



Orange Water and Sewer Authority

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

Agenda

Work Session of the OWASA Board of Directors

Thursday, February 10, 2022, 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.

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

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
- b. Announcements by Board Members
 - February 15, 2022 Meeting Between Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board (John Morris)
 - February 17, 2022 OWASA Annual Update to the Orange County Board of County Commissioners (Ray DuBose)
- c. Announcements by Staff

Consent Agenda

Action

1. Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Belt Filter Press Improvements Project (Coleman Olinger)
2. Minutes of the January 13, 2022 Work Session of the Board of Directors (Andrea Orbich)

3. Minutes of the January 27, 2022 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Ray DuBose)

Regular Agenda

Discussion and Action

4. Long-Range Water Supply Plan: Next Steps for Community Engagement (Ruth Rouse/Mary Tiger)

Information and Reports

5. Reliability and Resiliency Improvements Update (Vishnu Gangadharan)

Discussion

6. Operating Department Managers Fiscal Year 2023 Budget Development Information (Christopher Giesting/ Monica Dodson/Jesse DuClau/Mary Darr)
7. Increasing Board Member Compensation to Encourage Public Interest in Applying for Appointment to the OWASA Board of Directors (Jody Eimers)
8. Review Board Work Schedule
 - a. Request(s) by Board Committees, Board Members, General Counsel and Staff (Jody Eimers)
 - b. February 24, 2022 Board Meeting (Todd Taylor)
 - c. March 10, 2022 Work Session (Todd Taylor)
 - d. 12 Month Board Meeting Schedule (Todd Taylor)
 - Proposed Alternative 12 Month Board Meeting Schedule
 - e. Pending Key Staff Action Items (Todd Taylor)

Summary of Work Session Items

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

Closed Session

10. The Board of Directors will meet in Closed Session for the Purpose of Discussing a Personnel Matter in Accordance with N.C. General Statutes 143-318.11.6 (Ray DuBose)

Agenda Item 1:

Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant (WTP) Belt Filter Press Improvements Project

Purpose:

This memorandum recommends that the OWASA Board award a construction contract to Dellinger, Inc. (Dellinger) for the construction of the Jones Ferry Road WTP Belt Filter Press Improvements Project.

Background:

The Jones Ferry Road Water Treatment Plant (WTP) currently utilizes an Andritz belt filter press (BFP) to dewater all of the solids resulting from the water treatment process. The solids dewatering building at the Jones Ferry Road Water Treatment Plant currently also houses a Gray belt filter press which was installed in 1977 and is no longer operational or serviceable and has not been used in over 20 years. The dewatering building also houses a conveyor system to move dewatered solids onto trucks where they are transported to a privately-owned composting facility and recycled as a soil amendment.

As a part of OWASA's asset management program, facility assessments are routinely completed, and equipment renewal and replacement schedules are tracked. This tracking, in addition to WTP staff observations and maintenance records, helped inform and prioritize the complete replacement of Belt Filter Press (BFP) No.1- the Gray BFP, and the need to rehabilitate BFP No.2 – the Andritz BFP.

OWASA selected an engineering consultant, Hazen and Sawyer (Engineer), to provide preliminary evaluation of options, design, bidding, and construction related services for the Jones Ferry Road WTP Belt Filter Press Improvements Project. The project scope includes:

- Evaluation of alternatives for applicable technologies (seven alternatives were evaluated),
- Replacement of Belt Filter Press No.1 with a new 2.0 meter Andritz belt filter press to match the existing BFP No.2,
- Replacement of the existing solids conveyor system with a new screw conveyor system, including two new conveyors (one for each press) and a new conveyance header on the exterior of the building where the trucks load, to improve the efficiency and reliability of the solids loading process,
- Replacement of the belt filter press polymer feed system, wash water pumps, access platforms, and ancillary facilities for BFP No.1 and BFP No.2,
- Modifications to the existing Dewatering Building structure, including removal of the wall to the east where the new belt filter press will be, and replacing it with a removable panel wall; installation of new steel support columns in the basement to carry the new load; new concrete curb around the press for containment; and new supports and footings on the exterior for the upgraded conveyor header system above the truck loading area,

- Installation of a new Heating/Ventilation/Air Conditioning system and a new roof for the Dewatering Building,
- Installation of new emergency showers and related tepid water system improvements,
- Installation of a new monitoring and control system to improve the functionality, operational flexibility, and overall integration of the dewatering system into the WTP monitoring and control system; and
- Installation of piping system improvements at the Solids Thickening Pump Station to enable implementation of a temporary dewatering system while project construction is underway



Funding:

On April 30, 2019, OWASA requested a \$3,730,400 low-interest loan from the North Carolina Division of Water Infrastructure (DWI) for the planned project. On July 19, 2019 the DWI issued a Letter of Intent to provide the requested loan funds for the project through the Drinking Water State Revolving Fund (DWSRF) Program. Upon completion of design in fall of 2021, the engineer’s construction estimate had increased to \$4,507,800, with a total project cost of \$5,585,90 (including construction, engineering, and all administration costs).

In November 2021 OWASA requested additional loan funds through DWSRF to cover the revised project cost. On December 6, 2021, the NC Local Government Commission formally approved the funds for Revolving Loan (WIF-1980) offer in the amount of \$5,585,890. On January 27, 2022, the Board approved a resolution accepting the revised loan offer.

Advertising and Bidding:

The Engineer completed the Jones Ferry Road WTP Belt Filter Press Improvements Project design and bid documents in December 2021. The bid was posted on websites, news outlets, and emailed

on December 7, 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 five bids were submitted on the January 12, 2022 deadline, and the results are summarized below:

Dellinger, Inc.	\$3,451,500.00
Wharton-Smith, Inc.,	\$3,707,012.79
Laughlin-Sutton Construction Company	\$3,768,000.00
J Cumby Construction Inc.	\$3,779,036.00
Cooper Tacia General Contractors	\$4,034,639.00

Engineer's Final Estimate: \$4,507,800

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, Dellinger was determined to be a responsive and responsible bidder. A copy of the certified bid tabulation is attached with the Engineer's recommendation for award (attached).

Minority and Women Business Enterprise (MWBE) Participation:

OWASA's Minority Business Participation Outreach Plan and Guidelines include all of the statutory requirements from the State of North Carolina and specifies 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 various websites, including 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 487 MWBE prime contractors and subcontractor firms registered with NC IPS.

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.

Additionally, Dellinger provided the required documentation of their good faith efforts, including their solicitation of over 225 firms who qualify as Minority and Women-owned Business Enterprise (MWBE) contractors for subcontracted work on the project. The scope of work for this project offers opportunities for subcontracting to trades such as electrical, SCADA, plumbing, excavation, as well as painting, and concrete placing and finishing. With the nature and scope of this project affording multiple subcontracting opportunities for MWBE participation, Dellinger identified that approximately 18% of the contract value will be completed by MWBE (primarily Hispanic-owned) businesses.

Bid Review and Recommendation:

Dellinger has demonstrated sufficient qualifications in past project performance, personnel qualifications/experience, and reference checks. The Engineer and OWASA staff also determined that Dellinger met safety performance, relevant project experience, bonding capacity, and other

requirements. Hazen and Sawyer's recommendation that the base bid construction contract for this project be awarded to Dellinger is attached along with the certified bid tabulation (attached).

The solids handling process is a critical part of the Jones Ferry Road WTP. The Jones Ferry Road WTP Belt Filter Press Replacement project will provide significant improvements to the solids handling facility, process resiliency, and safety. The bids received were well below the engineer's estimate, providing overall value to OWASA. For these reasons, OWASA staff supports the Engineer's recommendation and requests that the Board adopt the attached resolution (attached) awarding the construction contract to Dellinger.

Action Requested:

Tentative Award of construction contract pending final approval from SRF funds.

Information:

- Engineer's Recommendation for Award and Certified Bid Tabulation
- Resolution Awarding a Construction Contract for the Jones Ferry Road WTP Belt Filter Press Improvements Project



Hazen and Sawyer
4011 Westchase Boulevard, Suite 500
Raleigh, NC 27607 • 919.833.7152

January 21, 2022

Mr. Coleman Olinger, P.E.
Utilities Engineer
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

**Re: Recommendation for Award
Jones Ferry Road WTP – Belt Filter Press Improvements
SRF Project No. WIF-1980
OWASA CIP No. 272-37
Hazen # 32443-002**

Dear Mr. Olinger:

We have evaluated the bids received for the Jones Ferry Road Water Treatment Plant Belt Filter Press Improvements Project. This project advertised on December 6, 2021 and five sealed bids were received, opened, and read publicly on January 12, 2022. A copy of the certified bid tabulation is attached.

We have had favorable experience with the low bidder, Dellinger, Inc. on previous projects. We recommend not accepting Deductive Alternate No. 1, and awarding the Contract to the low bidder, Dellinger, Inc. for the Total Base Bid Amount of \$3,451,500.00

We will process formal notification of award documentation at your direction. Should you have any questions or require additional information do not hesitate to contact me.

Very truly yours,

Francis X. Buser, P.E.
Senior Associate

Enclosure

**Orange Water and Sewer Authority
Jones Ferry Road Water Treatment Plant
Belt Filter Press Improvements
CIP No. 272-37
SRF Project No: WIF-1980**

CERTIFIED BID TABULATION

**Bid Date: January 12, 2022
Bid Opening Time: 2:00 p.m.**

General Contractor	Cooper Tacia General Contractors	Dellinger, Inc.	J Cumby Construction Inc.	Laughlin-Sutton Construction Co.	Wharton-Smith, Inc.
N.C. License No.	65299	5992	82136	3067	38755
Addenda Acknowledgement	1	1	1	1	1
Bid Security	5%	5%	5%	5%	5%
TOTAL BASE BID	\$4,034,639.00	\$3,451,500.00	\$3,779,036.00	\$3,768,000.00	\$3,707,012.79
Deductive Alterante No. 1 - Temporary Dewatering by Owner	\$189,700.00	\$110,000.00	\$105,000.00	\$63,000.00	\$150,000.00

CERTIFICATION

The Bids tabulated herein were opened and read aloud at 2:00 p.m. on the 12th day of January 2022 in the Community Room of the Orange Water and Sewer Authority Administration Building, 400 Jones Ferry Road, Carrboro, North Carolina 27510. The tabulation is correct in that it contains the bid prices as presented in the original Bid Form for each Bidder.



Hazen

Hazen and Sawyer
4011 WestChase Blvd.
Raleigh, North Carolina 27607
(919) 833-7152

Resolution Awarding A Construction Contract For Jones Ferry Road Water Treatment Plant (WTP) Belt Filter Press Improvements Project

Whereas, there is a need to replace non-operational belt filter press No.1 and provide replacement and improvements to the solids handling building conveyance system, controls, and building HVAC and roof at the Jones Ferry Road WTP; and

Whereas, plans and specifications for the construction of this project have been prepared by Hazen and Sawyer; 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 December 7, 2021; and

Whereas, 5 bids were received and opened publicly on January 12, 2022, and Dellinger, Inc. has been determined to be the low responsive, responsible bidder for the project; and

Whereas, on January 27, 2022 the Board approved a resolution authorizing funds for this project as a part of the State Reserve Program Loan in the amount of \$5,585,890:

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Dellinger, Inc., the low responsive, responsible bidder for the Jones Ferry Road WTP Belt Filter Press Improvements Project, in accordance with the approved plans and specifications, in the amount of \$3,451,500, 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 10th day of February 2022.

Jo Leslie Eimers, Chair

Attest:

John N. Morris, Secretary

Agenda Item 2:

Orange Water and Sewer Authority
Virtual Work Session of the Board of Directors
January 13, 2022

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, January 13, 2022, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff attending virtually: Amy Armbruster, Mary Darr, Robert Epting (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others attending virtually: Jeff Adkins, Monica Dodson, Margaret Holton (UNC Water Resources Manager), Ben Poulson (UNC), and Ellen Tucker (Gallager).

Motions

1. Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Work Session of the Board of Directors; second by Todd BenDor, and the Motion was unanimously approved.
2. Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Closed Session for the purpose of discussing a personnel matter in accordance with N.C. General Statutes 143-318.11.6; second by Todd BenDor, and the Motion was unanimously approved.
3. Ray DuBose made a Motion to authorize staff to include Jordan Lake as the preferred supply augmentation alternative in the draft Long-Range Water Supply Plan. Staff will continue to work with the Board of Directors and the Western Intake Partners to identify the preferred alternative to access our allocation of water in Jordan Lake; the Motion was second by Todd BenDor and unanimously approved.

* * * * *

Announcements

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

Chair 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.

Chair Eimers announced the Orange County Climate Council meet on December 16, 2021, and the primary topic of discussion was the work underway by local elected officials to clarify the purpose of the Council. The next meeting of the Orange County Climate Council is scheduled for Thursday, January 20, 2022, at 3:00 p.m.

Chair Eimers announced that members of the Orange County Board of County Commissioners and Orange County Appointees to the OWASA Board will meet via Zoom to discuss items of mutual interest on January 19, 2022, at 1:00 p.m.

Chair Eimers announced an OWASA Orientation for Carrboro Town Council Member Danny Nowell via Microsoft Teams on January 19, 2022, at 3:00 p.m.

Mary Tiger, Strategic Initiatives Manager, announced the Board will hold its third Strategic Plan Work Session on Wednesday, January 26, 2022, at 3:00 p.m. The goal of the session will be to consider strategic opportunities and identify the top 5 to 6 strategic priorities for the new strategic plan. Ms. Tiger noted that the Work Session will be held via Zoom and pre-registration is required.

Stephen Winters, Director of Finance and Customer Service, informed the Board the audit selection process is complete, and a recommendation will be provided to the Board for approval at the January 27, 2022, meeting.

Item One: Quarterly Report on Attendance at Board and Committee Meetings

The Board received this as an information item.

Item Two: Minutes

Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Work Session of the Board of Directors; second by Todd BenDor, and the Motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

Bruce Boehm made a Motion to approve the Minutes of the December 9, 2021, Closed Session for the purpose of discussing a personnel matter in accordance with N.C. General Statutes 143-318.11.6; second by Todd BenDor, and the Motion was unanimously approved. Please see Motion 2.

Item Four: Update on Employee Health and Dental Insurance for Fiscal Year 2023

The Board received this as an information item.

Item Five: Diversity and Inclusion (D&I) Update (September – December 2021)

The Board received this as an information item.

Item Six: Long-Range Water Supply Plan: Evaluation of Supply Alternatives

Ruth Rouse, Planning and Development Manager, provided a presentation on the evaluation of supply alternatives to provide access to OWASA's allocation of water in Jordan Lake as it relates to the Long-Range Water Supply Plan and staff's recommendation that Jordan Lake is the preferred water supply alternative to meet OWASA's water supply needs through 2070.

Chair Eimers directed the Board's discussion to consider whether a Jordan Lake alternative is what the Board will pursue and any additional information that might be needed for the January 27, 2022, discussion.

The Board and staff discussion included: differences between ranking and scoring the alternatives; impact of two Jordan Lake approaches on rates; incremental cost on intake structure and transmission lines to OWASA; what is the confidence in the cost of the alternatives and how it would translate to rates; hesitancy that the Board should make a decision on January 27th because of the uncertainties in the differences between the Jordan Lake alternatives without input from the Western Intake Partners; define interests prior to talking to the Western Intake Partners, which include among others ensuring an adequate water supply well into the future and protecting our Jordan Lake allocation; determining the value of OWASA property adjacent to Jordan Lake, and how to obtain that value in practical and/or financial terms.

Todd Taylor asked the Board to discuss and hopefully determine tonight that Jordan Lake is the preferred alternative for long term augmentation of OWASA's water supply; further consideration can be given to how to access the Jordan Lake allocation through arrangements with other Jordan Lake partners, and how to beneficially use OWASA's land to allow OWASA and others to access the Jordan Lake from its west side.

The Board agreed to remove the Direct Potable Reuse and Deep Quarry Reservoir alternatives. The Board requested additional information on the impact of the two Jordan Lake options on rates; and what is the incremental cost of intake structure and transmission lines to OWASA.

Ray DuBose made a Motion to authorize staff to include Jordan Lake as the preferred supply augmentation alternative in the draft Long-Range Water Supply Plan. Staff will continue to work with the Board of Directors and the Western Intake Partners to identify the preferred alternative to access our allocation of water in Jordan Lake; the Motion was second by Todd BenDor and unanimously approved. Please see Motion 3.

While direct potable re-use is not legal in North Carolina, staff will continue to monitor direct potable reuse initiative discussions in various professional journals, regulatory efforts, and by water interest agencies and organizations and will provide updates to the Board as needed.

Item Seven: Review and Discuss Draft Water Conservation Guiding Principles

The Board expressed appreciation to staff for the presentation, provided comments and feedback which will be incorporated for the Board's final review and approval at the January 27, 2022, meeting.

Item Eight: Discuss Suggested Actions OWASA Might Take to Encourage Public Interest in Service as OWASA Board Members

Robert Epting, General Counsel, provided a summary of North Carolina law regarding compensation of OWASA Board Members since the inception of OWASA.

Chair Eimers offered three suggestions for action that may increase public interest in Board Member applications: 1) increase compensation for attendance (proposed increase to \$100 per meeting including orientation meetings (OWASA Board Member and newly elected officials) and \$330 per month for the Chair of the Board); 2) Board approval that Chair Eimers as well as other Board Members may approach organizations to encourage interest in applying to the OWASA Board; and 3) the Board might seek to initiate and develop a temporary working group with elected officials to encourage public interest to apply to the OWASA Board.

The Board supported Chair Eimers' suggestion that she reach out to selected staff at the NAACP, Southern Environmental Law Center, and Rogers Road Community to encourage interest in applying to the OWASA Board.

The Board agreed to vote on the question, "Who is in favor of increasing Board Member compensation (proposed increase to \$1,000 per quarter) which would be presented in a draft resolution for Board approval on January 27, 2022. The vote resulted in four yes votes (Ray DuBose, Jody Eimers, Kevin Leibel, and John Morris) to three no votes (Yinka Ayankoya, Todd BenDor, and Bruce Boehm,) and the vote failed. Bruce Boehm said he would change his vote if the increase in compensation was supported by data.

The Board agreed to vote on whether to support the development of a temporary working group with elected officials in Chapel Hill, Carrboro, and Orange County, to encourage public interest to apply to the OWASA Board. The vote passed with five yes votes (Todd BenDor, Bruce Boehm, Ray DuBose, Jody Eimers, and John Morris) to two no votes (Yinka Ayankoya and Kevin Leibel).

Chair Eimers directed staff to reach out to interested Board Members in an effort to reduce agenda items and documentation.

Item Nine: Review Board Work Schedule

Due to length of the Board Meeting and without objection the Board agreed to defer the Closed Session for the purpose of discussing a personnel matter until the January 27, 2022 Board Meeting.

Todd Taylor said the January 27, 2022, agenda will include a new item: Resolution Accepting a Low-Interest Load Offer from the State of North Carolina, and Authorizing Executive Director to Execute and Administer All Related Loan Offer and Acceptance Documents.

Item Ten: Summary of Work Session Items

Todd Taylor said staff will update the Pending Key Staff Action items to include:

- Utilize feedback received to prepare for the Jordan Lake alternative discussion on January 27, 2022;
- Incorporate feedback into the draft Water Conservation Guiding Principles for Board approval on January 27, 2022; and
- Reschedule January 13, 2022 Closed Session for the purpose of discussing a personnel matter to January 27, 2022.

There being no other business to come before the Board, the meeting was adjourned at 9:04 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

DRAFT

Agenda Item 2:

Orange Water and Sewer Authority

Closed Session of the Board of Directors

January 27, 2022

The Board of Directors of Orange Water and Sewer Authority met virtually in Closed Session on Thursday, January 27, 2022, following the Board meeting.

Board Members attending virtually: Jody Eimers (Chair), Yinka Ayankoya (Vice Chair), John Morris (Secretary), Todd BenDor, Bruce Boehm, Ray DuBose, and Kevin Leibel.

Staff present virtually: Todd Taylor (Executive Director).

Item One

The Board of Directors met in Closed Session with the Executive Director to evaluate the interim Progress Report of the Executive Director's Key Focus Areas for the period of June to December 2021.

No official action was taken at the meeting.

The meeting was adjourned at 8:22 p.m.

Raymond E. DuBose, P.E., Chair
Human Resources Committee

Agenda Item 4:

Long-Range Water Supply Plan (LRWSP): Next Steps for Community Engagement

Purpose:

To discuss and receive feedback from the Board of Directors on key messages and opportunities to engage the community about OWASA’s decision to increase the reliability and resiliency of our water supply by securing access to our Jordan Lake allocation.

Background:

- OWASA is updating our LRWSP to ensure we have an adequate supply of water for our community through 2070.
- OWASA has sufficient water under most circumstances for the next several decades.
- However, we are expected to have supply shortfalls during the LRWSP planning horizon, particularly given uncertainties regarding climate change.
- The OWASA Board of Directors developed [guiding principles](#) to evaluate alternatives against at its July 8, 2021 meeting.
- After analyzing supply alternatives against the guiding principles, the Board of Directors determined that Jordan Lake should be used to augment OWASA’s raw water supply.
- The next step in our Long-Range Water Supply Plan is to engage the community on the decision to move forward with securing our access to our Jordan Lake allocation and the process used to arrive at that decision.
- The Board approved a Community Engagement Plan in 2016.
- The information in the attached “Summary of Next Steps for Community Engagement on OWASA’s Long-Range Water Supply Plan (2022)” summarizes a proposed strategy and messages to include in this round of community engagement.

Action Needed:

No formal action is needed, but staff requests feedback on the draft “Summary of Next Steps for Community Engagement on OWASA’s Long-Range Water Supply Plan (2022)”

Information:

Summary of Next Steps for Community Engagement on OWASA’s Long-Range Water Supply Plan (2022)

Summary of Next Steps for Community Engagement on OWASA's Long-Range Water Supply Plan (2022)

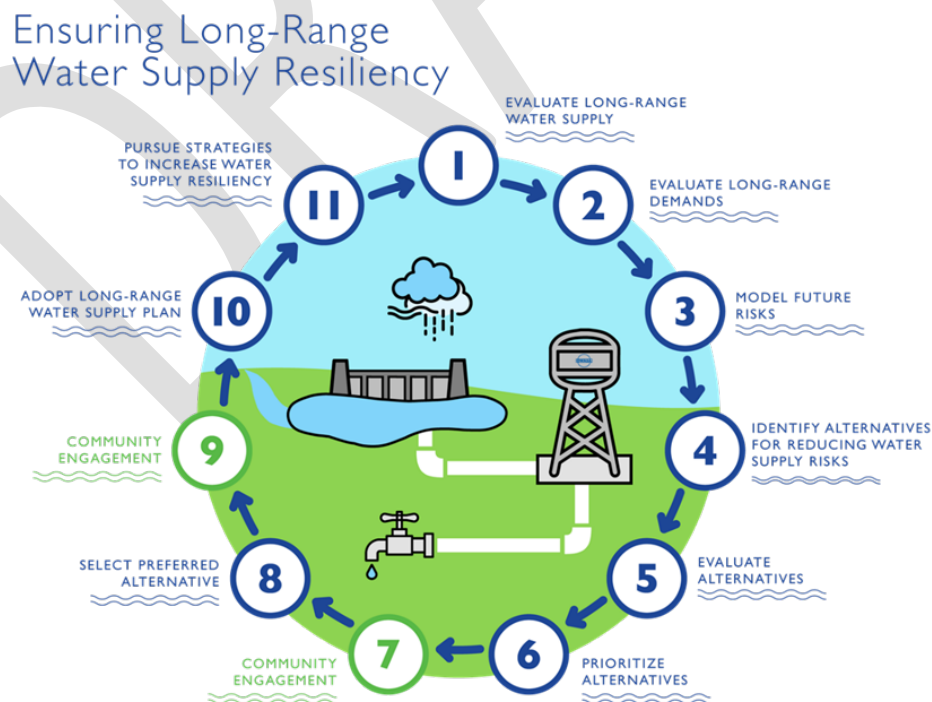
Goal

Inform and engage the community on OWASA's decision to increase our community's drought resiliency by securing access to our Jordan Lake allocation and on the process used to arrive at that decision; demonstrate that we heard community feedback in the last round of engagement and incorporated that into our decision-making.

Background

In late 2020/early 2021, OWASA actively reached out to the community to engage them in our Long-Range Water Supply Planning process (Step 7 in graphic below). A summary of the feedback received throughout this engagement was summarized and discussed with the OWASA Board of Directors at the [March 11, 2021 meeting](#). Throughout that engagement, we heard questions and concerns from the community which we have worked to address, in part, through the development and use of guiding principles to evaluate water supply options and select a preferred alternative (Step 8). The OWASA Board of Directors has identified Jordan Lake as the most viable and cost-effective long-term augmentation to our existing water supply.

As we move forward with investigating options for securing our access to our Jordan Lake allocation, we seek to inform and engage our local community in this decision with the following strategy (Step 9).



Strategy

Proposed Timeline: Five months (February through June 2022) with an interim check-in with the Board of Directors and potential to extend outreach another three months through September 2022.

Target Audience: Residents and businesses in our service area, local government Boards and staff, UNC-Chapel Hill, UNC Health, and community organizations

Outreach:

- **Website:** Active Web Post on OWASA Web site and detailed web page
 - Summary information
 - Updated timeline with links to historical documents and Board decisions
 - Highlight upcoming opportunities to receive information and provide feedback
 - Information about how to submit feedback (via email to Ruth Rouse)
 - Link to sign-up form for Constant Contact (email) updates
 - Link to Wonderful Water interviews
 - Responses to FAQs
- **Email:** Detailed email to people who have signed up to be informed of decisions regarding our Long-Range Water Supply Plan
- **Social Media:** Utilize throughout engagement to inform the community about decisions to pursue securing our Jordan Lake allocation
- **Library Event:** Set up an information table outside of the library to provide information about OWASA's Long-Range Water Supply Plan; host one-two brief presentations and discussions at the library for those interested in learning more; request information in the library's widely circulated newsletter (early April)
- **Youth Water Academy:** Host a session with the spring cohort of the Youth Water Academy on water utility governance and long-range water supply planning (mid-April)
- **Community Connections:** Request information sharing by community partners, in particular the Refugee Community Partnership, Chapel Hill Public Housing, and the Marion Cheek Jackson Center
- **Media:**
 - **Wonderful Water (February/March 2022):** Interview of Ruth Rouse, hitting the major points from the summary
 - **News Release:** News pitch to the Long-Range Water Supply Plan to the Daily Tar Heel and The Local Reporter.
- **Community Groups:** In the last round of community engagement, OWASA hosted a webinar that was sparsely attended. In this round, we propose to make 10-minute presentations to community groups at regularly scheduled meetings in March/April which may include:
 - Town of Chapel Hill Planning Commission
 - Town of Chapel Hill Environmental Stewardship Advisory Board
 - Chapel Hill-Carrboro Chamber of Commerce
 - Town of Carrboro Environmental Advisory Board
 - Town of Carrboro Planning Board
 - Orange County Commission for the Environment
 - UNC and UNC Health Care (during normally scheduled updates)

- **Elected Bodies**
 - **Elected Board Quarterly Report (Late April):** Provide update of Long-Range Water Supply Planning activities in the regularly scheduled quarterly report.
 - **Informal Discussions with Elected Officials**
 - Meeting between the Chapel Hill Town Council OWASA Committee and Chapel Hill OWASA Board appointees (February 15, 2022)
 - Other
 - **Formal Presentations to Elected Bodies**
 - OWASA annual update to the Orange County Board of County Commissioners (February 17, 2022)
 - Town of Carrboro Town Council (Early May)
 - Town of Chapel Hill Town Council (Early May)

Core Messages:

Ensuring our Community Has Ample Water Supply for Generations to Come Requires Advanced Planning.

- OWASA is committed to providing high-quality drinking water to the community for future generations.
- Water supply for the Chapel Hill and Carrboro area provided by OWASA from University Lake, the Cane Creek Reservoir, and the Quarry Reservoir are adequate for meeting community demands for years to come under normal conditions. These reservoirs will remain the primary source of water supply for our community for decades to come.
- An expanded Quarry Reservoir will provide additional water storage and increase drought resiliency in approximately 10 years. During the time period immediately before the expansion, OWASA will have to drain the existing Quarry Reservoir, and our water supply will be more vulnerable.
- Given the projected long-term growth of our community and uncertainties regarding climate change and drought, these reservoirs are projected to fall short of meeting future demands.
- Jordan Lake has been part of our community’s extended long-range water supply plan for decades. OWASA has maintained an allocation to water supply from Jordan Lake since 1988. Additionally, OWASA purchased land adjacent to Jordan lake for the purposes of constructing future water facilities in 1989.
- At present, OWASA’s access to our Jordan Lake allocation is available through a series of non-binding mutual aid agreements to bring treated drinking water from the Town of Cary through the City of Durham. The Board of Directors does not consider the agreements alone to be a drought-resilient alternative.
- In recent years, the OWASA Board of Directors has engaged in a multi-step, evidenced-based evaluation of water supply and demand management options to meet the community’s demand for water with drought-resilient and high-quality water in a cost-effective manner.
- Through this public process, the Board determined that augmenting our existing water supply with high-quality treated drinking water from Jordan Lake is the best alternative for reducing our vulnerability to extended drought conditions and improving the reliability and resiliency of our water supply, including addressing single points of failure (example: an event impacting our ability to treat drinking water at OWASA’s only current treatment facility on Jones Ferry Road).

Augmenting Our Water Supply with Treated Jordan Lake Water Is the Most Viable Alternative for Providing Resilient, High-Quality, and Cost-Effective Drinking Water for Years to Come.

- Jordan Lake has a watershed that is 28 times larger than the watersheds that flow into University Lake and Cane Creek Reservoir combined. (The Quarry Reservoir does not have a watershed and is filled from water in Cane Creek Reservoir.) The size of Jordan Lake’s watershed makes it a much more drought-resilient water supply, but it does increase its exposure to pollutants.
- Jordan Lake water is treatable to drinking water standards. Hundreds of thousands of people (in Cary, Apex, Morrisville, Chatham County, and RTP) drink high-quality, treated Jordan Lake water every day. OWASA is confident that the new water treatment plant planned by the Western Intake Partnership (see below) will be built with state-of-the-art technology that will treat Jordan Lake water to meet and surpass all current and future drinking water standards.
- OWASA has heard concerns about the quality of untreated drinking water in Jordan Lake. We conducted an analysis to compare the quality of the untreated water in Jordan Lake to untreated water in Cane Creek Reservoir and University Lake ([Link to analysis presented to OWASA Board at 01/13/22 Board Meeting](#)). The analyses determined that water quality in Cane Creek Reservoir and University Lake was similar to that in Jordan Lake with the exception of two parameters: bromide and 1,4-dioxane. Each of these compounds can be treated and will be incorporated into the planning of any new treatment plant.
- The Western Intake Partnership for Jordan Lake is still in its early stages of formation. As such, OWASA can only make informed assumptions about costs of securing our Jordan Lake allocation through the Partnership. At a planning level, the economies of scale in partnering with our neighbors on a water supply alternative are more attractive than going it alone.
- Maintaining our allocation of Jordan Lake water (which OWASA has held since 1988) requires a long-term commitment to its use. As the entire region grows, competition for this drought-resilient water supply will increase.
- The OWASA Board based its decision on an evaluation of options against the following set of Guiding Principles
 1. We will continue to provide the community with high-quality treated drinking water that meets or surpasses federal and state public health requirements regardless of the source(s) of supply. Any supply alternative that cannot meet this guiding principle will be eliminated from further consideration.
 2. Highest Priority
 - a. Ability to reduce our vulnerability to extended drought conditions
 - b. Ability to improve the reliability and resiliency of our water supply, including addressing single points of failure
 - c. Impact on current rates
 3. High Priority
 - a. Impact on future rates
 - b. Incremental long-term impacts on the environment from operation of the infrastructure needed to support the water supply
 - c. Incremental impacts on the community from OWASA’s participation in the construction and operation of the water supply source including the impacts to landowners, recreation, and transportation
 - d. Flexibility to change course as we learn more about future customer demands, growth, climate impacts, and other uncertainties

4. Other Considerations

- a. Support for regional water supply efforts, recognizing that we rely on neighboring water utilities to supply water during our occasional planned and unplanned interruptions to water supply
- b. Incremental short-term impacts on the environment from the development of the water supply and construction of the associated infrastructure including temporary impacts to streams, wetlands, aquatic and terrestrial habitat, and other environmental considerations.

We Considered Other Options, But They Did Not Perform as Well Against a Multi-Factor Suite of Guiding Principles.

- **Demand-Side Management:** Our community has committed to water conservation, efficiency, and reclaimed water use. These efforts allow us to make the most efficient use of our current water supplies and investments in water treatment infrastructure. Early in our long-range water supply planning efforts, OWASA engaged in a comprehensive exploration of demand-management strategies to meet future water demands. Given past successes and ongoing commitment of our community, we could not identify one single way or even combinations of ways to save our way out of the need for additional supply to increase drought-resiliency. We are proceeding with a process to develop OWASA's first Water Conservation Plan to help ensure that the community continues to be a leader in water conservation practices.
- **Direct Potable Reuse:** In the early 2000's, UNC invested in a reclaimed water system that has significantly increased the resiliency of the entire community's water supply and delayed the need to identify new sources. Technological and policy advances (in other parts of the country) now allow for higher levels of water recycling by sending water cleaned in an enhanced wastewater treatment process directly back to consumers. Unfortunately, this technology is not permitted by law to be used in North Carolina. Given the legal uncertainty around this alternative, the OWASA Board did not find it to be a viable consideration.
- **Deep Quarry:** OWASA considered expanding and enhancing our infrastructure to allow for access to water at deeper levels within the Quarry Reservoir. Although this would extend the days of usable water from the Quarry by 100 days, it does not significantly increase our resiliency to drought (as we are beholden to the same watershed). Additionally, it is a cost-prohibitive option due to the extensive infrastructure improvements needed.

A Partnership of Local Water Utilities (Western Intake Partnership) is Moving Forward to Design and Build a New Water Treatment Plant on Jordan Lake. OWASA Faces a Near-Term Decision on If and How We Want to Engage With Them.

- The City of Durham, Chatham County, and the Town of Pittsboro are in the process of developing a partnership to design, build, and operate a new drinking water treatment plant on the western side of Jordan Lake. OWASA has participated in these discussions but has not yet decided on our level of engagement with the Partnership.
- OWASA owns 125 acres of land that were purchased in 1989 for the purposes of constructing drinking water facilities. This is the most viable spot for the Western Intake Partnership to build.
- As our community's most viable and resilient source of water, OWASA's Board and staff will begin discussions with the Western Intake Partnership about options to secure our access to our Jordan Lake allocation. Our interests in these discussions are to ensure that:

- OWASA has access to its Jordan Lake allocation to secure our water supply
- Infrastructure that will be needed to meet OWASA's demands, but that are difficult or costly to expand in the future, are built.
- Impact on near-term water rates is minimized
- OWASA retains the right to be a Partner in future phases of the Western Intake Partnership
- We do not forsake our allocation of Jordan Lake water.
- Our working relationships with our utility partners are important to OWASA, and we are committed to maintaining them.¹

Are there other key issues or values that need to be represented in our discussions with the Western Intake Partnership?

DRAFT

¹ This particular interest has been added by OWASA staff since the Board last reviewed the draft list of interests.

Agenda Item 5:

Reliability and Resiliency Improvements Update

Purpose:

To update the OWASA Board of Directors on the ongoing efforts to improve the reliability of the services we provide to customers by reducing the risk of service interruptions.

Background:

While the provision of reliable service is core to our function, and while reliability and resiliency elements can be found throughout various operational and supporting activities, the scope of the activities included in this report has changed over time. Staff began providing a resiliency-focused report to the Board in October 2018 as a means to convey and get Board concurrence on the findings and action plan resulting from the Water Treatment Plant (WTP) and Wastewater Treatment Plant (WWTP) Risk and Reliability Assessment (RRA), which was itself an outcome of the February 2017 Water Emergency. The RRA used a risk assessment methodology based on an ISO 31000 framework and industry best practices to assess risks for the top 8 most critical WTP subsystems and top 10 most critical WWTP subsystems, develop risk registers, and document potential opportunities for improvement via an action plan.

The Board subsequently requested an annual update on the progress of the RRA action plan. The next two versions of the report were modified to include other relevant topics, primarily the action plan from November 2018 Water Main Break but also follow up discussion from the Rogerson Drive Emergency Repair and other relevant operational and emergency response activities.

After the October 2020 update, noting that nearly all the activities in the two above-referenced action plans were complete, programmed in the Capital Improvements Program (CIP), or integrated into our day-to-day work practices, the Board was amenable to removing the two action plans from the report and receiving further information on the distribution system prioritization model and pipe condition assessment, along with other reliability and resiliency activities undertaken during the year.

Given the potential that the Strategic Plan may soon include a strategic priority specifically related to reliability and resiliency, this current report retains the format of a summary update on the topics noted above or requested by the Board in subsequent meetings, minus the action plans, and grouped into the following categories:

1. Infrastructure improvements
2. Asset management assessment activities (whether instituted through CIP or Operations)
3. Emergency preparedness and response activities

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Reliability and Resiliency Updates:

1. **Infrastructure improvements** All infrastructure replacement projects increase reliability to some degree. Below are updates on projects with notable resiliency components, most of which originated or were included in the action plans above. Note that whether or not it originates from a separate risk assessment, each capital project must be evaluated through the annual prioritization process in order to be included in the CIP budget. This prioritization process factors in reliability and resiliency objectives via the criteria of financial and operating risk as well as operational and maintenance impact. Additional information on the projects below may be found in the January 2022 Semiannual CIP report and/or the FY 2022 - 2026 CIP book.
 - **WTP Finished Water Pump Improvements:** The replacement of finished water pump number 5 was completed in summer 2021 and was one of the final steps in eliminating the 2300-volt components of the WTP electrical system. The new pump can be used at various flow setpoints, which provides operational flexibility and resiliency, and is more energy efficient than the existing pump.
 - **WTP Chemical Facility Improvements:** Construction was substantially complete in summer 2021 for the replacement of and upgrades to several aging chemical feed systems at the WTP. In addition to replacing aging equipment, the project has increased operational efficiency and reduced risks by updating control systems, standardizing equipment, and increasing chemical storage capacity.
 - **WTP Piping Replacement:** Construction is underway to provide additional redundancy and replace aging water pipes at the WTP into Jones Ferry Road, including the pipe that failed in November 2018. The project also includes risk mitigation for piping at the clearwell. Project completion is expected in summer 2022
 - **WTP Electrical Distribution Improvements:** This project will convert the remaining 2300-voltage distribution system at the WTP, improve emergency generator capabilities, and eliminate single points of failure in the system. The project is in final design and expected to begin construction in summer or fall 2022.
 - **WTP Clearwell Rehabilitation:** Preliminary engineering has recently begun for concrete repairs, pipe replacements and baffle curtain replacements for the 1.5 million gallon clearwell as indicated by recent inspections.
 - **WWTP Secondary Clarifier #4 Rehabilitation:** Design of the rehabilitation of this clarifier, including its conversion to an exterior launder design, is nearly complete. Construction is expected to start in summer 2022. The improvements are expected to extend the useful life of the clarifier and substantially improve efficiency and operational flexibility, particularly during high flow events.

- Reclaimed Water Pipe Coupling Replacements: Although the five miles of Reclaimed Water (RCW) pipe were installed less than two decades ago and are not anticipated to require wholesale replacement in the near future, the RCW distribution system network is not looped to the extent the potable water system is, and therefore has more single points of failure. A 2019 investigation determined a specific component (flanged pipe coupling adapter) to be the cause of two recent leaks along the pipeline. This project will replace the remainder of these coupling adapters in ten locations between the WWTP and Skipper Bowles Drive. Completion is expected by the end of 2022.
- WTP and WWTP Supervisory Control and Data Acquisition (SCADA) Master Plan: The master plan was completed in fall 2021 and provides a four-phase roadmap to upgrading the WTP and WWTP SCADA systems to improve operation, reliability and resiliency. The plan will address deficiencies in the existing SCADA system and provide a stable foundation for expansion and enhancements. The WTP and WWTP SCADA systems are currently comprised of obsolete and aged assets that present security and reliability risks. Additionally, the software build at the WTP introduces stability concerns that negatively impact operational performance. The WWTP SCADA software installation is comparatively stable, but a major software version upgrade is required in the near-term. Both systems have opportunities for functional enhancement and improvements.

The FY 2022-2026 CIP includes a limited amount of placeholder funds for SCADA improvements based on preliminary work complete as of spring 2021; however, this funding will be increased in the draft FY 2023-2027 CIP to reflect final findings of the master plan. Aside from software and equipment upgrades, another major recommendation of the plan was the creation of a dedicated SCADA position.

2. **Asset management assessment and planning activities** Our Asset Management Program consists of a coordinated series of inventory, assessment, and prioritization activities intended to improve the reliability of assets, reduce risk, optimize operations and maintenance efforts, and increase data tracking accuracy. The items below are completed through either operational or CIP efforts.

- Water main replacement prioritization model: The development of a new prioritization model was completed in 2020 with an update on the overall project provided at the Board's September 24, 2020 meeting. Further discussions with the Board about the model took place at the December 10, 2020 meeting and most recently during the Strategic Trends Report in October 2020. This model evaluates a project's overall risk through assessment of the likelihood and consequence of failure (LoF and CoF, respectively), and this output is used to provide much of the basis for the prioritization of water main replacement projects. Potential projects typically fall into one of two categories: 1) high LoF and moderate CoF, or 2) moderate LoF and moderate to high CoF. The former category is the focus of the in-house water main replacement program. As noted earlier, potential projects must still be evaluated through the annual CIP prioritization process.

- Water Main Condition Assessment: Due to the cost, complexity, and risks of performing assessments on in-service pressurized pipes, water main condition assessment is typically focused on pipes identified as high risk by a prioritization model. However, OWASA's options are limited due to the prevalence of asbestos cement (AC) pipe, which does not lend itself to non-destructive condition assessment technologies. The condition of AC pipe can only be assessed by removing sections of pipe and having those analyzed. Done as a standalone activity, this assessment process can be very costly, can disrupt service to customers, and runs the risk of degrading the integrity of the pipe. Therefore, we have been implementing an opportunistic condition assessment program that capitalizes on events where our pipes have been exposed during construction activities or while repairing breaks and leaks. Pipe samples, soil samples, and corrosion potential measurements are taken during these events and inform a database of information staff uses to assess the general condition of adjacent pipes. As of this report, the data points collected since the start of the opportunistic condition assessment program are too few to suggest meaningful trends or patterns (15 pipe samples and 22 soil samples collected from a variety of situations and water mains); however, as the program matures this database is expected to provide valuable insight on pipe performance and deterioration factors.
- Rogerson Drive Pump Station and Force Main program: The Rogerson Drive pump station is the largest wastewater pump station outside of the WWTP, collecting wastewater from approximately half of the service area. Due to its criticality, an ongoing risk management program is dedicated to this station and its associated force main. A hydraulic model of the force main system has recently been developed and calibrated through field testing and is able to simulate system hydraulics dynamically, whereas prior analytical tools were static in nature. This model has been used to identify valve component replacements, locations for future condition assessment, and operating characteristics of the force main. Importantly, from a reliability standpoint, the model has identified that the areas of the pipe that are flowing partially full under various flow scenarios (and thus subject to the buildup of corrosive gases) all fall within the extents of recent pipeline rehabilitation and replacement with corrosion-resistant materials. In addition, the model has identified areas subject to large volumes of grit buildup due to low velocities under dry weather conditions. These areas are then scoured during high flow events resulting in large accumulations of grit being deposited at the WWTP. Further investigation is ongoing regarding potential solutions and overall risks from this unique operating characteristic.
- WWTP flood control system assessment: A study is underway to inspect and assess the flood control system (FCS) at the WWTP. The FCS, which surrounds the entire facility, is composed of sheet pile walls, concrete structures / buildings, earthen berms, and an interior drainage system, including a stormwater pump station. The system serves to protect the WWTP from flooding in Morgan Creek and an excavated bypass channel south of the plant. The current study is focused on condition assessment of the assets and other recommended maintenance activities; a detailed flood study may be considered for a future CIP.

- Water storage tank inspections: The five water storage tanks located in the distribution system are critical to system operation allowing staff to operate the WTP at a steady rate, maintaining pressure in the distribution system, and holding water reserves for main breaks and fire protection. Because maintenance of these critical assets is highly specialized, OWASA has contracted tank inspection and maintenance with Utility Services (now SUEZ) since the early 1990's. Each tank is inspected annually and drained, cleaned and inspected every three years. Internal and external coating touch-ups are completed as needed. Each tank receives a complete internal and external coating every 12 to 15 years, depending on the coatings assessment.

Emergency preparedness and response activities

- Water main break preparedness and response: We maintain a crew dedicated to valve inspection and maintenance to ensure isolation valves are both accessible and properly maintained, which improves our response to water main breaks thereby minimizing the impacts to our customers. In 2021, this crew operated all 1,281 of the critical valves (12-inch and larger) and 6,589 non-critical valves. The goal is to inspect all critical valves annually and all non-critical valves on a four-year cycle (about 3,000 per year). Aside from inspection, the crew also perform maintenance activities such as repairing valves, replacing valves, adjusting (raising/lowering) valve boxes, cleaning debris from valve boxes, and uncovering buried valve boxes.
- Backup Generator Study: This 2020 study identified risks and opportunities for improvement for 26 water and wastewater facilities with backup power generators. None of the generators were found to have immediate deficiency or limitations in size. Of the opportunities for improvement identified by the study, the Rogerson Drive Pump Station Fuel Storage Improvements is currently included in the FY 2022-2026 CIP. This future project and other potential improvements will continue to be evaluated against other needs as part our annual CIP prioritization process.

Other opportunities:

As noted at the start of the Background section, reliability and resiliency are core objectives for our operation, and as such, staff is continually assessing the applicability of the many potential approaches and technologies to meet these objectives. Listed below are a sample of some of the more promising opportunities in the industry and among our neighbor utilities which we are tracking and/or not implementing at full scale:

- In-pipe condition assessment: As described earlier, the methods and technologies for pressurized water main condition assessment are generally very expensive to implement, and so are often focused on the highest criticality mains. In some distribution systems, this is an important component of risk reduction. However, consideration of the particular proprietary technologies appropriate for our critical mains revealed implementation concerns including in-line valves and tapping locations for the insertion and extraction of

the condition assessment tools. Our distribution system has relatively few candidate pipes for proactive condition assessment, and even fewer that would not pose a significant risk to the overall distribution system should the tool become stuck or need emergency extraction.

- In-house modeling and monitoring capabilities: Some utilities maintain staff dedicated to collection system flow monitoring and modeling, which can allow for a more thorough understanding of system hydraulics due to continuity of institutional knowledge and a more frequent readiness to analyze storm events.
- Satellite-image leak detection: Although funding for a limited amount of acoustic leak detection is included in the current CIP, a leak detection method based on machine learning analysis of satellite imagery is a potentially promising emerging technology. The relatively low water loss rate in our distribution system argues against funding this method unless and until its value is better established; however, we are anticipating the results of some piloting being done by the City of Raleigh.

Staff stay connected with these and other potential reliability and resiliency measures through industry associations, training events, and direct outreach from vendors. Of the various ways in which these opportunities come to our attention, one of the most valuable is the periodic and ad hoc liaison and direct sharing of experience that we have with roughly 12 to 15 of our neighbor utilities' asset management professionals through the Regional Asset Managers Group.

Next Steps:

It is noted that, due to the potential inclusion of a reliability and resiliency strategic initiative in the Strategic Plan, the scope and format of this recurring report may be adjusted in future years.

Action Requested:

Staff requests that the Board receive and discuss the report.

Agenda Item 6:

Operating Department Managers Fiscal Year 2023 Budget Development Information

Purpose:

To provide the Board of Directors an opportunity to hear from the managers of the Operating Departments (Water Supply and Treatment, Distribution and Collection, Wastewater Treatment and Biosolids Recycling) and discuss the opportunities and challenges each are addressing in preparing their Fiscal Year (FY) 2023 operating budget requests.

Background:

For the previous two years, as part of the budget development process and in advance of the formal budget discussions, the Operating Department managers presented information on goals, opportunities and challenges they would be addressing in their budget requests. The information was intended to provide the Board of Directors better insight into the implications rate decisions may have on OWASA's operations. The Board requested the managers continue this practice as part of the annual budget process. The draft FY 2023 budget for all OWASA departments will be presented to the Board at the March 10, 2022 work session.

Our team continues to step-up to the daily challenges of the pandemic, focusing on protecting the health and safety of our staff while providing safe and reliable water, wastewater, and reclaimed water services to the community. The FY 2023 budget development process provides a new set of challenges and opportunities. At the February 10, 2022 work session, the managers will provide a brief overview of each of their department's goals and objectives and share a few successes from FY 2022 and challenges and opportunities for FY 2023.

Presentation Overview:

Water Supply and Treatment:

- FY 2022 Update – Basin Cleaning
 - Operators and Maintenance staff worked together to perform water treatment plant basin cleaning. This cleaning improves water quality by removing solids and microbiological contaminants from the process and allows an opportunity for Maintenance staff to inspect the basins and submerged equipment and perform preventive maintenance work.
- FY 2023 Opportunity for Improvement – Reservoir Profiling to Optimize Raw Water Selection
 - Laboratory staff performs weekly water profiling in Cane Creek Reservoir and University Lake. New monitoring equipment will be purchased in FY 2023 to replace aging equipment that is no longer supported by the manufacturer. This data is utilized by plant operations staff to select the raw water supply and intake

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level with the best water quality. Selecting the best quality water allows staff to optimize the amount of chemicals needed in the treatment process.

- FY 2023 Challenge to Address – Treatment Chemicals
 - Over the past year, we have experienced an increase in chemical prices and expect that trend to continue in FY 2023. The price increases have been attributed to supply-chain issues, transportation challenges, and inflation. Staff will continue to monitor and operate the treatment plant to optimize chemical use. We will also continue to work closely with our vendors and suppliers to stay abreast of price changes.

Water Distribution and Wastewater Collection:

- FY 2022 Updates – Sewer Preventative Maintenance and Inflow and Infiltration
 - Sewer Preventative Maintenance - the Collection System Team and the Engineering and Planning Department have been working on initiatives to increase efficiency in our maintenance efforts and expand coordination and repair activities.
 - Inflow and Infiltration (I/I) - OWASA's Preventative Maintenance sewer crew has incorporated a system-wide smoke testing initiative to locate and address I/I issues within our service area. The program has expanded our smoke testing efforts with a goal to provide a complete inspection of our entire collection system by the end of FY 2023.
- FY 2023 Opportunity for Improvement – Large Meter Testing Program
 - Large Meter Testing Program –While large meters, which range in size from 3-inches to 8-inches, only account for 1% of our metering infrastructure, they are responsible for 32% of our revenue. Our large meter testing program ensures the accuracy of meters for billing purposes as well as providing our customers with information on their water use for conservation and sustainability efforts. With support from the Board in recent years, we purchased large meter testing equipment and have begun performing these inspections in-house.
- FY 2023 Challenge to Address – Lead and Copper Rule Service Line Inventory
 - On December 16, 2021, the EPA's Lead and Copper Rule Revisions to better protect communities from exposure to lead in drinking water became effective. Some of the challenges that OWASA faces with the new rule are associated with the requirement for water systems to develop a service line material inventory for both the public and private parts of water service lines.

Wastewater Treatment and Biosolids Recycling:

- FY 2022 Updates - Partnership for Clean Water Self-Assessment and Maintenance Performance
 - Partnership for Clean Water Self-Assessment - In [February 2018](#), staff presented to the OWASA Board information about our work for system optimization through the Partnership Programs. The Mason Farm Wastewater Treatment Plant Team (WWTP) along with staff members throughout the organization completed the self-assessment process and identified our performance limiting factors. Our findings were assembled into a Phase III Self-Assessment Completion Report that defined the activities to be undertaken to move toward optimum performance and the basis for the Directors Award. In November of 2021, the Mason Farm WWTP was awarded the Directors Award.
 - To improve our preventative maintenance program, as part of the FY 2021 budget, the Board approved adding an additional Maintenance Mechanic to the Wastewater Team. We will provide an update on our maintenance performance at the February 10 work session.
- FY 2023 Opportunity for Improvement - Maintenance Program Improvements
 - In February 2020, we presented our plan to reduce costs and improve safety, reliability and efficiency of our operations through implementation of a new Computerized Maintenance Management System (CMMS) and better management of our preventative maintenance program. Due to budget impacts from COVID-19, implementation of a new CMMS has been deferred. We are pleased to be able to bring this important project back to the FY 2023 budget.
- FY 2023 Challenge to Address - Nutrient Limits
 - The Jordan Lake Discharge Rules - Total Nitrogen Limit became effective for the Mason Farm Wastewater Treatment Plant in January of 2021. Staff continues to work to optimize our treatment process to mitigate increased operational costs.

Action Requested:

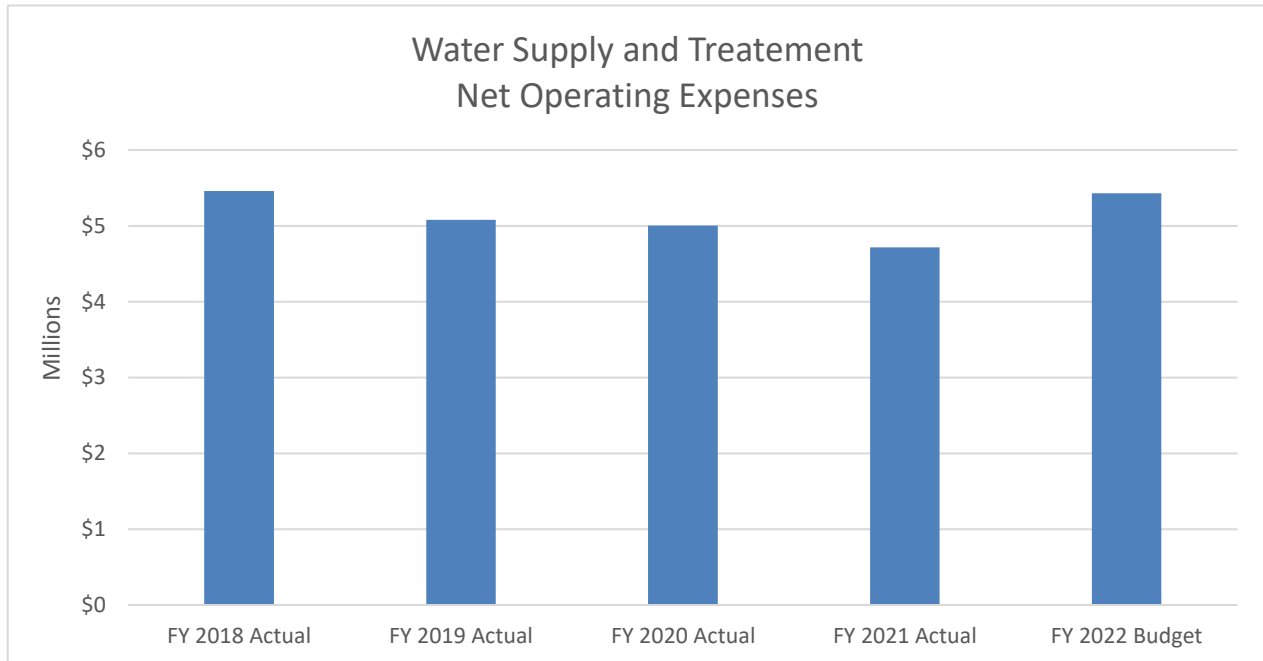
Staff requests that the Board ask questions and provide feedback that will help staff prepare for subsequent budget discussions.

Information:

- FY 2018-2022 Budget Summary Information for Operating Departments

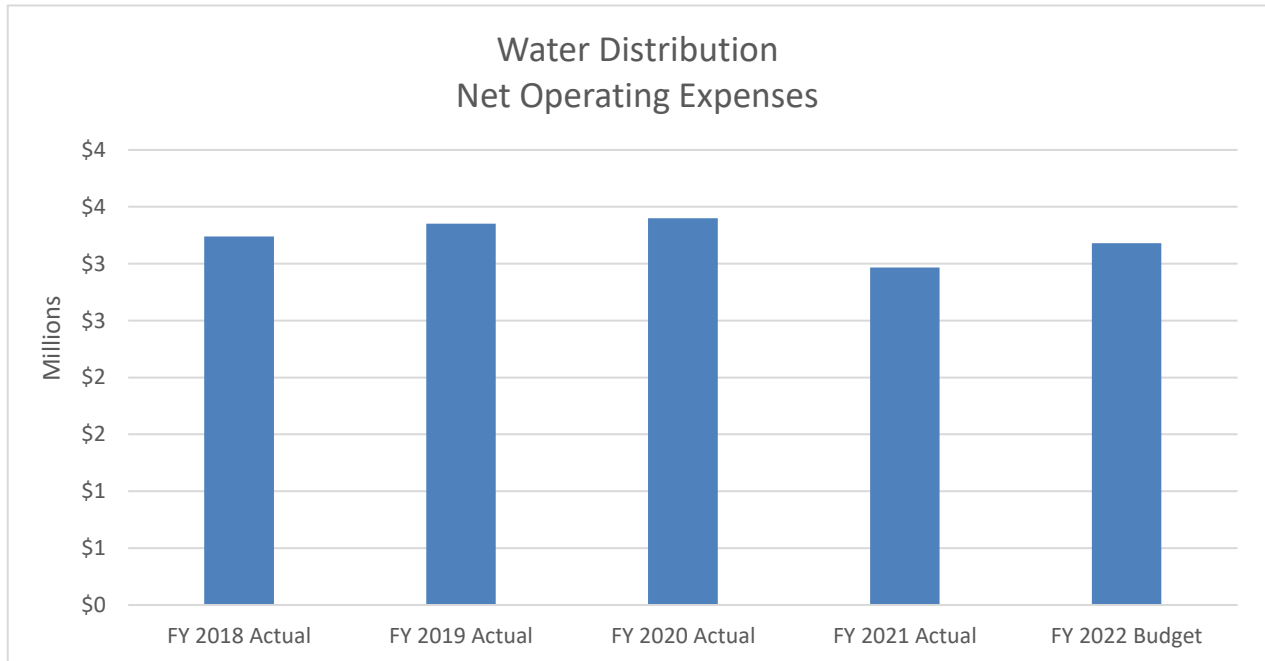
**Orange Water and Sewer Authority
Water Supply and Treatment Department
Historical Operating Expenses**

Expense	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Salaries	1,377,591	1,324,357	1,406,878	1,395,259	1,474,731
Payroll taxes and benefits	640,849	592,126	601,851	650,084	598,020
Utilities	448,265	351,814	423,158	283,204	433,234
Materials and Supplies	210,714	203,000	179,623	139,528	191,491
Chemicals	1,613,128	1,374,327	1,288,512	1,345,999	1,466,645
Maintenance	1,002,399	1,025,869	943,172	713,580	1,039,578
Professional Services	78,380	122,174	76,202	88,318	92,639
Communications	1,535	2,963	1,279	542	3,000
Printing and Reproduction	-	-	-	-	-
Education and Development	9,439	4,338	4,480	4,125	11,960
Other	74,817	76,720	77,275	97,153	116,960
Construction Credits	-	-	-	-	-
Net Operating Expenses	5,457,117	5,077,688	5,002,430	4,717,792	5,428,258
Percent change from prior year	-5%	-7%	-1%	-6%	15%
Number of personnel (funded)	25	23	23	23	23



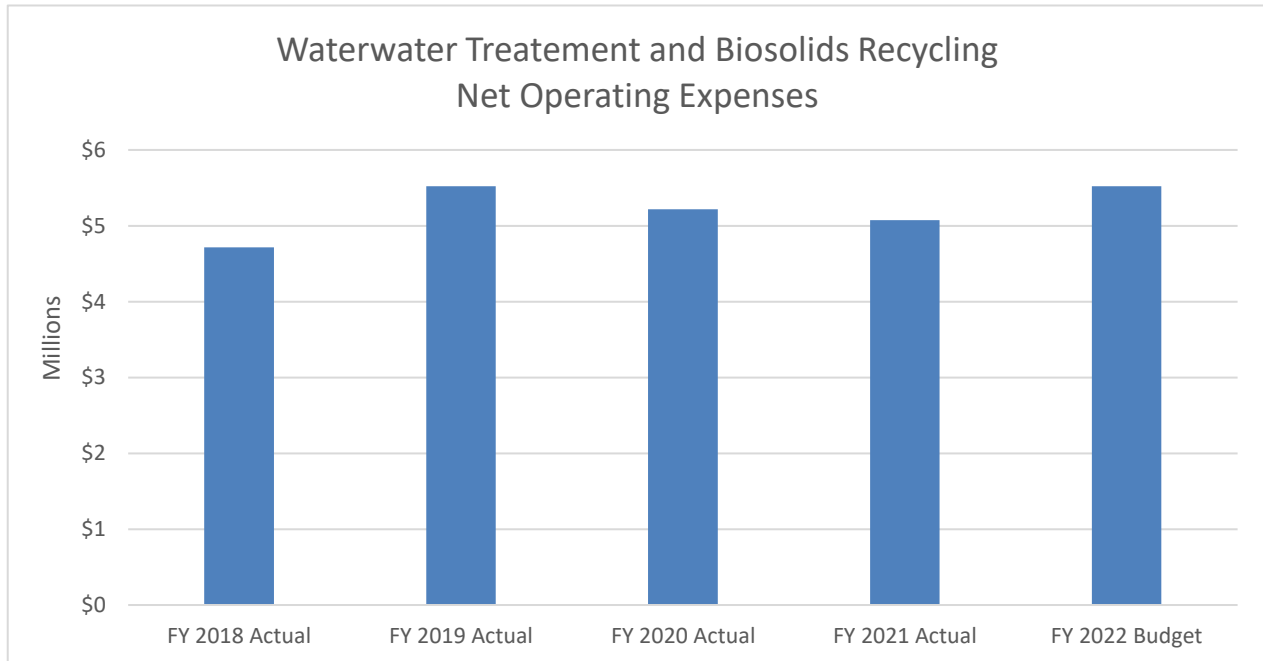
**Orange Water and Sewer Authority
Water Distribution Department
Historical Operating Expenses**

Expense	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Salaries	1,637,715	1,720,525	1,649,228	1,635,937	1,765,422
Payroll taxes and benefits	885,295	838,377	788,176	743,445	777,524
Utilities	196,933	204,576	210,258	155,929	244,015
Materials and Supplies	88,900	107,531	95,158	89,431	117,241
Chemicals	-	-	-	-	-
Maintenance	498,867	488,478	686,565	476,483	629,443
Professional Services	8,837	8,052	8,541	8,525	6,403
Communications	2,764	4,316	3,170	3,828	5,000
Printing and Reproduction	448	36	274	-	1,500
Education and Development	15,937	16,614	4,693	7,611	18,300
Other	2,947	69,807	9,720	3,359	2,500
Construction Credits	(100,491)	(106,548)	(56,040)	(157,677)	(387,500)
Net Operating Expenses	3,238,152	3,351,764	3,399,743	2,966,871	3,179,848
Percent change from prior year	10%	4%	1%	-13%	7%
Number of personnel (funded)	33	35	35	35	35



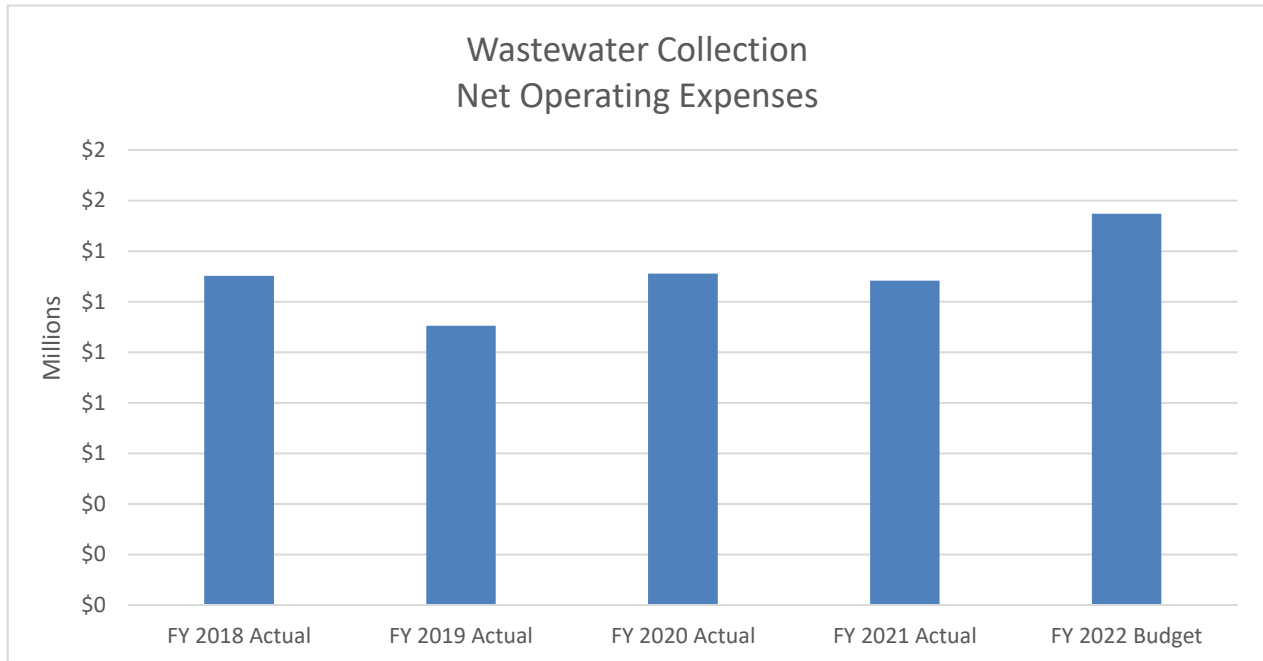
**Orange Water and Sewer Authority
Wastewater Treatment and Biosolids Recycling Department
Historical Operating Expenses**

Expense	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Salaries	1,432,562	1,507,700	1,516,402	1,653,858	1,533,682
Payroll taxes and benefits	652,392	631,963	606,725	655,530	578,016
Utilities	608,995	898,536	722,068	616,140	750,034
Materials and Supplies	221,540	277,718	219,875	228,396	270,964
Chemicals	777,145	1,012,434	894,688	728,095	910,608
Maintenance	842,992	998,235	1,047,066	997,831	1,248,920
Professional Services	103,679	88,391	101,832	83,800	88,681
Communications	8,242	9,944	7,054	960	740
Printing and Reproduction	-	-	-	-	-
Education and Development	10,374	19,817	27,759	4,853	47,075
Other	57,821	78,754	73,436	103,249	91,350
Construction Credits	-	-	-	-	-
Net Operating Expenses	4,715,742	5,523,492	5,216,905	5,072,712	5,520,070
Percent change from prior year	-4%	17%	-6%	-3%	9%
Number of personnel (funded)	22	22	22	23	23



**Orange Water and Sewer Authority
Wastewater Collection Department
Historical Operating Expenses**

Expense	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget
Salaries	500,522	495,462	520,341	542,546	571,068
Payroll taxes and benefits	282,265	244,988	253,881	232,886	264,341
Utilities	110,638	122,434	121,711	107,897	143,861
Materials and Supplies	28,134	30,887	26,201	26,101	63,153
Chemicals	186,161	199,726	134,921	231,302	230,000
Maintenance	214,229	89,177	246,193	157,205	249,164
Professional Services	8,461	7,358	8,113	7,903	6,404
Communications	73	131	342	148	500
Printing and Reproduction	-	-	-	-	2,000
Education and Development	4,537	6,342	3,182	9,302	10,800
Other	5,752	2,130	2,782	2,633	6,000
Construction Credits	(38,978)	(94,328)	(6,885)	(34,379)	-
Net Operating Expenses	1,301,794	1,104,307	1,310,782	1,283,544	1,547,291
Percent change from prior year	-5%	-15%	19%	-2%	21%
Number of personnel (funded)	11	11	11	11	11



Agenda Item 7:

Increasing Board Member Compensation to Encourage Public Interest in Applying for Appointment to the OWASA Board of Directors

Purpose:

The Board will review and discuss additional information regarding Board Member Compensation.

Background:

- It's difficult to talk about increasing compensation.
- At present we have two long-standing vacancies on the Board because there is a shortage of applicants to the Board that the Town Councils find suitable. When suitable job candidates are scarce, it is common practice to raise compensation. Raising compensation to more fairly cover the expense of serving on the Board will likely increase the number of applicants.
- The current Board values diversity and inclusion, and wishes for the make-up of the Board to reflect the make-up of the community. At present we have just one Black member, scheduled to leave the Board this July, and just two female members, one of whom is scheduled to leave the Board this July. In short, the Board wishes to encourage minority applicants to the Board.
- A Board member's workload is substantial. Each year Board members attend official Board meetings, Special Meetings, Work Sessions, new-member orientation session, quarterly meetings with the Towns or the County, and occasional fieldtrips. Meetings may last two hours or more, and on average Board members spend two to three hours reviewing the agenda before each meeting.
- Some people with low income may require fair compensation for expenses related to serving on the Board in order to consider applying to serve on the Board. We note that the median income of minorities - Blacks, Hispanics, females - is lower than that of non-minorities.
- In today's dollars, previous Board members have received greater compensation than current Board members receive. In 1977 Board members received \$20 for each official Board meeting, Special Meeting, and Work Session attended; that's worth \$92.01 per meeting today. In 2002 Board members began receiving \$50 per official Board meeting, Special Meeting, and Work Session attended; that's worth \$77.49 today. At present, Board members receive \$50 per meeting in today's dollars, and inflation is likely to decrease the value of this compensation in the near future.

February 10, 2022

Increasing Board Member Compensation to Encourage Public Interest in Applying for
Appointment to the OWASA Board of Directors

Page 2

- Board will discuss various means of establishing fair compensation for service on the Board, including:
 - 1) Compensating for participation in new-member orientation sessions, an estimated total of three or four hours per year;
 - 2) Compensating for participation in quarterly meetings with Towns and-or County officials;
 - 3) Compensating for each hour spent preparing for official OWASA meetings and travel and childcare expenses relating to meeting attendance;
 - 4) Increasing compensation per meeting, perhaps to \$100 per meeting or more;
 - 5) Compensating \$4,000 per year in quarterly payments of \$1,000, the maximum allowed under the statute.

Action:

Board discussion and feedback.

Agenda Item 8:

Review Board Work Schedule

Purpose:

- a) Request(s) by Board Committees, Board Members, General Counsel and Staff
- b) Review draft Agenda for February 24, 2022 Board Meeting
- c) Review draft Agenda for March 10, 2022 Board Work Session
- d) Review 12 Month Board Meeting Schedule
 - Proposed Alternative 12 Month Board Meeting Schedule
- e) Review Pending Key Staff Action Items

Information:

- Draft agenda for the February 24, 2022 Meeting of the Board
- Draft agenda for the March 10, 2022 Board Work Session
- 12 Month Board Meeting Schedule and Proposed Alternative 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

February 10, 2022

Agenda
Meeting of the OWASA Board of Directors
Thursday, February 24, 2022, 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.

The Board may take action on any item on the agenda. 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.

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 of February 15, 2022 Meeting Between Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board (John Morris)
 - B. Update of February 17, 2022 OWASA Annual Update to the Orange County Board of County Commissioners (Ray DuBose)
3. Announcements by Staff
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. Resolution Awarding University Lake Permanganate Facility Construction Project (Coleman Olinger)
3. Resolution Awarding Bolinwood Interceptor Construction Project (Simon Lobdell)
4. Sole Source of Mason Farm Wastewater Treatment Plant Biogas Equipment (Simon Lobdell)
5. Sole Source of Water Treatment Plant HVAC Equipment (Brad Barber)
6. Approval of New Strategic Plan Priorities (Mary Tiger)
7. Minutes of the January 27, 2022 Meeting of the Board of Directors (Andrea Orbich)
8. Minutes of the February 10, 2022 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Ray DuBose)

Regular Agenda

Discussion

9. Long-Range Water Supply: Valuation of OWASA Land in Chatham County (Todd Taylor/Ruth Rouse)

Summary of Work Session Items

10. 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

11. 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)

Agenda
Work Session of the OWASA Board of Directors
Thursday, March 10, 2022, 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.

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

Announcements

- a. Announcements by the Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
- b. Announcements by Board Members
- c. Announcements by Staff

Consent Agenda

Action

- 1. Minutes of the February 10, 2022 Work Session of the Board of Directors (Andrea Orbich)
- 2. Minutes of the February 24, 2022 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter in Accordance with N.C. General Statutes 143-318.11.6 (Ray DuBose)

Regular Agenda

Discussion

- 3. Draft Fiscal Year 2023 Operating and Capital Equipment Budget (Stephen Winters)

4. Review Board Work Schedule
 - a. Request(s) by Board Committees, Board Members, General Counsel and Staff (Jody Eimers)
 - b. March 24, 2022 Board Meeting (Todd Taylor)
 - c. April 14, 2022 Work Session (Todd Taylor)
 - d. 12 Month Board Meeting Schedule (Todd Taylor)
 - e. Pending Key Staff Action Items (Todd Taylor)
 - f. Action Items Reoccurring Every 3 to 5+ Years (Todd Taylor)

Summary of Work Session Items

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

DRAFT

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 4, 2022)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
February 2022	Award WTP Belt Filter Press Construction Project LRWSP - Review and Approve CEP Department Managers FY 23 Budget Presentations Reliability and Resiliency Improvements Update Board Member Compensation CS – Prepare for GC Interim Review 2/10/2022	Award University Lake Permanganate Facility Construction Project Award Bolinwood Interceptor Construction Project Sole Source of WWTP Biogas Equipment Sole Source of WTP HVAC Equipment Approve New Strategic Plan Priorities LRWSP – land value CS – GC Interim Review 2/24/2022	<i>Annual Update to BOCC (2-17-2022)</i> <i>Meeting between the CHTC OWASA Committee & Chapel Hill Appointees to the BOD (2-15-2022)</i> <i>OWASA Orientation for Newly Elected CHTC Officials (TBD)</i>
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	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 LRWSP – update on conversations with WIP (tentative) 4/14/2022	Q3 Financial Report Authorize Staff to Publish FY 23 Budget and Rate Information BOD Eligible for Nominations to Election as Board Officers (if needed) (Tentative – In-Person Meeting) Receipt of the OC Board of Health Report on Drinking Water Fluoridation 4/28/2022	<i>Mitigation Banking Field Trip (TBD)</i> <i>Strategic Plan Work Session (TBD)</i> <i>Meeting between the BOCC Members & OC Appointees to the BOD (TBD)</i>
May 2022	Approve Employee Insurance Renewals Employee Merit Pay for FY 23 Strategic Plan Update CS – Prepare ED Annual Review 5/12/2022	Public Hearings – FY 23 Budget and Rates Approve Employee Insurance Renewals (if needed) CS – ED Annual Performance Review 5/26/2022	
June 2022	Approve FY 23 Budget and Rates (including Employee Merit Pay decision) Strategic Plan Update Election of Officers 6/9/2022	TBD 6/23/2022	
July 2022	D&I Update Strategic Plan Update LRWSP Community Engagement Update 7/14/2022	TBD 7/28/2022	<i>Possible welcome of new Board member(s)</i>
August 2022	TBD 8/11/2022	Preliminary 12 Month Financial Report CIP Semiannual Report CS – Prepare GC Annual Review 8/25/2022	
September 2022	Annual Report on Disposal of Surplus Personal Property EEO/Affirmative Action Report and D&I Update Review Draft Strategic Plan CS – GC Annual Review 9/8/2022	Annual Report and Financial Audit Approve GC Engagement Forest Management Program Update Approve Strategic Plan (Annual Meeting of the BOD) 9/22/2022	
October 2022	TBD 10/13/2022	Strategic Trends Report Q1 Financial Report 10/27/2022	
November 2022	TBD 11/10/2022	<i>Holiday – no meeting</i>	
December 2022	CS – Prepare for ED Interim Review 12/8/2022	<i>Holiday – no meeting</i>	

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 4, 2022)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
January 2023	Employee Health and Dental Insurance (C) Update for FY 23 D&I Update (C) CS – ED Interim Performance Review (C) <div style="text-align: right;">1/12/2023</div>	Appoint Audit Firm (C) 2022 Annual Lakes Recreation Report (C) CIP Semiannual Report (C) Q2 Financial Report (C) Discuss FY 23 Budget Calendar and Assumptions (C) <div style="text-align: right;">1/26/2023</div>	<i>OWASA Orientation for newly elected officials (TBD)</i>

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 initiative would be addressed beyond the 12-month period. The Board may conclude that the following initiative is 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.

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:

(C)	Recurring agenda item (generally these are "required" items)	ED	Executive Director
AV/AMI	Agua Vista/Advanced Metering Infrastructure	EEO	Equal Employment Opportunity
BOCC	Orange County Board of County Commissioners	EPA	Environmental Protection Agency
BOD	Board of Directors	FY	Fiscal Year
CCR	Cane Creek Reservoir	GC	General Counsel
CE	Community Engagement	HR	Human Resources
CEP	Community Engagement Plan	JL	Jordan Lake
CHTC	Chapel Hill Town Council	KPI	Key Performance Indicator
CIP	Capital Improvements Program	LRWSP	Long-Range Water Supply Plan
COLA	Cost of Labor Adjustment	MOA	Memorandum of Agreement
CS	Closed Session of the Board	MWBE	Minority/Women-owned Business Enterprises
CTC	Carrboro Town Council	MST	Mountains-to-Sea Trail
CY	Calendar Year	MFMM	Multi-Family Master Meter
D&I	Diversity and Inclusion	NCDOT	North Carolina Department of Transportation
		NRTS	Natural Resources and Technical Services

OWASA Board of Directors – 12 Month Board Meeting Schedule (January 7, 2022)

OC	Orange County	SOW	Scope of Work
Q	Quarter	TBD	To Be Determined
RFP	Request for Proposals	WTP	Water Treatment Plant
SRF	State Revolving Fund	WWTP	Wastewater Treatment Plant



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
From: Todd Taylor
Date: February 3, 2022
Subject: Proposed Alternative to 12 Month Board Meeting Schedule

Purpose:

For the Board of Directors to review and consider a proposed approach to reduce the frequency of and time required to prepare for Board meetings.

Background:

Over the past several months the Board has discussed the potential impact workload has on recruiting and retaining Board members. The number of meetings per month (the Board meets twice a month for most of the year, not including Committee Meetings) and the amount of time required to prepare for each meeting have both been identified by Board members as obstacles to this effort.

Currently, there are a few areas in the Bylaws that address the Board meeting calendar:

- *ANNUAL MEETINGS. Annual meetings of the Authority shall be held on the fourth Thursday in September of each year unless otherwise decided by a majority of the Board and at the hour and place designated in the notice of same.*
- *REGULAR MEETINGS. The Authority may establish by resolution a schedule of regular meetings to be held from time to time between the Annual Meetings. No notice of such regularly scheduled meetings shall be required to be given the Directors, and the regular business of the Authority may be transacted at such meetings, provided a quorum is in attendance.*

Note that our current practice is for the Executive Committee to review and approve the Board meeting schedules and agendas.

Another area of the Bylaws pertinent to this discussion is:


- *REPORTS OTHER THAN ANNUAL. The Authority may require financial and other reports filed with it on a monthly, quarterly, or other basis, in its discretion, and may direct that such reports contain such information in such detail as it may deem appropriate.*

In summary, the Board has full discretion to adjust its meeting schedule, agendas and content.

Recommendation:

Staff has reviewed the current 12-month Board meeting schedule and agenda topics for opportunities to reduce the frequency of meetings and the time associated with preparing for said meetings. Recurring reports have been identified as a significant opportunity. These reports make up a significant portion of the items on the Board's upcoming agendas and require no action by the Board. These reports also tend to be some of the lengthier items in the agenda materials. Therefore, staff proposes to submit these reports to the Board via email to be reviewed at their leisure. In taking this action, the remaining items can be consolidated (as shown in Attachment A – Proposed Alternative 12 Month Board Meeting Schedule) into single monthly meetings.

Staff also recommends that we consider doing this on a trial basis for a few months before adopting the practice permanently. Should the Board agree to this trial of one meeting a month the March 10th Board Meeting will be adjusted accordingly.



Todd Taylor, P.E.
Executive Director

Attachment A – Proposed Alternative 12 Month Board Meeting Schedule

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 4, 2022)

Meeting Date	Agenda Items	Committee Meetings & Other Board Items
March 10 2022	Set Date for Public Hearings on FY 23 Budget & Rates FY 23 Draft Budget and Rate Adjustment	() ()
April 14 2022	FY 23 Draft Budget and Rate Adjustment Authorize Staff to Publish FY 23 Budget and Rate Information BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) Planning BOD Self-Assessment (Tentative for an In-Person BOD Meeting) Receipt of the OC Board of Health Report on Drinking Water Fluoridation	() () () ()
May 12 2022	Public Hearings – FY 23 Budget and Rates Approve Employee Insurance Renewals Discuss Employee Merit Pay for FY 23 CS – Prepare ED Annual Review	() () () ()
June 9 2022	Approve FY 23 Budget and Rates (including Employee Merit Pay decision) Election of Officers CS – ED Annual Performance Review	() () ()
July 14 2022	CS – Prepare GC Annual Review	()
August 11 2022	CS – GC Annual Review	()
September 8 2022	Annual Meeting of the Board – Annual Report and Financial Audit Review Draft Strategic Plan Approve GC Engagement	() ()
October 13 2022	Approve Strategic Plan	()
November 10 2022	TBD	
December 8 2022	CS – Prepare for ED Interim Review	()
January 12 2023	Appoint Audit Firm Discuss FY 23 Budget Calendar and Assumptions CS – ED Interim Performance Review	() () ()
February 9 2023	CS – Prepare for GC Interim Review	()

Recurring Reports (Via E-mail)

- **January** - Employee Health and Dental Insurance Update; 2022 Annual Lakes Recreation Report; CIP Semiannual Report; Q2 Financial Report; D&I Update
- **February** - Reliability and Resiliency Improvements Update
- **March** - Affordability Program Update and Energy Management Plan
- **April** - Q3 Financial Report and Strategic Plan Update
- **May** - Strategic Plan Update
- **June** - Strategic Plan Update
- **July** – D&I Update and Strategic Plan Update

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 4, 2022)

- **August** - Preliminary 12 Month Financial Report and CIP Semiannual Report
- **September** - Disposal of Surplus Personal Property; EEO/Affirmative Action Report and D&I Update; Forest Management Program Update
- **October** - Strategic Trends Report and Q1 Financial Report

The 12 Month Board Meeting Schedule shows priority efforts the Board and staff plan to consider during the next twelve months. The schedule also shows annual updates to the Board which will be distributed via email. This schedule does not show all the items the Board may consider in a meeting.

The 12 Month Board Meeting Schedule will be reviewed and updated by the Board each month.

The OWASA Board determines which topics it wants to explore as a full Board 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:

(C)	Recurring agenda item (generally these are “required” items)	JL	Jordan Lake
BOCC	Orange County Board of County Commissioners	KPI	Key Performance Indicator
BOD	Board of Directors	LRWSP	Long-Range Water Supply Plan
CCR	Cane Creek Reservoir	MOA	Memorandum of Agreement
CE	Community Engagement	MWBE	Minority/Women-owned Business Enterprises
CEP	Community Engagement Plan	MST	Mountains-to-Sea Trail
CHTC	Chapel Hill Town Council	MFMM	Multi-Family Master Meter
CIP	Capital Improvements Program	NCDOT	North Carolina Department of Transportation
COLA	Cost of Labor Adjustment	NRTS	Natural Resources and Technical Services
CS	Closed Session of the Board	OC	Orange County
CTC	Carrboro Town Council	Q	Quarter
CY	Calendar Year	RFP	Request for Proposals
D&I	Diversity and Inclusion	SRF	State Revolving Fund
ED	Executive Director	SOW	Scope of Work
EEO	Equal Employment Opportunity	TBD	To Be Determined
EPA	Environmental Protection Agency	WTP	Water Treatment Plant
FY	Fiscal Year	WWTP	Wastewater Treatment Plant
GC	General Counsel		
HR	Human Resources		

Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
1.	1-27-2022	*Discuss Board Member compensation to encourage public interest in applying for appointment as an OWASA Board Member.	2-10-2022	Orbich	Complete
2.	1-27-2022	Add land evaluation item to a future Board agenda.	2-24-2022	Rouse	Complete
3.	1-27-2022	Email the Board the Long-Range Water Supply Plan yield curve sensitivity analysis.	NA	Rouse	Complete – email sent 2/1/2022.
4.	1-27-2022	Add lake recreation discussion, to include draft plan with answers to common questions that will be added to annual recreation report, to the 12 Month Board Meeting Calendar.	TBD	Darr Giesting Riley	
5.	10-28-2021	Evaluate trends in the labor market, cyber security, etc.	NA	Taylor Directors	
6.	7-8-2021	Schedule Board D&I training session.	NA	Taylor Orbich	In progress, consultant hired and one-on-one virtual interviews with Board Members scheduled.
7.	7-8-2021	Schedule separate Board Work Sessions to update the Strategic Plan this fall and winter.	11-18-2021 12-16-2021 1-26-2022	Orbich Tiger	The Board will hold its Strategic Plan Work Session on January 26, 2022; and the February 2022 session will be rescheduled for March 2022 (TBD).