowing during the same period.

[2] FY 2021 calculation based on median household income of $69,308 (weighted average of 2020 median household income of Carrboro and Chapel Hill) and average monthly household water use of 4,000 gallons.

Agenda Item:

- Capital Improvements Program (CIP) Semiannual Report

Purpose:

- To summarize project and program performance for OWASA's Capital Improvements Program (CIP) for Fiscal Year (FY) 2021

Background:

- The report details overall CIP performance during the reporting period, provides status updates for projects active during the reporting period, and information on Minority and Women Business Enterprise (MWBE) participation and outreach measures.

- Highlights of the report include:

    - Approximately $15.8 million was invested in a total of 44 active capital projects active during the reporting period. The expenditure total is 78% of the planned FY 2021 CIP budget (Board-adopted target is to execute between 90% to 105% of budget).

    - The COVID-19 pandemic had major impacts on construction progress and other aspects of the CIP program. The main impact was elective schedule changes due to the COVID – 19 pandemic and elective postponement of planned projects due to budget concerns.

    - Only three informal construction contracts were awarded during the reporting period. As such average MWBE participation over the past five years has remained substantially the same as reported in the January 2021 Semiannual Report and includes 30% MWBE participation on formal and informal contracts, with 55% of the awarded contracts meeting the 10% participation goal.

Action Needed:

- Receive and discuss the report.

August 26, 2021

To: Board of Directors

Through: Todd Taylor

From: Allison Spinelli, P.E.

Date: August 18, 2021

Subject: **Capital Improvements Program (CIP) Semiannual Report**

Purpose

This semiannual report summarizes project and program performance for OWASA's Capital Improvements Program (CIP) for Fiscal Year (FY) 2021.

Discussion

Program Summary

During FY 2021, approximately $15.8 million (78% of the planned CIP budget) was invested in 44 active capital projects to rehabilitate, replace or improve various components of OWASA's water and wastewater infrastructure, most notably:

- chemical equipment at the Water Treatment Plan (WTP);
- equipment used to thicken or concentrate the solids produced in various parts of the Wastewater Treatment Plant (WWTP) process;
- water mains throughout the distribution system;
- water mains and sewer mains along Dobbins Drive;
- pipe and manhole rehabilitation throughout the wastewater collection system;
- a secondary clarifier at the WWTP;
- a spray system for the aeration basins at the WWTP;
- a replacement of the administration building roof;
- water mains along West Cameron Avenue, and
- a finished water pump at the WTP.

One other project of note includes an important master planning study substantially completed during the reporting period: a master plan for the supervisory control and data acquistion (SCADA) systems at the WTP and WWTP. Findings and recommendations from the SCADA master plan will be incorporated into the next five-year CIP budget (FY 2023 to FY 2027) but initial placeholder funding for recommendations was included in the CIP budget previously approved in June 2021.

The COVID-19 pandemic has continued to impact the progression, monitoring, and communication aspects of construction and other projects, as CIP staff continue to operate in a partially remote-work environment. Construction activity was planned to increase in the first two quarters of FY 2021 but many projects were delayed due to budget concerns at the beginning of the FY. CIP staff returned to in-office operation in May 2021 however, this shift did not affect construction schedules significantly. The most significant impacts of COVID-19 on the program are the postponements of FY 2021 and FY 2022 CIP projects due to budget constraints and uncertainty.

Figure 1 shows the actual FY 2021 CIP expenses against the monthly baseline projection, as well as the expenditure target of 90% to 105% of budgeted funds.

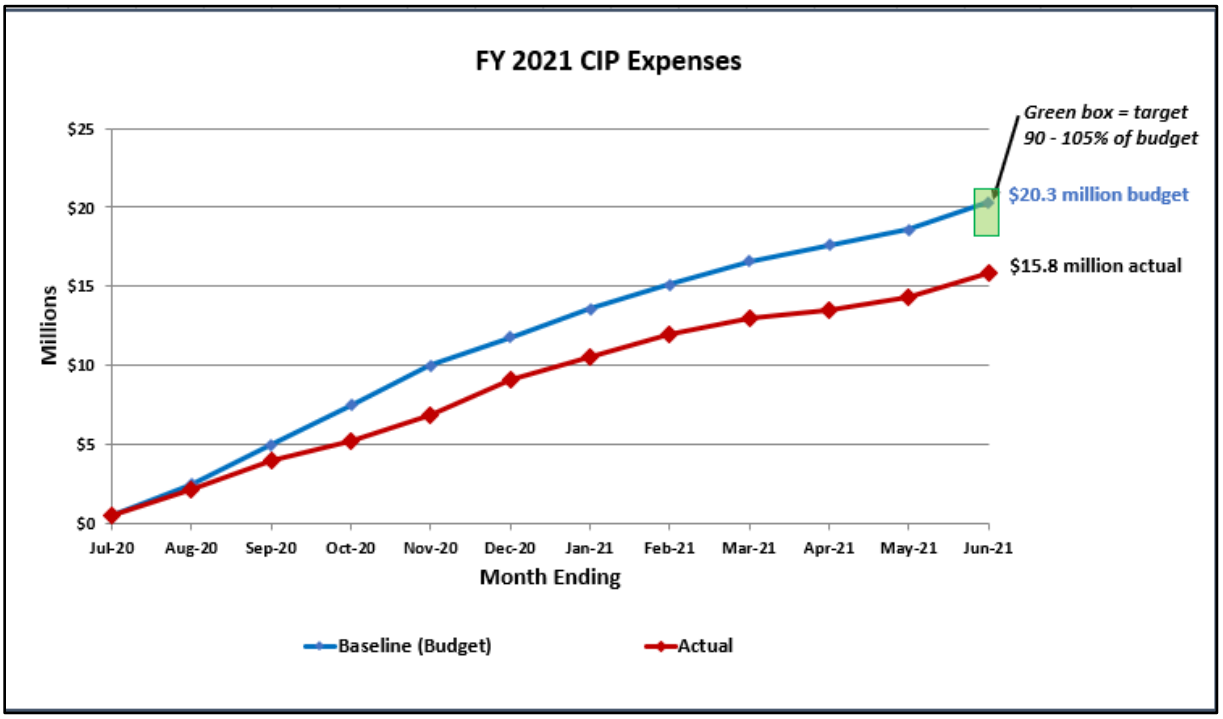


Figure 1 – FY 2020 CIP Expenses

The FY 2021 expenditures of $15.8 million are 78% of (or about $4.5 million less than) the budgeted funds, primarily due to elective schedule changes. This expenditure-to-budget percentage does not fall within the Board-adopted target of executing between 90 to 105% of the CIP budget. The reasons behind the variance to budget can be broadly summarized as:

- A $2.6 million decrease in spending due to timing (schedule-based) changes that resulted in planned FY 2021 work being delayed or being completed ahead of schedule in FY 2020.

- A $802,000 decrease in spending due to better pricing on projects.

- A $371,000 decrease in spending due to project scope changes.

- A $767,000 decrease in spending due to other project changes such as elective project deferral.

Table 1 (attached) contains summaries of project performance for all active projects during this reporting period. The projects in the table are color coded according to the primary reason for the fiscal year cost variance (price, schedule, or scope), or included in a fourth category (other) for projects which have no project FY 2021 cost variance, are in preliminary stages for which baseline budget and schedule have not yet been established or were electively deferred due to COVID-19 budget constraints.

Minority and Women Business Enterprise (MWBE) Participation

OWASA's goal for minority participation in public building construction projects (vertical buildings & other structures over $300,000) is 10% of overall contract value. Historical averages for the CIP program are reported in Table 2. Only three construction contracts were awarded during FY 2021 and none of the three contracts awarded met the 10% MWBE goal. In situations where the participation goal was not met, bidders met good faith effort requirements to solicit MWBE participation or else did not have any subcontracts.

Table 2
OWASA Average MWBE Participation Summary, FY 2017 through FY 2021

	Black	Hispanic	Asian American	American Indian	Female	Total MWBE
Dollar amounts in MWBE categories	$ 75,515	$ 1,212,189	$ 0	$ 0	$ 11,311,645	$ 12,599,349
% of sum of contract value ($47,307,350)	0.2%	2.6%	0%	0%	23.9%	26.6%**

**overall goal is 10%

Staff continues to further develop the MWBE outreach practices as previously discussed with the Board during the August 27, 2020 Semiannual CIP Report. However, in contrast to the very high levels of construction activity from a couple of years ago, there were relatively few CIP construction procurement opportunities during FY 2021 (a total of three), a situation exacerbated by the slowdown of procurement related to the COVID-19 pandemic. Staff will continue to track information about prime contractors and subcontractors who are bidding OWASA projects and report relevant information about any potential trends in MWBE participation in future CIP Semiannual Reports. CIP Semiannual Reports.

Additional Information

Customers may visit our website (www.owasa.org) for information about our current major CIP projects and our FY 2021 - 2025 CIP book which provides additional information about the CIP. Please feel free to contact me at (919) 537-4229 or aspinelli@owasa.org if you have any questions regarding the CIP program or projects.

Allison Marie Spinelli, P.E.
Engineering Manager - Capital Improvements

Attachment – Table 1 Project Performance Summary Table

Table 1: Project Performance Summary - FY 2021

FY 2021 Cost Variance due to Schedule Changes	
FY 2021 Cost Variance due to Cost/Pricing	
FY 2021 Cost Variance due to Scope Changes	

FY 2021 (or overall project) costs within 5% of FY 2021 (or overall project) budget; completion within 2 months of baselined completion

FY 2021 (or overall project) costs more than 5% of FY 2021 (or overall project) budget; completion more than 2 months beyond baselined completion

			FY 2021 Performance			Overall Project Performance						
CIP No.	Project	Active Phase (at 6/30/21)	FY 2021 Budget	FY 2021 Cost	FY 2021 Cost Status	Baseline Budget	Forecasted Cost	Cost Status	Baseline Completion	Forecasted Completion	Schedule Status	Comments
270-04	Jordan Lake Raw Water Supply Allocation	N/A	$ 5,000	$ 8,070		$ 5,000	$ 8,070		Jun 21	Jun 21		Fee for annual maintenance assessed by the State was larger than budgeted
270-09	Quarry Reservoir Development	N/A	$ 15,000	$ 15,000		$ 15,000	$ 15,000		Jun 21	Jun 21		
270-11	University Lake Pump Station Improvements	Complete	$ 80,000	$ 30,159		$ 2,105,000	$ 2,239,000		Jun 20	May 20		Majority of items were substantially complete by May 2020, rehabilitation of existing pump #4 occurred in September 2020
270-28	University Lake Permanganate Facility	Design	$ -	$ 16,294		$ 2,242,000	$ 2,909,000		Jun 22	Sep 23		Construction delayed due to COVID-19 budget constraints
270-29	University Lake Fishing Pier and Boat Launch	Pending	$ 70,000	$ -	-	-	-	-	-	-	-	Deferred due to COVID-19 budget constraints
270-34	Western Intake Partnership Projects	Pending	$ 50,000	$ -	-	-	-	-	-	-	-	OWASA elected not to participate in FY 21
271-05	Cane Creek Raw Water Transmission Main Study	Pending	$ 100,000	$ -	-	$ 100,000	$ 100,000		Jun 21	Jun 24		Deferred due to COVID-19 budget constraints
272-10	Backup Power Generation Study	Complete	$ -	$ 33,500		$ 67,000.00	$ 67,000.00		Jun 21	Apr 21		
272-37	WTP Belt Filter Press Replacement	Design	$ 43,000	$ -		$ 3,587,000	$ 5,278,000		Oct 22	Dec 23		Construction delayed due to COVID-19 budget constraints and coordination of projects at the WTP
272-38	WTP Sedimentation Basin Rehabilitation	Complete	$ -	$ 3,695		$ 3,296,000	$ 2,817,000		Jun 20	Jul 20		
272-39	Water and Wastewater Facilities Concrete Condition Assessment	Study	$ 50,000	$ 3,600		$ 50,000	$ 3,600	-	June 21	Jun 21		
272-42	WTP Finished Water Pump Improvements	Construction	$ 550,000	$ 406,361		$ 1,231,000	$ 1,033,000		Jun 21	Aug 21		
272-46	WTP Chemical Facility Improvements	Construction	$ 2,200,000	$ 3,437,123		$ 3,550,000	$ 3,786,000		Jun 21	Sep 21		Construction preceeded faster than originally budgeted
272-49	WTP and WWTP SCADA Master Plan	Study	$ 150,000	$ 120,900		$ 150,000	$ 175,000		Mar 21	Sep 21		
272-51	HVAC Replacement Program (controls, WWTP Filter, WWTP Lab, other)	Pending	$ 130,000	$ -	-	$ 130,000	$ 211,000		Jun 22	Jun 22		Deferred due to COVID-19 budget constraints
272-52	WTP Electrical Distribution Improvements	Design	$ 150,000	$ 268,505		$ 5,950,000	$ 6,354,000		Jun 23	Nov 22		Design moved faster than anticipated
275-15	Reimbursement for Distribution System Improvements	Construction	$ 204,000	$ 47,219		$ 204,000	$ 47,219		Jun 21	Jun 21		
275-20	Water Main Rehabilitation/Replacement Projects	Construction	$ 525,000	$ 157,265		$ 465,000	$ 195,213		Jun 21	Jun 21		Much of the completed project billing lagged into FY22
275-21	Barclay Road Water Main	Complete	-	$ 225,993		$ 1,690,000	$ 1,560,000		-	-	-	Close out billing lagged into FY21
275-21	Rogerson Oakwood Neighborhood Water Mains	Design	$ 310,000	$ 190,841		$ 4,311,000	$ 3,256,000		Jun 23	Nov 23		
275-21	Scarlett-Cooper Neighborhood Water Mains	Design	$ 125,000	$ -		$ 724,000	$ 749,000		Jun 23	Jun 23		Design was completed in FY20
275-21	Foxcroft Drive Water Mains	Design	$ 324,000	$ 3,886		$ 364,000	$ 316,000		Dec 21	Feb 22		Customer request to push schedule out
275-46	Dobbins Drive Water Main Replacement	Closeout	$ 312,000	$ 355,361		$ 2,275,000	$ 1,669,000		Dec 20	Mar 21		
275-52	West Cameron Avenue Water Main Replacement	Construction	$ 1,085,000	$ 677,427		$ 3,700,000	$ 4,508,000		Mar 22	Feb 23		Permitting issues extended design phase
275-53	Distribution System Hydraulic Model	Study	$ 30,000	$ 6,996		$ 30,000	$ 6,996		Jun 21	Jun 21		On call services related to the existing hydraulic model
275-88	Kensington Drive Water Main Replacement	Complete	$ 1,453,000	$ 1,126,960		$ 1,524,000	$ 1,416,000		Dec 20	Jan 21		
275-89	Distribution System Prioritization Model	Complete	$ -	$ 5,612		$ 425,000	$ 445,000		Feb 20	Aug 20		Study was substantially complete in March but some deliverables were delayed
275-92	Jones Ferry Rd Water Main Replacements	Construction	$ 1,500,000	$ 429,362		$ 3,750,000	$ 3,170,000		Sep 21	Dec 21		Project experienced delays getting started
275-93	Bolinwood Bridge Water Main Replacement	Closeout	$ 250,000	$ 138,262		$ 250,000	$ 154,000		Jun 21	Jun 21		
275-94	Westwood Neighborhood Water and Sewer Rehabilitation Evaluation	Complete	$ 25,000	$ -	-	$ 25,000	$ -	-	Jun 21	-	-	Decision made to not move forward with this project, internal planning rather than external consultant assistance
275-99	Distribution System Asset Management	N/A	$ 100,000	$ 1,554		$ 100,000	$ 1,554		Jun 21	Jun 21		Deferred due to COVID-19 budget constraints
276-18	Gravity Sewer Rehabilitation Program	Closeout	$ 1,235,000	$ 1,335,621		$ 3,081,000	$ 4,739,000		Dec 20	Apr 21		UNC Cogen Outfall Repair was added to the project scope
276-45	Bolinwood Interceptor Replacement	Design	$ 200,000	$ 31,520		$ 1,130,000	$ 2,128,000		Mar 22	Mar 22		Design and permitting and construction costs greater than anticipated
276-48	Dobbins Drive Interceptor Replacement	Closeout	$ 1,390,000	$ 1,514,978		$ 2,415,000	$ 2,308,000		Dec 20	Mar 21		
276-52	Rocky Branch Interceptor Replacement	Design	$ 62,000	$ 22,765		$ 762,000	$ 852,000		Jun 26	Jun 26		Construction did not progress as expected
276-53	Creek Crossing Access Improvements	Pending	$ 50,000	$ -	-	$ 914,000	$ 702,000		Jun 22	Jun 25		Deferred due to other priorities
276-57	Gravity Sewer Hydraulic Model	Study	$ -	$ 11,408		$ 677,000	$ 660,000		Jun 20	Oct 20		
276-58	Prince Street Service Replacement	Complete	$ 25,000	$ 3,900		$ 80,000	$ 69,000		Jun 21	Jun 22		Project completed yet not closed out during FY21
276-63	East Main Street Sewer Rehab	Design	$ -	$ 12,246		$ 1,370,000	$ 1,900,000		Jun 22	Jul 22		Mid-year request
276-99	Collection System Asset Management	Study	$ 60,000	$ -	-	-	-	-	-	-	-	Deferred due to COVID-19 budget constraints
277-31	Rogerson Drive Pump Station Rehabilitation	Complete	$ -	$ 51,898		$ 2,169,000	$ 2,349,000		Jun 19	Nov 20		
277-40	Wastewater Pump Station Operational and Needs Assessments	Pending	$ 80,000	$ -	-	$ -	-		-	-	-	Decided not to continue with the project
277-42	Rogerson Drive Force Main Emergency Repair	Complete	$ -	$ 9,561		$ 3,300,000	$ 5,734,000		Dec 19	Dec 19		
277-43	Rogerson Drive Force Main and Pump Station Program Services	Study	$ 147,000	$ 25,392		$ 307,000	$ 233,000		Jun 23	Jun 23		
277-45	Chapel Hill North Pump Station Rehabilitation	Design	$ 235,000	$ 36,872		$ 300,000	$ 600,000		Jun 22	Jan 23		
278-11	WWTP Rehab and Improvement Projects	Complete	$ 150,000	$ 80,446		$ 150,000	$ 80,446		Jun 21	Jun 21		Project costs for FY 21 include repairs to the biogas system and repairs to address an electrical cabling issue in the switchgear building
278-20	WWTP Secondary Clarifier #4 Improvements	Design	$ 125,000	$ 38,400		$ 1,400,000	$ 1,738,000		May 23	May 23		
278-51	WWTP Solids Thickening Improvements	Closeout	$ 3,879,000	$ 3,065,092		$ 6,023,000	$ 6,322,000		Apr 21	Apr 21		Substantially complete in April of 2021 but minor tweaks to the system have been ongoing into FY22
278-68	WTP and WWTP Facilities Bldg. Envelope Rehabilitation	Complete	$ 450,000	$ 229,327		$ 450,000	$ 335,000		Jun 21	Jun 21		
278-72	WWTP Secondary Clarifier Rehabilitation and Pumping	Complete	$ 1,017,000	$ 989,932		$ 1,164,000	$ 1,168,000		Apr 21	Feb 21		
278-75	WWTP Facilities Planning	Study	$ 100,000	$ 88		$ 350,000	$ 350,000		Oct 22	Oct 22		
278-78	WWTP Fermenter Improvements	Design	$ 540,000	$ 350,968		$ 994,000	$ 1,188,000		Jun 21	May 22		
278-80	WWTP Miscellaneous Rehabilitation	Construction	$ 400,000	$ 274,294		$ 400,000	$ 274,294		June 21	June 21		
278-82	WWTP Headworks Rehabilitation	Complete	$ 113,000.00	$ -		$ 1,466,000	$ 1,626,000		Dec 20	Jun 20		
278-84	WWTP Security Improvements	Pending	$ 50,000	$ -	-	-	-	-	-	-	-	This work was completed out of the O&M budget. Future work is also planned to be supported by the O&M budget.
278-88	Offsite Biosolids Storage Improvements	Design	$ 75,000	$ 14,613		$ 80,000	-	-	Jun 20	-	-	Decided not to complete the project due to COVID-19 budget constraints, only some minor SCADA improvements were completed
278-90	WWTP Admin Bldg. Planning study	Pending	$ 25,000	$ -	-	-	-	-	-	-	-	Deferred due to COVID-19 budget constraints
279-13	Asset Management Plan Development	Pending	$ 75,000	$ -	-	-	-	-	-	-	-	Deferred due to COVID-19 budget constraints

Total FY2021 Active Projects	FY 2021 Budget	FY 2021 Cost
	$ 20,319,000	$ 15,809,264

Agenda Item:

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

Purpose:

- To provide the Board of Directors and public an update on OWASA's response to COVID-19 to ensure we continue to provide the Carrboro and Chapel Hill communities with high-quality and reliable water, wastewater, and reclaimed water services during the pandemic.

- Staff will provide a verbal update on activities since May 27, 2021.

Action Needed:

- Discussion and questions by the Board of Directors.

August 26, 2021

Agenda Item:

- COVID Protocols for In-person Board of Directors Meetings

Purpose:

- To receive and discuss information regarding COVID protocols for in-person Board of Directors Meetings following the end the State of Emergency in North Carolina and of the COVID-19 pandemic.

Discussion:

- Once the COVID-19 public health concerns and State of Emergency in North Carolina has ended, the Board of Directors will resume in-person meeting.

- Several safety considerations are provided for discussion to protect those who might be at risk of the coronavirus as well as practicing social distancing and wearing face masks.

Action:

- Board discussion, comments, and questions.

August 26, 2021

MEMORANDUM

TO: Board of Directors

FROM: Todd Taylor, P.E.

DATE: August 18, 2021

SUBJECT: COVID Protocols for In-person Board of Directors Meetings

The purpose of this agenda item is to receive and discuss information regarding COVID protocols for in-person Board of Directors Meetings following the end the State of Emergency in North Carolina and of the COVID-19 pandemic.

At the July 8, 2021, Board Meeting, the Board suggested the following safety measures to protect those who might be at risk of the coronavirus:

- Strongly encourage everyone, including public attending the meetings, to wear a mask – some masks will be provided by OWASA (N95 if possible) at all Board meetings.

- Seating arrangements will be spaced at least 6 feet away from each other – please see Figures 1 and 2.

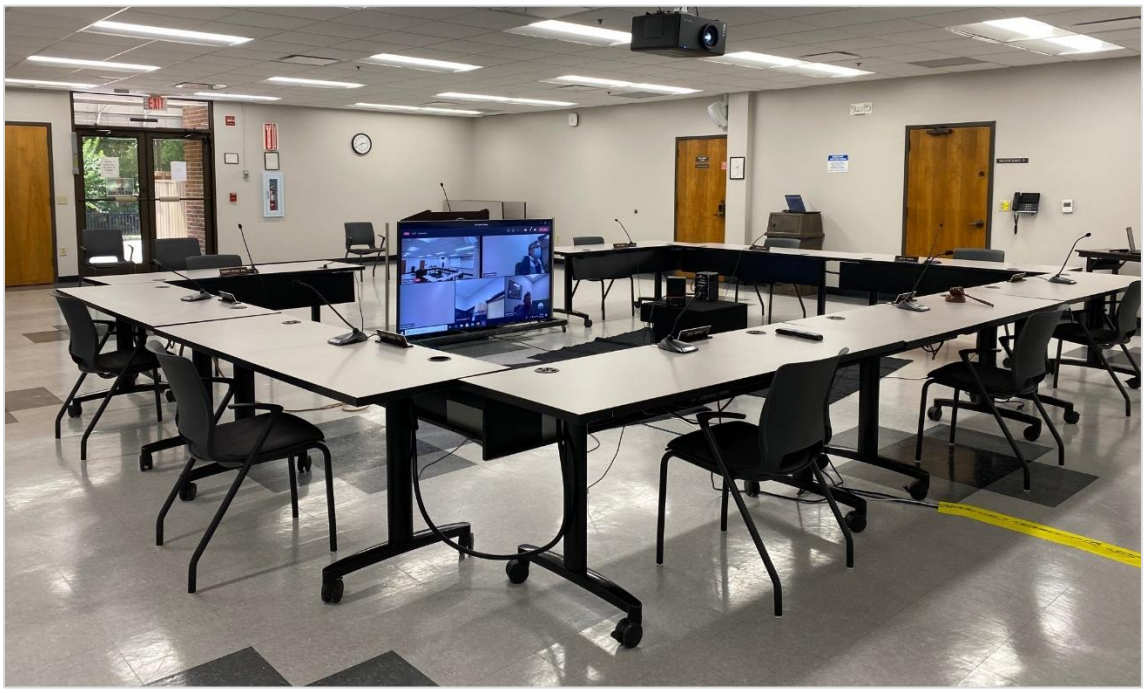


Figure 1 - Board Meeting set up in the Community Room



Figure 2- Board Meeting set up in the Community Room

- Sanitizing wipes will be available for individual use.

- Consider placing UV air filters in the Community Room – The CDC provides guidance regarding Tools To Improve Ventilation. After reviewing this information, we can report the HVAC system in OWASA's Administration building (which includes the Community Room) is working properly, is equipped with a new commercial upgraded system that includes three (3) new air handlers, and a water source heat recovery chiller system. The HVAC system was installed in 2018 and receives quarterly preventative maintenance, including filter replacement, and, at the beginning of the pandemic, the filters were upgraded to highest level for the system. With all these steps in place, staff is confident the current filtration system is sufficient for normal business and Board meeting.

It was also requested the Board and staff begin evaluating options for hybrid Board meetings in the Community Room. Currently, Board meetings are broadcasted via Microsoft Teams Live Meeting and will continue after returning to in-person Board meetings. A Board Member who must be absent can either provide comments in advance via email or attend the meeting virtually. Please note that according to the General Statutes five (5) Board Members must be physically present to meet and act on any items and approval of any item requires five (5) affirmative votes from Board Members physically present.

Thank you and we look forward to the Boards' discussion.

Todd Taylor, P.E.
Executive Director