



# ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services  
to the Carrboro-Chapel Hill community.*

## **Agenda**

### **Work Session of the OWASA Board of Directors**

**Thursday, February 8, 2018, 6:00 P.M.**

**OWASA Community Room**

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service ([aorbich@owasa.org](mailto:aorbich@owasa.org)/400 Jones Ferry Road, Carrboro, NC 27510).

For items 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
  - Update on the February 5, 2018 Human Resources Committee Meeting (Barbara Foushee)
  - Update on the February 8, 2018 Chatham/Orange Joint Planning Task Force Meeting (John Young)
  - OWASA Annual Presentation to the Orange County Board of Commissioners on Tuesday, February 20, 2018 at 7:00 p.m. in the Southern Human Services Center, Chapel Hill (Ray DuBose)
- c. Announcements by Staff

### **Consent Agenda**

#### **Action**

1. Minutes of the January 11, 2018 Work Session of the Board of Directors (Andrea Orbich)

### **Regular Agenda**

#### **Discussion**

2. Response to Petition from OWASA Customer Michael Potter Regarding the Water Meter at his Residence (Stephen Winters)
3. Affordability Program Update (Mary Tiger)
4. Key Performance Indicator Selection for Future Review (Mary Tiger)
5. Diversity and Inclusion Program Progress Report (Stephanie Glasgow)
6. Review Board Work Schedule (Robert Morgan/Ed Kerwin)
  - a. Request(s) by Board Committees, Board Members and Staff
  - b. February 22, 2018 Board Meeting
  - c. March 8, 2018 Work Session

- d. 12 Month Board Meeting Schedule
- e. Pending Key Staff Action Items

**Summary of Work Session Items**

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

**Closed Session**

- 8. The Board of Directors will convene in a Closed Session for the Purpose of Discussing a Personnel Matter (Barbara Foushee)

## Agenda Item 1

### Orange Water and Sewer Authority

### Meeting of the Board of Directors

January 11, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, January 11, 2018, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Robert Morgan (Chair), Yinka Ayankoya (Secretary), Jeff Danner, Ray DuBose, Barbara Foushee, John N. Morris, Ruchir Vora and John A. Young. Board Member absent: Heather Payne (Vice Chair).

OWASA staff present: Donald Boggs, Mary Darr, Monica Dodson, Robert Epting, Esq., (Epting and Hackney), Adam Haggerty, Randy Horton, Stephanie Glasgow, Ed Kerwin, John Kiviniemi, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Katie Loovis (Chapel Hill Carrboro Chamber of Commerce), JD Solomon (CH2M), Ben Poulson (University of North Carolina (UNC) at Chapel Hill Associate Director of Energy Services) and Margaret Holton (UNC Water, Sewer and Reclaimed Water Coordinator).

#### Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Mr. Robert Glosson to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill Community. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving and Awarding Audit Contract to Martin Starnes & Associates, CPAs P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute the Contract. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Adjusting the Executive Director's Compensation. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
4. Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved.
5. Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Closed Session of the Board of Directors to Discuss Potential Litigation and Discuss a Personnel Matter; second by Barbara Foushee and unanimously approved.

\* \* \* \* \*

### Announcements

Robert Morgan asked that if any Board Member knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Barbara Foushee announced that the Human Resources Committee will meet Monday, February 5, 2018, at 5:30 p.m. in the OWASA Boardroom to discuss retiree health benefits for new hires and deferred compensation (457) plan.

John Young announced that the Natural Resources and Technical Services Committee will meet on Monday, February 26, 2018, at 5:00 p.m. in the OWASA Boardroom to discuss and evaluate the Drought Response Operating Protocol.

Mr. Young announced that he and Ed Kerwin will attend the Chatham/Orange Joint Planning Task Force meeting on Thursday, February 8, 2018, at noon at the offices of Clarion Associates. The Task Force was developed in 2009 to discuss topics of mutual interest between the two counties such as comprehensive planning and water supply.

Ray DuBose announced that he will provide OWASA's annual update to the Orange County Board of County Commissioners on Tuesday, February 20, 2018, 7:00 p.m., at the Southern Human Services Center in Chapel Hill, and that the update will include items from the January 2018 Annual Report to the local governments. Robert Morgan and Todd Taylor will also attend.

Mr. DuBose requested, and the Board agreed, that senior management deliver a message of appreciation to staff who responded and worked tirelessly to ensure service was maintained to our customers despite the frigid conditions during the recent winter weather.

#### Item One:      Calendar Year 2017 Biosolids Report

The Board received the Calendar Year 2017 Biosolids Report which indicated that the established target goal of beneficially recycling 75% biosolids to land application and 25% biosolids dewatered to composting was achieved for calendar year 2017. The Board agreed that future updates will be incorporated in the Annual Review and Update of Strategic Trends and Utility Planning Issues Report.

#### Item Two:      Quarterly Report on Attendance at Board and Committee Meetings

The Board received the Quarterly Attendance at Board and Committee Meetings report as an information item.

#### Item Three:    Resolution Honoring the Service of Mr. Robert Glosson to the Orange Water and Sewer Authority

Motion by Yinka Ayankoya; second by Barbara Foushee and unanimously approved. Please see Motion 1 above.

Item Four: Appoint Audit Firm

Yinka Ayankoya made a motion to approve the Resolution Approving and Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute the Contract; second by Barbara Foushee and unanimously approved. Please see Motion 2 above.

Item Five: Executive Director Compensation

Yinka Ayankoya made a motion to approve the Resolution Adjusting the Executive Director's Compensation; second by Barbara Foushee and unanimously approved. Please see Motion 3 above.

Item Six: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion 4 above.

Item Seven: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Closed Session of the Board of Directors to Discuss Potential Litigation and Discuss a Personnel Matter; second by Barbara Foushee and unanimously approved. Please see Motion 5 above.

Item Eight: Update on Employee Health and Dental Insurance for next Fiscal Year

The Board received and discussed a timeline, utilization data and other information related to renewing employee health and dental insurance effective in July 2018. OWASA has engaged a consultant (Hill Chesson & Woody) who will review the insurance cost proposal to be submitted later this year by Blue Cross and Blue Shield of North Carolina.

Item Nine: Water Treatment Plant (WTP) and Wastewater Treatment Plant Reliability (WWTP) and Risk Assessment Project Overview and Update

The Board received and discussed an update on OWASA's Jones Ferry WTP and Mason Farm WWTP Reliability and Risk Assessment. The Board will review and provide feedback on the Draft WTP and WWTP Reliability and Risk Assessment Report in June 2018.

Item Ten: Discuss Key Performance Indicators: Water Main Breaks

Katie Loovis, Vice President for External Affairs for the Chapel Hill Carrboro Chamber of Commerce, expressed an interest in how OWASA is tracking the progress of February 2017 water main break. Ms. Loovis said that the Chamber is available to assist with communication for the business community and that she plans to attend more Board meetings.

The Board discussed strategies in place to reduce the occurrence, frequency, and impact of water main breaks and agreed to add a new metric, Service Reliability, to the monthly Key Performance Indicator (KPI) Report. The Board will discuss topics for future KPI discussions at the February 8, 2018 work session. Staff will also provide a summary on state-of-the-art methods to assess the operational integrity of existing water main infrastructure.

Item Eleven: Discuss Key Focus Areas for OWASA's Executive Director

The Board agreed to add the following information to draft Key Focus Areas for OWASA's Executive Director for the period of October 2017 through September 2018:

- High Quality and Reliable Services: g) Meet all Financial Management Objectives.
- Diversity and Inclusion: a) will ask consultant about Diversity and Inclusion metrics.
- Employee Safety: b) Propose additional safety metrics for the Board's consideration.
- New section on "Communication and Coordination with the Board."

This updated draft will be prepared for the Board's review and approval at the January 25, 2018 meeting.

Item Twelve: Review Board Work Schedule

The Board agreed to meet with VISIONS, Inc. to receive an Organizational Assessment Report and training on Monday, January 29, 2018, from 6:00 to 9:00 p.m. in the OWASA Boardroom.

Jeff Danner said that he has canceled his request for a Finance Committee meeting to discuss the budget process.

John Morris requested an agenda item to educate the Board on awards OWASA has received or pursuing and how it benefits the community and the organization; the Board agreed.

Ruchir Vora requested an update on the Duke study regarding perfluorinated compounds; the Board agreed.

Item Thirteen: Executive Director Will Summarize the Key Staff Action Items from the Work Session

Ed Kerwin noted the following items for staff follow-up:

- Extend the Board’s message of appreciation to staff who responded and worked tirelessly to ensure service was maintained to our customers despite the frigid conditions during the recent winter weather.
- Implement changes to Key Performance Indicator Report on water main breaks.
- Provide an agenda item regarding the next Key Performance Indicator topic on February 8, 2018.
- Provide a brief on state-of-art-methods to determine water main condition.
- Provide information at a future Board meeting on awards OWASA has received and/or are pursuing and how it benefits the community and the organization.
- Provide an agenda item regarding perfluorinated compounds on February 22, 2018.

The Board work session was adjourned at 8:06 p.m.

Respectfully submitted by:

Andrea Orbich  
Executive Assistant/Clerk to the Board

Attachments

**Agenda Item 2:**

Response to petition from OWASA Customer Michael Potter regarding the water meter at his residence

**Background and Purpose:**

On January 25, 2018, Michael Potter presented a petition to the Board of Directors. Mr. Potter asserts that the meter serving his property was not registering water flow accurately for over 10 years; he maintains that it recorded more water use than was actually used.

In his petition, Mr. Potter mentions three months in 2007, September through November, in which his water use was atypically high: 15, 14 and 11 thousand gallons respectively. An OWASA service technician visited the residence and based on inspection of the meter, found no indication of an active leak. Denise Battle, then an OWASA Customer Service Representative, offered to issue an emergency water loss adjustment. However, our records indicate that Mr. Potter never supplied the information to support an adjustment and none was made.

According to Mr. Potter, at his request, we replaced the meter serving his residence in January 2017. When the old meter was removed, Mr. Potter says he was told that the meter would be tested in OWASA's meter shop. Unfortunately, we do not have a record of a test being made.

**Policies Regarding Account Adjustments:**

Two OWASA policies apply to Mr. Potter's petition. Paraphrased, these policies are as follows:

- Emergency Water Loss Policy – allows staff to provide an account adjustment for water losses resulting from conditions beyond normal and reasonable control of the customer. Customers are eligible for one water loss adjustment every three years. Requests for adjustment must be made within 90-days from the date of the bill for the period of high consumption.
- Billing or Service Record Errors – if OWASA makes a billing error that results in a customer overpaying, the time-frame of the payments to be refunded shall not exceed 15 years. If OWASA makes a billing error that results in a customer underpaying, the time-period for recouping the underpayments is limited to no more than three years.

**Water Use Analysis and Account Adjustment Already Provided:**

Although no bench-test was performed on Mr. Potter's meter, an OWASA service technician performed a field test. The service technician estimated that the meter may have been over-registering water use by as much as two percent. (Industry tolerance for meter accuracy is between 97% and 103%.)

Staff is unable to verify the accuracy of the old meter and, therefore, has no solid information upon which to base an account adjustment. However, based on the circumstances, staff issued a credit of \$394.95 to Mr. Potter. The credit consisted of two components:

- \$124.68 as an adjustment for the apparent 2007 leak event. For leak adjustments, OWASA's policy allows us to calculate a credit for one month's bill. The amount of the credit is the difference between the high bill incurred as a result of the leak and the average use over the previous 12 months. In some cases, we make an exception and base the adjustment on two months rather than one. The credit we've made to Mr. Potter's account is based on two months' bills.



- \$270.27 as an adjustment for suspected over-registration of water use. Mr. Potter asserted that his typical water consumption is between 2,000 and 3,000 gallons per month. Over the three-year period prior to the installation of the new meter, there were 17 months for which the account was billed for 4,000 gallons and two months for which it was billed for 5,000 gallons. For these 19 months, if Mr. Potter had been billed for 3,000 gallons instead, he would have been billed for 21,000 gallons less. At Mr. Potter’s level of consumption, the water rate for those 21,000 gallons is \$6.39; the sewer rate is \$6.48. Therefore, we have credited his account for \$270.27 (21,000 gallons \* (\$6.39+\$6.48)). As a result, for the 36-month period, Mr. Potter’s account was billed at 3,000 gallons in 35 months and 2,000 gallons in one month.

The following is a comparison of meter readings for the three-year period before, and the 10-month period after the meter was replaced in January 2017.

|   | Old Meter | New Meter |
|---|-----------|-----------|
| Number of months of history               | 36        | 10        |
| Average monthly water use (in 1,000 gals) | 3.5       | 2.6       |

At this point, it is not possible to know for certain whether the meter was over-registering and, if it was over-registering, by how much and for how long. Three years was used for the adjustment period because staff believes this is a reasonable time-frame under the circumstances.

**Customer’s Request and Staff’s Observations:**

In his petition, Mr. Potter makes two requests.

1. That we calculate the adjustment using the water rate actually paid rather than the lowest block-rate tier.

Staff observation:

The water rate that Mr. Potter paid on the 21,000 gallons was the Block 2 rate of \$6.39 per thousand gallons. As indicated above, staff used the Block 2 water rate in calculating the adjustment. Therefore, this request has already been met.

2. That we calculate the adjustment over a 10-year period rather than three. The rationale for this request appears to be based on the high readings recorded in 2007.

Staff observation:

Staff does not believe that the high readings in 2007 (15, 14, and 11 thousand gallons in consecutive months) resulted from a meter malfunction. In OWASA’s experience, it is extremely rare for a meter to over-register readings beyond the 97% to 103% industry accuracy tolerance. Therefore, staff does not believe it is reasonable to assume that all readings since the fall of 2007 were incorrect. While Mr. Potter’s petition does not say so explicitly, it seems he is requesting that we assume that he used no more than 3,000 gallons in any month during the 10-year period. If we were to adjust Mr. Potter’s account according to this assumption, we would assume that he used 84,000 gallons less than was recorded and billed. OWASA implemented several rate changes during that 10-year period but if we estimate what the credit would be, using a flat-rate of \$12 per thousand for water and sewer (combined), the amount of the credit to Mr. Potter’s account would be about \$1,000.

Alternatively, if we assume the meter was over-registering by two percent, Mr. Potter would have been overbilled by almost 9,000 gallons. Again using \$12 as an estimate of the combined water

and sewer rate for the 10-year period, the amount of the credit to Mr. Potter's account would be \$108.

In staff's opinion, the \$394.95 that we have already applied to Mr. Potter's account is reasonable and fair.

**Action Requested:**

Provide guidance to staff.

**Information:**

- Petition from Michael Potter
- Letter from Stephen Winters to Michael Potter dated July 28, 2017
- Letter from Stephen Winters to Michael Potter dated October 5, 2017

## OWASA PETITION

I am Michael Potter. My wife Dr. Joan Potter and I have lived in Chapel Hill since 1980. We now reside at the home we built in 1987 and 1988 at 75 Cedar Hills Circle in Chapel Hill.

I am here about my on-going discussion with OWASA personnel about a faulty water meter left at our property for over ten years. After my meeting with Ed Kerwin and discussions with Steve Winters, Ed suggested I bring this matter to the OWASA board since he never had this issue before.

The OWASA bills we received in September, October and November of 2007 were for 15,000, 14,000 and 11,000 gallons. On about November 14, 2007, I talked with Denise Battle who said she would issue a one-time credit for the overage and that a crew would be sent to our home to check the meter. I met the OWASA crew as they shut off the water to the house to check for leaks. There was no movement in the red triangle so I was advised they found no leaks.

However, the OWASA crew did not check the meter itself in 2007. Over the past 10 years I have twice employed plumbers for the sole purpose to check for internal water leaks in our home. They found no water leaks in our home water system. Since 2007 we have been using water-saving devices including 1.6 gallon toilets, low flow shower heads, and water saving cycles on the dishwasher and washer. In January 2013, I again contacted OWASA about a meter reading of 5000 gallons.

Last year, I asked that the meter be replaced. Mr. David Moriarty field tested the old meter while installing the new meter. We disagreed on the meter readings during the test. Moriarty emphasized this was only

a field test and promised to have the meter accurately tested when he returned to the shop. Immediately after Moriarty's departure, I called Mrs. Battle to advise her of Moriarty's intention to test the meter in the shop. She assured me that the test would be conducted and that she would contact me with the results. Mr. Kerwin later advised me that the in-house testing never occurred and that the old meter had been destroyed and recycled.

When I did not hear from Battle for six weeks after the new meter was installed, I contacted Steve Winters who suggested we see what water consumption was for the six to twelve months with the new meter. The new meter was installed February 2, 2017. Our next bill was for 2000 gallons. Every billing since February 2017 has dropped dramatically from upwards of 4000 and 5000 gallons per month to 2000 to 3000 gallons per month.

From 2007 until 2015 my wife and I were the only two people living in our home, and we were away during the day for work. Also, we both used outside facilities to exercise and to shower. Beginning in 2016, we have both been home more frequently during the day.

Ironically, even with us being home more during the day, our usage numbers have dropped dramatically to an average of 2500 gallons per month since the new meter was installed.

Steve Winters has diligently calculated an estimated overage use for the past three years and offered a refund for those three years. If I understand Steve's calculations correctly, the amount of return is based on the lowest rate instead of the actual rate at which the overage was paid. For example refund is based on the first 1000 gallons rather than what was actually paid for the 4000 or 5000 gallon amounts.

So, we are requesting two actions from this board:

First, that fair rate for the thousands of gallons of overage be calculated on what we actually paid rather than the lowest rate; and

Second, we request that we be refunded for the entire 10 year period. This request is for an exception to any 3 year rule since we brought the large readings to OWASA's attention in 2007 and the long term effort necessary to solve the replacement of the faulty meter.

If the field crew that only tested the meter in 2007 for leaks had gone one further step and installed a new meter when we first brought the matter to the attention of OWASA, we would not have ten years of overcharges. We believe we did everything we could as customers to conserve water and believe it is unfair to pay for water we did not use.



# ORANGE WATER AND SEWER AUTHORITY

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to the Carrboro-Chapel Hill community.*

July 28, 2017

Dr. Michael Potter  
75 Cedar Hills Circle  
Chapel Hill, NC 27514

Dear Dr. Potter:

As promised, I have reviewed your account including the notes our Customer Service Representatives made about correspondences with you. Our records go back about 10 years. We have records of conversations with you but none reference dealing with a leak at your property.

You have indicated that you believe the meter at your property that was in service prior to March 2017 was over-registering. You have said that you believe your typical water consumption is between 2,000 and 3,000 gallons per month.

As I have indicated, I have no way to verify the accuracy of the old meter and, therefore, have no information that justifies adjusting your account. However, I recognize and respect your point of view and in the interest of trying to resolve this issue and, hopefully, regaining your confidence, I propose the following.

Over the two year period prior to the installation of the new meter in March, there were nine months for which you were billed for 4,000 gallons and one month for which you were billed for 5,000 gallons. For these 10 months, if you had been billed for 3,000 gallons instead, you would have been billed for 11,000 gallons less. At your level of consumption, the water rate for this 11,000 gallons is \$6.39; the sewer rate is \$6.48. Therefore, I am willing to credit your account for \$141.57 (11,000 gallons \* (\$6.39+\$6.48)).

Please let me know if you find this acceptable.

Thank you.

Stephen Winters, CPA  
Director of Finance and Customer Service  
919-537-4230  
swinters@owasa.org



# ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services  
to the Carrboro-Chapel Hill community.*

October 5, 2017

Dr. Michael Potter  
75 Cedar Hills Circle  
Chapel Hill, NC 27514

Dear Dr. Potter:

I am following up on your conversation with Ed Kerwin last week to summarize the credit we have made to your account. The total amount to be refunded to you is \$394.95 and it's comprised of two components:

1. A credit of \$124.68 as an adjustment for a leak event you had in 2007. For leak adjustments, our policy allows us to calculate a credit for one month's bill. The amount of the credit is the difference between the high bill incurred as a result of the leak and the average use over the previous 12 months. In some cases, we make an exception and base the adjustment on two months rather than one. The credit we've made to your account is based on two months' bills.
2. We have credited your account for an additional \$270.27 for reasons you and I have discussed. You indicated that you believe the meter at your property that was in service prior to March 2017 was over-registering and that you believe your typical water consumption is between 2,000 and 3,000 gallons per month. Over the three-year period prior to the installation of the new meter in March of this year, there were 17 months for which you were billed for 4,000 gallons and two months for which you were billed for 5,000 gallons. For these 19 months, if you had been billed for 3,000 gallons instead, you would have been billed for 21,000 gallons less. At your level of consumption, the water rate for 21,000 gallons is \$6.39; the sewer rate is \$6.48. Therefore, we have credited your account for \$270.27 (21,000 gallons \* (\$6.39+\$6.48)).

Please let me know if you have questions.

Thank you.

Stephen Winters, CPA  
Director of Finance and Customer Service  
919-537-4230  
swinters@owasa

### **Agenda Item 3:**

#### Affordability Program Update

#### **Purpose:**

To receive feedback and guidance on the proposed Affordability Outreach Program Update and Plan for Year 3

#### **Background:**

“Affordability and Cost Management” is one of the five key strategic themes in OWASA’s Strategic Plan. During rate-setting discussions and strategic planning meetings, the OWASA Board of Directors concluded that water conservation should be promoted as a key strategy for customers – especially those in financial need – to lower monthly water and sewer bills.

On December 8, 2016, the Board of Directors approved [the Affordability Outreach Program Plan \(Year 2\)](#) and authorized staff to proceed to implement the program in accordance with the plan.

Our affordability outreach partners were provided an opportunity to discuss and contribute to the update and plan in-person, as well as to review and comment on the written draft. All of those responding expressed support for the proposed plan.

#### **Action Requested:**

We invite questions on the update and feedback and guidance on the plan for next year’s Affordability Outreach Program from members of the public and the Board of Directors.

Consistent with past practice, we do not believe a formal resolution is needed for this matter. However, we do recommend that if and when the Board supports moving forward with the proposed program, it consider acting on this matter via approval of a motion, perhaps along the lines of the following:

*“Motion that the Board of Directors approves the proposed Affordability Outreach Program Update and Plan (Year 3) and authorizes staff to proceed to implement the program in accordance with the approach described in the proposed plan.”*

#### **Information:**

- DRAFT Affordability Outreach Program Update and Plan

February 8, 2018



January 2018

# Orange Water and Sewer Authority Affordability Outreach Program Update and Plan

Year 3: February 2018 – January 2019

## Purpose

OWASA's Affordability Outreach Program is designed to increase community awareness of options to manage and reduce water and sewer bills and to empower low-income customers, and the local agencies that serve them, with information and tools to manage and reduce water and sewer bills. The following plan provides an update on the third year (2018) of OWASA's Affordability Outreach Program and identifies strategies for the coming year (2019).<sup>1</sup>

## Background

"Affordability and Cost Management" is one of the five key strategic themes in OWASA's Strategic Plan. During rate-setting discussions and strategic planning meetings, the OWASA Board of Directors concluded that water conservation should be promoted as a key strategy for customers – especially to those in financial need – to lower monthly water and sewer bills.

And while we cannot provide free service or charge different rates based on our customers' ability to pay because of legal and bond order restrictions, we are a member of the community we serve and recognize the need to ensure that water and wastewater service meets a basic human need. It's important to OWASA that our services be accessible to the community in order to protect public health and the environment.

Furthermore, water conservation practices and investments make our community better prepared for droughts; defer the need for multimillion-dollar expansion of OWASA system capacities; and reduce greenhouse gas emissions from use of conventional energy sources to pump lake water, drinking water, wastewater, and treated wastewater. Water conservation has been identified as a key strategy in addressing customer affordability because it reduces costs for customer service, service delivery, and long-term water resource provision. Water conservation has the potential for sustained positive impact for customers, including reduction in water and bills as well as energy costs associated with heating water. Additionally, our Affordability Outreach Program enhances OWASA's engagement with the community.

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<sup>1</sup> Previous Plans were reviewed, discussed, and approved by the OWASA Board of Directors at the [October 22, 2015](#) meeting and the [December 8, 2016](#) meeting.

The foundation of OWASA's Affordability Outreach Program is the partnership with regional, social service agencies. We are grateful for their continued collaboration and engagement.

## Objectives and Target Audience

OWASA's Affordability Outreach Program is designed to increase community awareness of options to manage and reduce water and sewer bills and to empower low-income customers, and the local agencies that serve them, with information and tools to manage and reduce OWASA bills. The following goals and metrics provide an indication of water and sewer service affordability and our efforts to provide relevant outreach to the community.

- **Contributions to our Care to Share program:** Through the Care to Share Program, OWASA customers can contribute funds to provide bill payment assistance to OWASA families in-need.

Currently, about 1,030 customers contribute to Care to Share on their monthly OWASA bill. In Fiscal Year 2017 (July 2016 – June 2017), online bill contributions raised over \$5,300 for the Interfaith Council for Social Services to provide utility bill assistance. This was about \$50 more than was raised in 2016 and \$730 more than was raised in 2015.

In addition, individuals and businesses can donate directly to the Interfaith Council for Social Service and request their funds go to Care to Share. In Fiscal Year 2017 (FY17), \$625 was donated directly from the public to the program.

In sum, Care to Share contributions covered approximately one-third of the utility bill assistance provided by the Interfaith Council for Social Services in FY17.

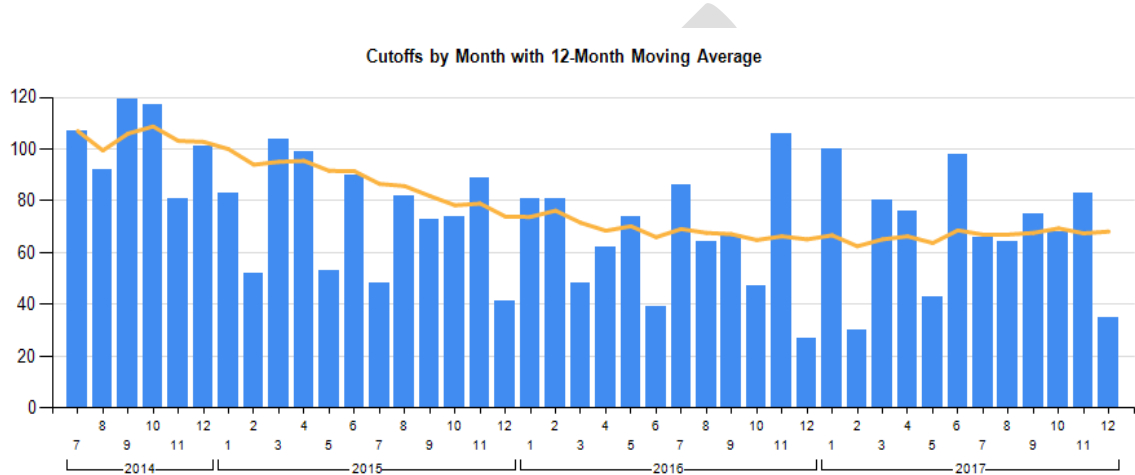
- **Average water use of those customers with whom we engage through our affordability outreach program:** The following report summarizes a spectrum of strategies through which we have engaged and propose to engage with customers. While crediting changes in water use to general outreach is challenging at best, we can measure the impact of direct engagement.

As part of the Affordability Outreach Pilot Project, OWASA worked with the Interfaith Council for Social Services and the Marion Cheek Jackson Center to provide water conservation retrofits of six homes. A year later, five of the six homes experienced a decrease in their average water use and a reduction in their bill of \$4 to \$28 per month. (The home that increased water use was a duplex for which only one-half was retrofitted.)

Last year, OWASA worked with the Town of Chapel Hill Public Housing to launch a program that challenged two neighborhoods to reduce water use by more than the other. (The Save2Gain Neighborhood Conservation Challenge is described in more detail later in the document.) In 2017, the summer-time water use decreased for two-thirds of the homes in one neighborhood and half of the homes in the second neighborhood.

Finally, we track household water use before and after water use assessments, however it is difficult to draw conclusions about the impact of the assessment on water use, as the majority of those conducted in 2017 were for rental properties with tenant turnover.

- **Cut-offs due to non-payment:** Over the past two years, we have seen a steady decline in the number of service cut-offs due to non-payment. The rolling average of monthly cutoffs has fallen by about 40 cut-offs per month. Our reconnection fee is \$45. If we can help a customer avoid a service cutoff, we help them avoid this fee.



**Figure 1: The number of cutoffs, on average, has stabilized following a steady decline**

Our program strives to engage customers with difficulty paying for OWASA services. Primarily, these customers are those:

- Requesting and receiving bill payment assistance from local social service agencies, including the Inter-Faith Council for Social Services (IFC) and the “Care to Share” program;
- Requesting extensions of credit to manage bill payments; and
- For whom service is cut-off due to non-payment of bills.

In order to proactively engage with these customers, we partner with local social service agencies that provide bill assistance, home repair, and maintenance assistance, as well as the rental community. The rental community overlaps with much of our target population for affordability outreach and represents a significant portion of our service area population.

We recognize there are other customers for whom water and sewer service comprises a significant portion of their monthly household expenses that do not fall into any of these categories. As such, our outreach efforts are not limited to just the above-mentioned communities. Additionally, it is important to note that while many of the strategies discussed below (including in-home water use assessments) are identified to be focused through certain agencies and to specific households, these services are generally available to our entire customer

base upon request, as we cannot differentiate services to our customers based on their financial position or need.

## Strategies for Addressing Affordability

The Affordability Outreach Program includes six major strategies for addressing the affordability of OWASA's services. These strategies are:

- Rates and Billing,
- Information and Outreach,
- Bill Assistance,
- Water Efficiency Retrofits,
- Leak Identification, and
- Partnership.

The remainder of this document provides a summary of recent initiatives and proposes new and continued tactics for the coming year.

### Rates and Billing

Rate structures, rate levels, and billing arrangements have significant ramifications for the affordability of water and sewer for all OWASA customers.

#### 2017 Update

**Year-round, uniform water rate for multi-family, master-metered (MFMM) properties:** In May 2017, we transitioned from a seasonal water rate structure that increased in warmer months (May – September) and decreased in cooler months (October – April) to a year-round uniform rate (one that charges the same rate for water all year). This revenue-neutral change was made to improve month-to-month affordability and customer understanding.

**Pay-by-text service:** In late 2016, we deployed pay-by-text by which customers can pay their OWASA bill by responding to a text. Through this service, customers save their payment information on a secure server and release payment with a text. As of December 2017, we had 1,405 customers registered to pay-by-text, 868 of which have actively made payments using this service.

**Cost management:** Fiscal Year 2017 marked the sixth year in-a-row without the need to raise monthly rates to cover costs. We remain diligent in our stewardship of our customers' funds and view cost management as an important strategy in assuring the affordability of water and sewer services in our community.

#### New Initiatives for 2018

**Automated pay-over-phone:** We plan to deploy automated pay-by-phone in the coming year to make bill payment more convenient. While this tool (and pay-by-text) will not decrease bills for our customers, we hope that by making it easier for customers to pay their bills, they can avoid late payment fees, service cut-off, and reconnection fees.

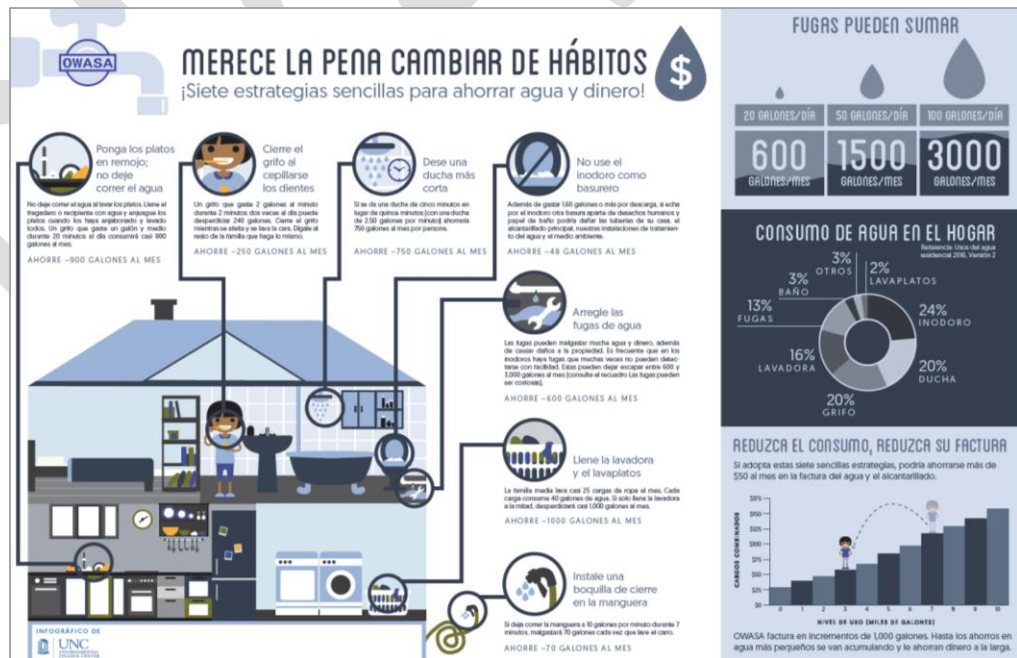
**New methodology and reduced up-front system development fees (if approved):** In our continuing effort to provide affordable and high-value services to our current and future customers and in response to a new law passed by the North Carolina General Assembly (NC House Bill 436/Session Law 2017-138), OWASA will use a new method for calculating the upfront costs for new connections to our water and sewer system. While this won't affect current customers, if approved, this change has the potential to significantly reduce the up-front costs for all new developments, including affordable housing. Additionally, the OWASA Board of Directors will consider the addition of a new low-tier for homes that are 800 square feet or less, in an effort to improve system connection affordability for “tiny homes.”

**Information and Outreach**

Through accessible and engaging outreach, we aim to give our customers useful information and strategies for reducing their OWASA bill. In 2018, we propose to continue with many of the strategies implemented over the last year.

**2017 Update and Continued Initiatives**

**Participate in and provide outreach material for community events:** Last year, we provided our partners with water conservation information and low-flow devices (showerheads and aerators) to incorporate into their community outreach. We continue to use the infographic and motion graphic developed in Year 1 of the Program to engage all customers in water wise behavior. The infographic was developed in English and Spanish (Figure 2); the motion graphic was narrated in English, Spanish, Burmese, and Karen and can be found on [OWASA's YouTube Channel](#).



**Figure 2: Snapshot of infographic in Spanish**

Below is a list of community partners we provided with water conservation resources over the last year:

- St. Thomas More Parish Council:
  - Infographic in English and Spanish
- Orange County's Department of Housing and Community Development Community Meetings with Residents of Section 8 Housing (December 2017)
  - Infographic in English and Spanish
  - Low-flow showerheads
  - Faucet aerators
  - Dye tablets to detect toilet leaks
- Marion Cheek Jackson Center's Resources for Residents
  - Infographic in English and Spanish
  - Low-flow showerheads
  - Faucet aerators
  - Dye tablets to detect toilet leaks
- Orange County Department of Social Services handout to all clients
  - Infographic in English and Spanish – co-branded with the Town of Hillsborough, so that it could be handed out to all municipal water/sewer customers in Orange County

Next year, we will offer information and resources to the community, including providing a presentation at an Orange County Section 8 tenant engagement event.

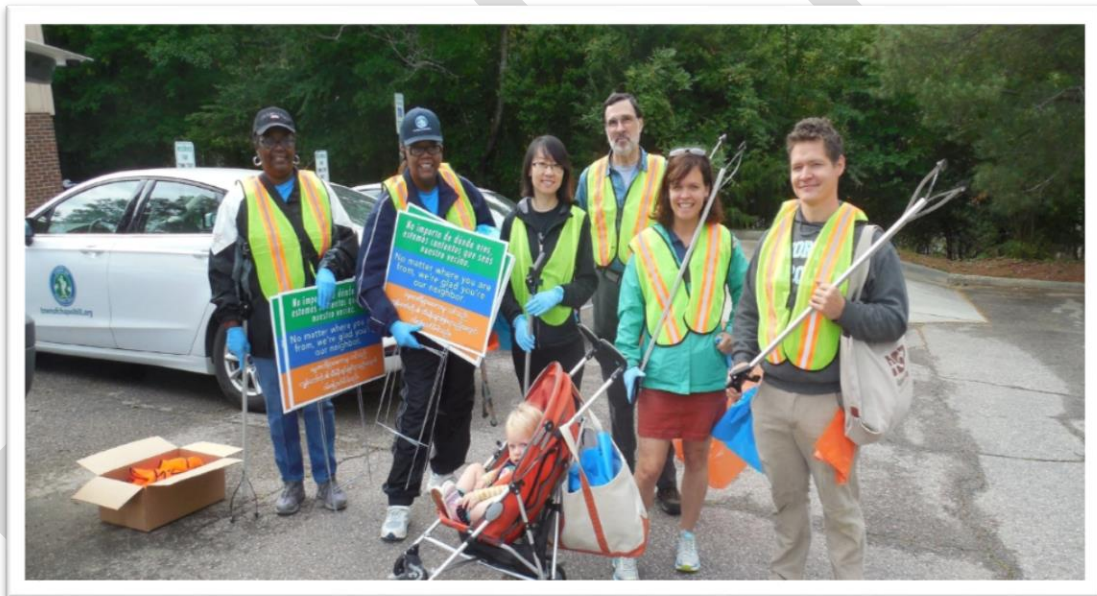
**Direct mail to recipients of bill assistance:** In June 2016, we began sending letters to recipients of assistance for OWASA bill payment. These letters show how a household's water use has trended over the past 12 months compared to that of the average OWASA household, suggests tips for reducing water use, and invites the customer to request a home water use assessment. In 2017, we mailed nearly 100 letters. We plan to continue to send these letters on a monthly basis over the next year.

**Water use assessments:** In a water use assessment, we search for leaks and assess the efficiency of a household's water-using infrastructure: toilets, faucets, appliances, etc. In addition, we discuss a household's water-using behavior and provide tailored suggestions for reducing water use and reducing water and sewer bills. We also provide low-flow faucet aerators and low-flow showerheads. In 2017, we conducted 23 water use assessments. Primarily, these were initiated by our community partners for members of the community they serve.

Additionally, last year, OWASA assisted Waste Reduction Partners (WRP) in offering water use assessments for multi-family, master-metered (MFMM) accounts. WRP is a grant-funded team of retired engineers, architects and scientists that work with NC businesses and institutions on water, waste, and energy reduction. With funding support from Duke Energy, WRP offered to provide 3-5 audits in our service area. Unfortunately, only one multi-family, master-metered complex requested a water use assessment (after an extensive outreach effort). Fortunately, the Chapel Hill-Carrboro City School System was able to benefit from Waste Reduction Partners' services.

We will continue to offer water use assessments to all customers and work with our Community Partners to offer them to customers that need them most.

**Neighborhood Conservation Challenge:** In partnership with the Town of Chapel Hill Public Housing, we launched a neighborhood conservation challenge event (called “Save2Gain”) to encourage community commitment to water conservation. In 2017, we challenged the Craig-Gomains neighborhood to save more water than the Colony Woods West neighborhood. To kick off the challenge, OWASA and the Town of Chapel Hill went door-to-door and provided faucet aerators, low-flow showerheads, dye tablets to help detect toilet leaks, and conservation information. As a group, the Craig-Gomains neighborhood won; they reduced their summer time water use by about 200 gallons per unit per month, which equates to a bill savings of about \$30/year for each household. The Town of Chapel Hill awarded the most water-wise neighborhood with asphalt and paving repairs.



**Figure 3: Photo of the neighborhood clean-up team that also distributed water conservation packets in the Craig-Gomains neighborhood**

Next year, we will challenge two more neighborhoods in the Save2Gain Water Conservation Challenge.

### Bill Assistance

Temporary bill assistance programs offer help to customers during their greatest time of need and help them avoid service cut-off and reconnection fees. There are multiple entities that provide utility bill assistance in our community. As described earlier in the document, the Care to Share program provides OWASA customers the opportunity to voluntarily contribute to a bill assistance program administered by the Inter-Faith Council for Social Services (IFC).

## 2017 Update and Continued Initiatives for 2018

**Contractor solicitation letter for Care to Share donations:** In July 2017, OWASA’s Executive Director sent a letter to contractors and consulting firms with whom OWASA does business asking that they consider donating to the Care to Share Program. Although we have requested that the donors remain anonymous to OWASA, we do know that almost \$1,400 in direct contributions have been donated to Care to Share thus far in Fiscal Year 2018.

**Marketing for Care to Share:** In an effort to encourage existing customers to contribute to Care to Share, we used existing marketing channels to promote participation in the Care to Share Program. We promoted Care to Share in our Blue Thumb newsletter, as well as both of our Open House events. We will continue to use existing forums, including our Water Wagon events, to promote participation in the Care to Share Program.

## New Initiatives for 2018

**Care to Share Thank You and Contribution Summary Letter:** Currently, OWASA customers can choose to round up their bill to the nearest dollar and donate the difference to Care to Share or to donate a fixed dollar in addition to their billed amount. Although the vast majority of participants in the program are “round up” contributors, more total donations come from “fixed amount” contributors. The following table summarizes the monthly contributions of these two types of donations.

|                                   | <b>% of participating customers</b> | <b>% of total contributed amounts</b> | <b>Median amount of monthly contributions</b> |
|-----------------------------------|-------------------------------------|---------------------------------------|---|
| <b>“Round up” contributions</b>   | 96%                                 | 35%                                   | \$0.21  |
| <b>Fixed dollar contributions</b> | 4%                                  | 65%                                   | \$5.00  |

In early February of 2018, we propose to spend about \$600 on a mailing to Care to Share contributors to thank them for their contribution to the Program, provide a summary of what they donated in 2017, and encourage them to consider making a fixed dollar amount contribution. If we can convince 100 “round up” contributors to change to a fixed \$1 per month contribution, we could potentially increase annual contributions to Care to Share by about \$1,000 (15% of FY17 contributions).

**Pilot a LIFT-UP Program in Partnership with the Community Empowerment Fund:** LIFT-UP stands for Local Interventions for Financial Empowerment through Utility Payments and is a program designed to help connect utility customers who have bill payment challenges with trained financial coaches. The model for this program was recently developed by the National League of Cities and piloted by five municipal utilities. Using NLC resources and the experiences of the five pilot utilities, staff from OWASA and the Community Empowerment Fund (CEF) in Chapel Hill have developed a LIFT-UP approach that would invite OWASA customers will bill payment challenges



to connect with a financial advocate at the CEF in exchange for a personalized deferred payment plan. (Our typical deferred payment plan is only about two weeks. By engaging with a CEF financial advocate, customers could negotiate a longer deferred payment plan.) While we recognize that not every customer will be interested in engaging with CEF, we believe that this is a good opportunity to partner with one of our Community Partners and connect customers who have bill payment difficulties with personalized advice on financial management.

Furthermore, this program can be combined with the provision of water use assessments to help identify areas where customers can save money by reducing water use. Over the next year, we propose to pilot this program and assess its efficacy.

### Water Efficient Retrofits

Ultimately replacing inefficient water-using equipment (primarily toilets) in a home can help a household consistently reduce their water use. In 2015, the Interfaith Council for Social Services and Wilkinson Supply Company sponsored a retrofit pilot project that demonstrated success at reducing monthly water use bills. The following strategies are designed to assist in the identification and pursuit of outside funding and purchase arrangements for water-efficient fixtures.

#### **2017 Update and Continuing Efforts**

**Pursue outside funding for retrofits of those receiving bill assistance:** In Fiscal Year 2017, 98 households received assistance in paying their OWASA bill; 26 of those households received bill assistance more than once throughout the year; half (18) of those households used more than the average OWASA customer. With outside funding assistance for the installation and hardware, water efficient retrofits could help improve utility affordability for these households and help leverage bill assistance funding should they need assistance again.

As the provider of over 50% of direct bill assistance to OWASA customers, we have begun conversations with Orange County about the mutually beneficial opportunity to fund water efficient retrofits to these customers (i.e. reduce monthly utility bill to a more affordable level and/or reduce the level of financial assistance needed from the County in the future). Over the coming year, we will continue to work with entities providing bill assistance to our customers (including Orange County Department of Social Services and churches), as well as local foundations to discuss potential funding for the replacement of inefficient toilets, showerheads, and faucets in homes.

In addition, we will support our Community Partners in application to outside funders and local foundations for funding to support retrofit programs.

**Interactive business case tool for multi-family, master-metered property managers and landlords:** In certain circumstances, replacing an inefficient toilet with a high-efficiency toilet can achieve a 12 month simple payback. This year, we created an interactive tool that can be tailored to individual situations, to help define the business

case for toilet replacement. This business case is especially salient for those MFMM property managers and landlords that do not sub-meter. Although, this will not likely have a direct impact on the affordability of the unit for the tenant, it will help keep overall costs low and will directly benefit individual tenants if and when the unit is sub-metered at some date in the future.

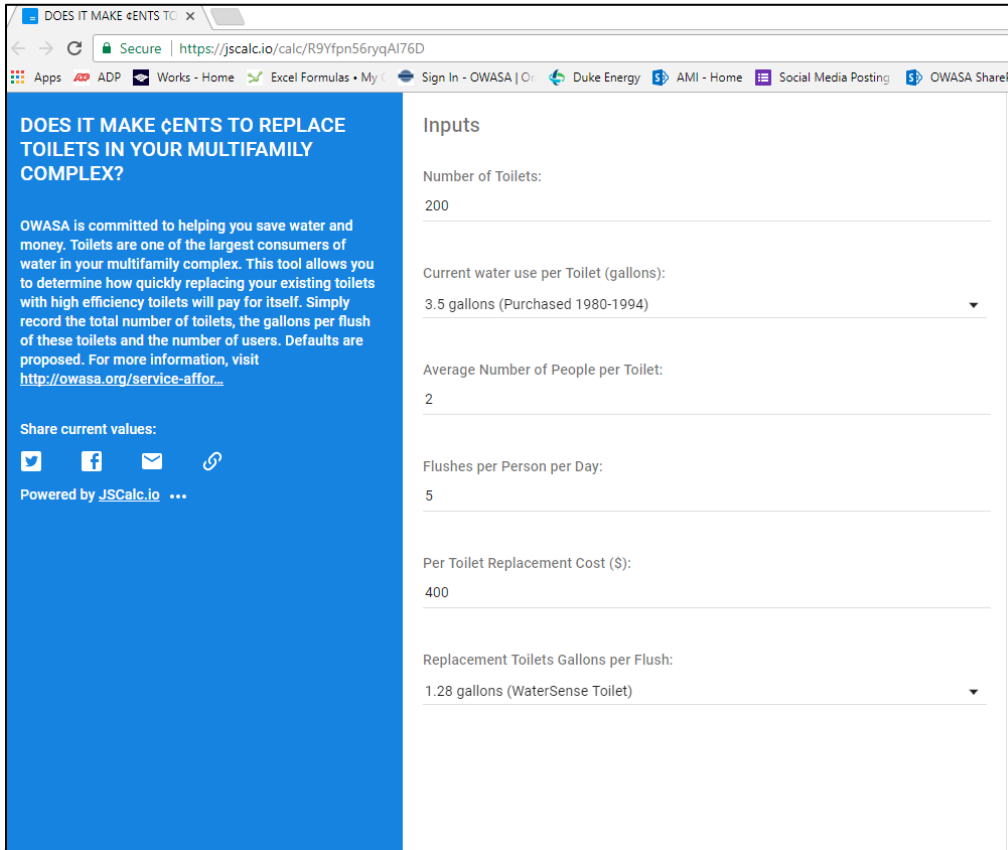


Figure 4: Screenshot of portion of online tool linked from <http://owasa.org/service-affordability>

In the coming year, we will promote the use of this tool to our MFMM customers.

## Leak Detection

Proactive leak identification can help our customers avoid high bills, home damage, and water waste and is good customer service.

### 2017 Update and Continued Initiatives

**Proactive desktop and field service for identification and follow-up regarding potential leaks:** Throughout the meter reading and billing process, we have a series of check-points for monthly meter reads that are 60% higher than the previous months to help validate the accuracy of our meter reads. When a high bill is validated, Customer Service staff proactively communicate with customers to alert them to the high read and offer assistance with identifying leaks. If a customer is interested, field service staff will visit the home and help the customer determine if there is a leak.

**Implementation of Advanced Metering Infrastructure:** Over the last year, OWASA identified and has been working with a third-party vendor to provide the technology and resources to upgrade all OWASA meters with Advanced Metering Infrastructure (AMI). This technology will give OWASA and our customers (once the web portal is deployed) the capability to detect leaks in near-to-real time. In parallel to our planning efforts, we have launched an informational campaign for all customers, including the development of [an informational video, posted on our YouTube site](#). In 2018, we will begin full-scale deployment and implementation of AMI, OWASA's Agua Vista program.

As meters are upgraded, OWASA has begun using the hourly use data to detect leaks and proactively contact customers. We can only provide this type of proactive outreach if we have accurate contact information for our customers. OWASA will promote a contact-update campaign in the community along with the roll-out of AMI. Outreach strategies will include an invitation to update contact information on door hangers provided after the meter upgrade, our Blue Thumb customer newsletter, and in a PeachJar Newsletter that is sent to all Chapel Hill-Carrboro City School families. We will also work with our Community Partners to get assistance in updating contact information.

Once the customer web portal is deployed (estimated to be when about 75% of OWASA's meters are upgraded in late 2018), customers will be able to set up their own thresholds and monitor for leaks.

## Partnership

Critical to the relevancy and acceptance of OWASA's affordability outreach is partnership: partnership with our customers and the social service agencies that serve our community.

### Ongoing

#### With customers:

**Proactive Customer Communication:** OWASA proactively communicates with customers regarding impending cut-offs. One day after a customer misses a second month of bill payments, OWASA contacts the customer via a phone service to let them know that if payment for at least one month is not made within the next ten days their service will be cut-off and they will incur a \$45 fee for non-payment. If payment has not been received within ten days, the customer is re-notified that if prompt action is not taken, their service will be cut-off.

**Social Agency Referral and Collaboration:** OWASA's Customer Service Department maintains a list of social service agencies that provide bill payment assistance to customers in need. If a customer contacts OWASA to express difficulty in paying their bill, Customer Service refers the customer to those agencies. Additionally, we inform our customers that if they are working with an agency to obtain financial assistance, they may authorize us to release their billing information to that agency, so that agency can better assist the customer.

Emergency Water Loss Policy: When a customer reports a leak, OWASA may reduce their bill if the customer provides documentation of repair. A customer is eligible for an Emergency Water Loss bill reduction every three years. The implementation of AMI will likely change the nature of this policy.

Customer Payment Deferral Agreements (Extensions of Credit): Customer Service staff have the authority to arrange an individual payment plan that will allow a customer to spread payments in arrears over a timeframe that is more manageable for them (typically a few weeks). Customers must sign a payment deferral agreement and meet the terms of repayment specified in the agreement. We enable agencies providing financial assistance to initiate, on behalf of their clients, requests for extension of credit for customers to pay their bills. The agency can have a client sign the agreement while the client is in the agency's office. This facilitates the process and eliminates the need for the customer to make a separate trip to OWASA to enter in to such an agreement. Furthermore, the assisting agency likely has a better understanding of a plan that will work best for a customer's circumstances. Through the LIFT-UP Program described earlier in this document, we hope to enhance this service.

**With community:** Our community partners are the foundation of the Affordability Outreach Program. They provide insight and input on strategies needed to help improve the affordability of water and sewer services. In collaboration with them, we can more effectively provide relevant information to the community and attract funding. Our partners include:

- Town of Carrboro
- Binkley Baptist Church
- CASA
- Town of Chapel Hill
- Community Empowerment Fund
- College Service Project, UNC Chapter
- Community Home Trust
- Compass Center for Women and Families
- El Centro Hispano
- EmPOWERment Inc.
- Habitat for Humanity of Orange County
- Hillsong Church
- InterChurch Housing Corporation
- Inter-Faith Council for Social Services
- Love Chapel Hill
- Marion Cheek Jackson Center
- Central Piedmont Community Action (formerly JOCCA)
- Orange County Justice United
- Orange County Department on Aging
- Orange County Department of Housing and Community Development
- Orange County Department of Social Services

- Rebuilding Together of the Triangle
- St. Thomas More Catholic Church
- University Presbyterian Church
- UNC Center for Excellence in Community Mental Health
- UNC SWEAT
- Waste Reduction Partners

In 2017, we hosted two meetings with our Affordability Outreach Community Partners. On May 12, we hosted a demonstration of a water use assessment at the Marion Cheek Jackson Center. On December 12, we hosted a discussion on ideas and initiatives for the coming year. Over the coming year, we will continue to convene this group on a semi-annual basis to discuss issues related to water and sewer service affordability. In the Spring, this meeting will be primarily for entities in our community that provide bill assistance to discuss water use assessments and the LIFT-UP Program. The winter meeting will be to check-in on program strategies and discuss initiatives for the following year.

### Resources Required

Successful implementation of this program will require approximately ¼ of Sustainability Manager's time to manage and implement aspects of the program, the assistance of the soon-to-be-hired Communications and Community Relations Officer, the commitment and support of OWASA staff, and a modest budget of \$2,350 to reproduce outreach material, purchase water-saving devices and demonstration material, mail Care to Share "thank you letters", and host meetings with our Community Partners.

## 2018 Program Timeline

|   | Strategy                  | Initiative  | Feb – April 2018  | May - July 2018                             | Aug- Oct 2018                                    | Nov 2018 – Jan 2019                 |
|---|---------------------------|---|-------------------|---|--|-------------------------------------|
| 1 | Rates and Billing         | Automated pay-over-phone  |                   |   |  |                                     |
|   |                           | Reduce system development fees (if approved)                            |                   |   |  |                                     |
| 2 | Information and Outreach  | Participate in and provide outreach material to the community           |                   |   |  |                                     |
|   |                           | Direct mail to recipients of bill assistance                            |                   |   |  |                                     |
|   |                           | Provision of water use assessments                                      |                   |   |  |                                     |
|   |                           | Initiate Neighborhood Conservation Challenge                            |                   |   |  |                                     |
| 3 | Bill Assistance           | Contractor solicitation letter for Care to Share                        |                   |   |  |                                     |
|   |                           | Marketing for Care to Share   |                   |   |  |                                     |
|   |                           | Send Care to Share Thank You Letter                                     |                   |   |  |                                     |
|   |                           | Pilot LIFT-UP Program   |                   |   |  |                                     |
| 4 | Water Efficient Retrofits | Pursue outside funding for retrofits of those receiving bill assistance |                   |   |  |                                     |
| 5 | Leak Detection            | Proactive desktop and field service                                     |                   |   |  |                                     |
|   |                           | Implementation of AMI   |                   |   |  |                                     |
| 6 | Partnership               | Proactive customer communication  |                   |   |  |                                     |
|   |                           | Social agency referral and collaboration                                |                   |   |  |                                     |
|   |                           | Emergency Water Loss adjustments  |                   |   |  |                                     |
|   |                           | Customer payment deferral agreements                                    |                   |   |  |                                     |
|   |                           | Partner Meetings  |                   | Info meeting with bill assistance providers |  | Program update and 2019 plan review |
| 7 | Board Updates             |   | Summary via email |   | Program update and 2019 plan review and approval |                                     |

#### **Agenda Item 4:**

Key Performance Indicator (KPI) Selection for Future Review

#### **Purpose:**

To identify a monthly KPI for which the Board would like an in-depth report from and discussion with staff

#### **Background:**

In 2016, the OWASA Board of Directors requested the opportunity to semi-annually discuss the monthly KPI report which is provided to the Board and posted on OWASA's website.

Most recently, at the January 11, 2018 Work Session, the Board received and discussed an in-depth report on one KPI (Water Main Breaks). Generally liking the format of the discussion, the Board requested the opportunity to identify another KPI for an in-depth discussion and that staff recommend a topic for this discussion.

Attached for assistance with this selection is the most recent KPI Report for December 2017.

There are many of the KPIs for which the Board has already scheduled in-depth discussions of strategies (e.g. Budget Performance, Energy Management, Diversity). Additionally, there are others for which there is not much to report or discuss in terms of OWASA strategy (e.g. Rainfall).

Of the remaining KPIs, staff recommends that the topic for the next KPI discussion be "Accounted for Water as % of Water Pumped". At the end of each Fiscal Year, staff conducts a water audit using the AWWA Water Audit methodology. In September 2018, we could present the results of the FY18 Water Audit (compared to previous years) along with a summary of the strategies underway and planned to reduce unaccounted for water.

Other potential options include sewer overflows and water quality customer inquiries.

#### **Action Requested:**

We request that the Board agree on a topic and date for the next in-depth KPI discussion. Staff recommends "Accounted for Water as a % of Water Pumped" at the September 13, 2018 Work Session.

#### **Information:**

- December 2017 Key Performance Indicator Report

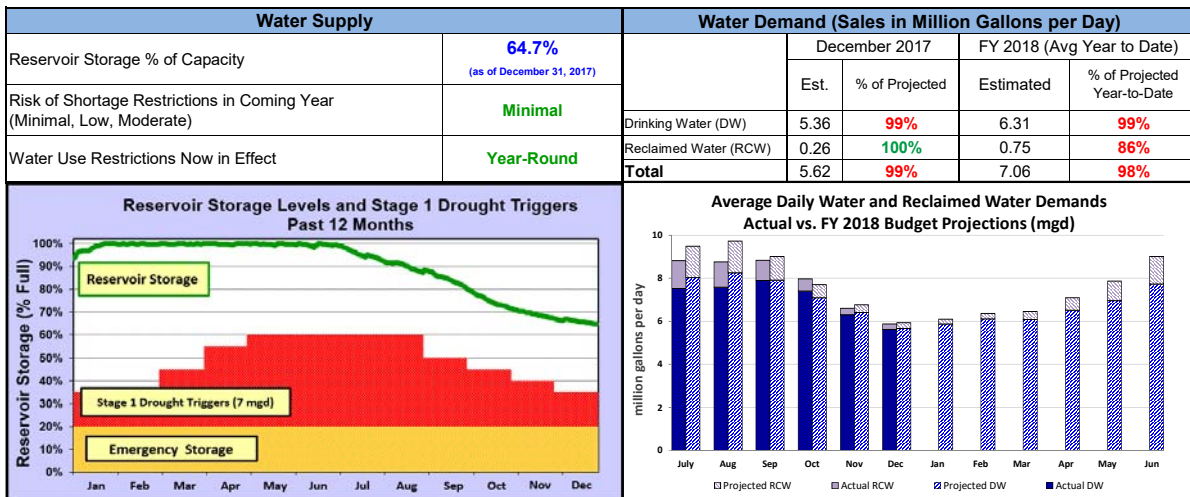
February 8, 2018



# Key Performance Indicators

December 2017

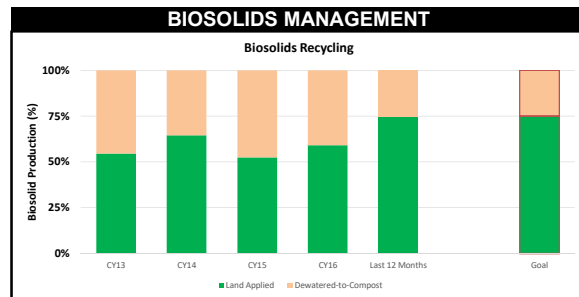
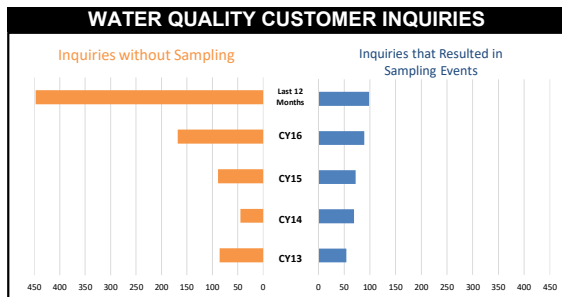
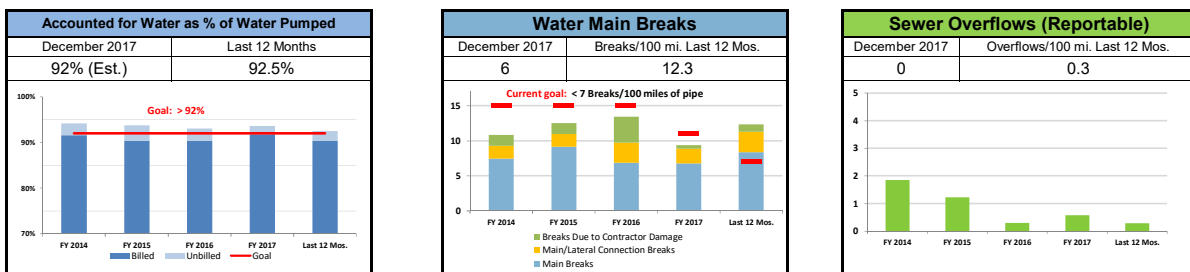
## WATER SUPPLY AND DEMAND



|                        | Rainfall (inches) |                      |               |                |               |               |
|------------------------|-------------------|----------------------|---------------|----------------|---------------|---------------|
|                        | December 2017     |                      |               | Last 12 Months |               |               |
|                        | Actual            | Hist. Avg. for Month | Variance      | Actual         | Hist. Average | Variance      |
| Water Plant (Carrboro) | 2.11              | 3.56                 | <b>(1.45)</b> | 42.17          | 47.73         | <b>(5.56)</b> |
| Cane Creek Reservoir   | 1.94              | 3.49                 | <b>(1.55)</b> | 42.18          | 43.75         | <b>(1.57)</b> |

\* Water Plant historical average is based on most recent 30 year period.  
\* Cane Creek Reservoir historical average is based on 25 years of record.

## WATER DISTRIBUTION AND WASTEWATER COLLECTION



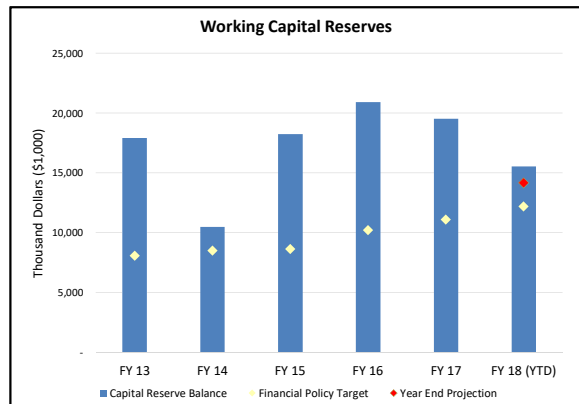
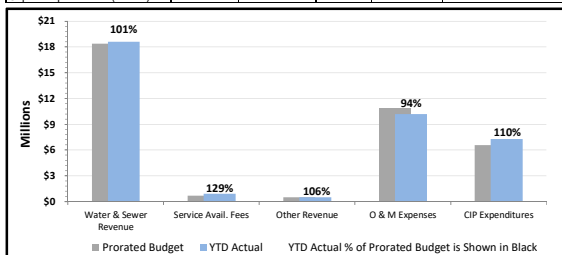
## SYSTEM COMPLIANCE VIOLATIONS

Within the last twelve months:

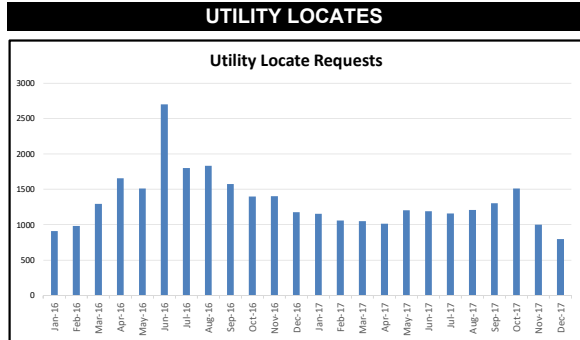
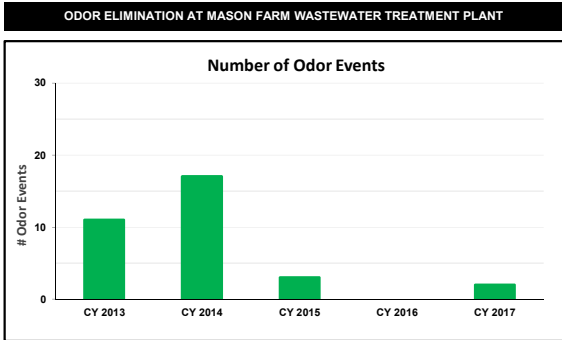
- WTP NPDES Violation: Chlorine Exceedance and Monitoring Violation due to clearwell draining during Water Event (February 2017)
- Operating Permit Violations: Sanitary Sewer System Overflow due to contractor error (October 2017)

## FINANCE MANAGEMENT

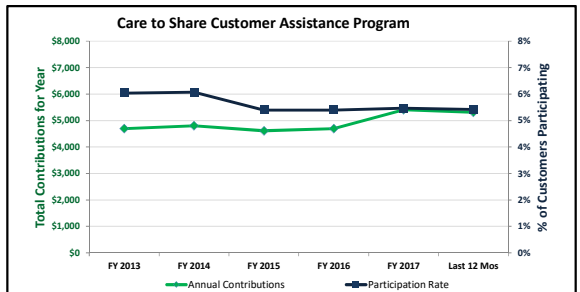
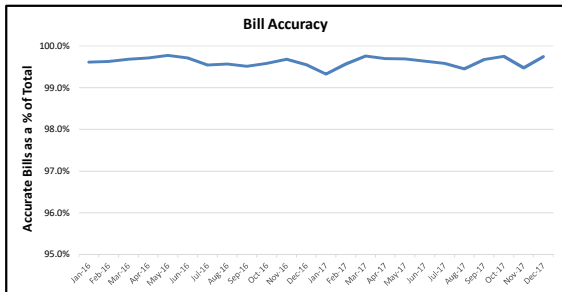
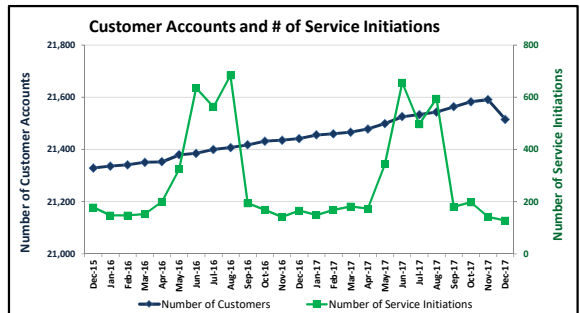
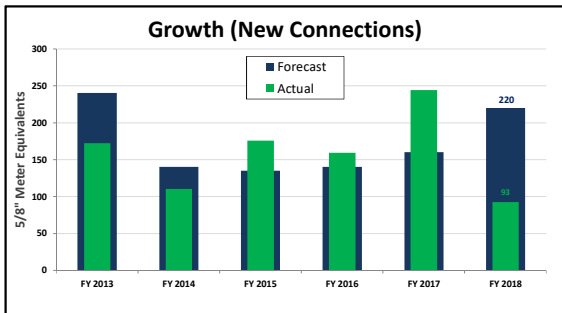
| Category                      | FY 2018 Budget Performance (millions of dollars) |        |                      |        |          |
|-------------------------------|--|--------|----------------------|--------|----------|
|                               | December 2017                                    |        | FY 2018 Year-to-Date |        |          |
|                               | Actual   | Budget | Actual               | Budget | Variance |
| Revenue (Preliminary)         | 2.8  | 2.7    | 20.0                 | 19.6   | 0.4      |
| Operating Expenses (Prelim)   | 2.1  | 2.0    | 10.2                 | 10.9   | (0.7)    |
| Capital Expenditures (Prelim) | 1.3  | 1.2    | 7.3                  | 6.6    | 0.7      |



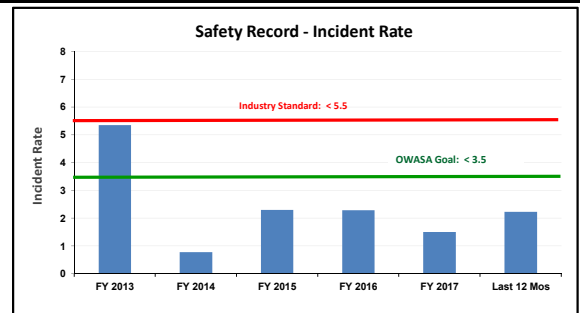
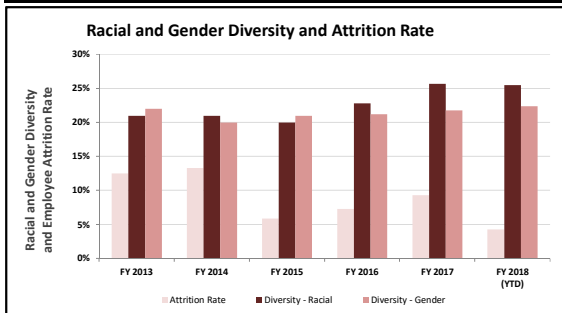




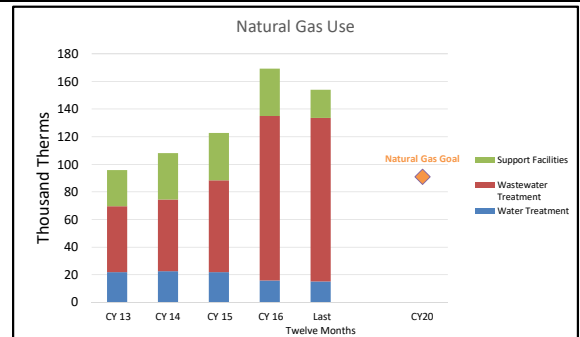
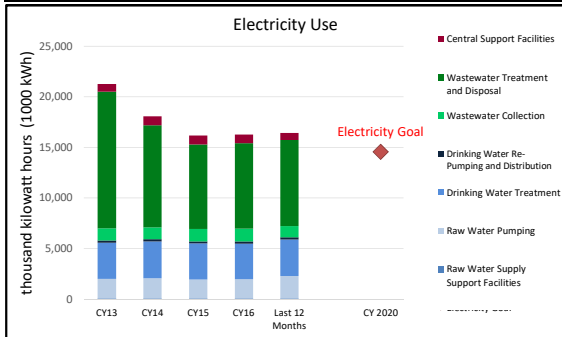
## CUSTOMER SERVICE AND CONNECTION ACTIVITY



## HUMAN RESOURCES AND SAFETY



## ENERGY MANAGEMENT



## **Agenda Item 5:**

### Diversity and Inclusion Program Progress Report

#### **Purpose:**

To provide a Progress Report on the Initial Implementation Plan for the Employee Diversity and Inclusion Program

#### **Background:**

On March 9, 2017, the Board approved the Initial Implementation Plan for our Diversity and Inclusion Program (Plan) and requested that a consultant be hired within the next quarter to assist with the work.

The Plan's goals are:

1. The diversity of OWASA's workforce reflects the communities we serve.
2. Inclusive work environment for everyone that encourages and supports each Team member to contribute to their full ability towards OWASA's mission

Staff and VISIONS, Inc. (consultant) provided progress reports on June 8, 2017 and September 14, 2017. During the September update, the Board received presentations from members of the Diversity Resource Group (Millie Zeno-Chapman, Rosa Valdez), Diversity Recruitment Group (Nick Rogers) and the Diversity Leadership Group (Todd Taylor).

#### **Progress Report:**

With considerable assistance and guidance from VISIONS, Inc. and the active participation of our staff, we have made important progress on the Plan as provided in Attachment #1.

Key accomplishments since September 14, 2017 include:

- The organizational assessment was successfully completed and the results shared with employees and the Board. Employees participated in two types of Focus Group sessions 1) Work Group and 2) Demographic and Cultural.
- The Board was provided training and participated in Focus Group Assessment meetings or telephone calls.
- On December 14, 2017, the Board approved changes to OWASA's merit pay system (Pay Administration Guidelines) which provides employees the opportunity to move more quickly through their pay range based on performance.
- VISIONS, Inc. worked with staff to review recruitment processes.
- Staff continues to engage with agencies and organizations to seek assistance in recruitment.
- Two core training sessions were offered by Durham Technical Community College.

February 8, 2018

**Staff Comments:**

We seek the Board's continued support and feedback on what they like about our work to date and areas for improvement.

**Information:**

- Attachment #1
  - OWASA's Diversity and Inclusion Program, February 8, 2018 Progress Report

# February 8, 2018 Progress Report

## OWASA's Diversity and Inclusion Program

Initial Implementation Plan – adopted March 9, 2017  
Changes Noted Since September 14, 2017 Update

### Goal 1. The diversity of OWASA's workforce reflects the communities we serve.

| <b>Objective 1.1 Attract diverse pool of applicants for open positions.</b>   |               |   |   |  |  |  |
|---|---------------|---|---|--|--|--|
| <b>Strategies</b>   | <b>Task #</b> | <b>Tasks</b>  | <b>Resources to Complete Task</b>   | <b>Target Completion Date</b>          | <b>Outcomes &amp; Measures of Success</b>  | <b>Status as of February 8, 2018</b>   |
| Increase the diversity of applicants for employment and establish OWASA as an employer that values diversity and inclusion. | 1.1a          | Develop a list of agencies/ organizations that can assist OWASA with ways to attract a more diverse group of applicants for employment.                         | Human Resources and Safety Director (HR Director)                         | March 2017<br>Ongoing to keep current  | Comprehensive list developed   | <b>Complete and ongoing.</b><br><br><i>The Recruitment Efforts and Strategies form is maintained and routinely updated. Individuals and agencies on this list are provided recruitment notifications.</i>  |
|   | 1.1b          | Engage with agencies/ organizations to seek assistance in recruitment and to communicate OWASA's commitment as an employer that values diversity and inclusion. | HR Director<br><br>(May be a collaborative effort with local governments) | August 2017<br>Ongoing to keep current | Number of agencies/ organizations participating<br><br>Diversity of applicants increases | <b>Since March 2017 OWASA staff attended <del>eight</del> <u>ten</u> career fairs.</b><br><br><i>Approximately 96 outreach letters went to area agencies describing our interest and commitment to strengthening our diversity. As a result, we met with three agencies to discuss possible employment programs. With one additional group, we advertised in</i> |

| <i>Strategies</i> | <i>Task #</i> | <i>Tasks</i>   | <i>Resources to Complete Task</i> | <i>Target Completion Date</i> | <i>Outcomes &amp; Measures of Success</i>  | <i>Status as of February 8, 2018</i>  |
|-------------------|---------------|--|-----------------------------------|-------------------------------|--|---|
|                   |               |  |                                   |                               |  | <i>their brochure that OWASA seeks a diverse workforce.</i>   |
|                   | 1.1c          | <p>Solicit assistance from OWASA employees for employment referrals and suggestions to improve diversity recruitment.</p> <p>Consider adding this scope to existing Employee Human Resources Team or creating new Employee Diversity and Inclusion Team.</p> | Department Directors              | Ongoing                       | <p>Number of employee referrals</p> <p>Diversity of applicants reflects the diversity of the labor market for that position</p>          | <p><i>Since July 1, 2016 there have been five candidate referrals submitted by employees.</i></p> <p><i>When recruitments open, an e-mail is sent to all employees reminding them of the program.</i></p> <p><i>The Diversity Resource Group (DRG) has been established.</i></p> <p><i><u>“Thank you” lunch and planning session held with DRG on October 23, 2017.</u></i></p> |
|                   | 1.1d          | Evaluate the job application process for implicit and explicit biases.   | Consultant                        | December 2017                 | <p>Use industry best practices</p> <p>Increase yield of a diverse applicant pool at each stage of the application/ selection process</p> | <p><i>VISIONS suggested this task be completed after the Focus Group Assessment. <u>VISIONS has started working with the Diversity Recruitment Group and Human Resources Department on this task.</u></i></p>   |

| <b>Strategies</b>  | <b>Task #</b> | <b>Tasks</b>   | <b>Resources to Complete Task</b> | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>  | <b>Status as of February 8, 2018</b>   |
|--|---------------|--|-----------------------------------|-------------------------------|--|--|
|  | 1.1e          | Implement NeoGov (on-demand HR software for the public sector) for applicant tracking and management reporting to provide greater functionality for applicants and provide statistical data for Team evaluation. | HR Director                       | May 2017                      | Software implemented<br><br>Staff trained  | <b><i>Software implemented and training has taken place with hiring supervisors and managers.</i></b><br><br><b><i>An overview/ training session was provided at the June 8<sup>th</sup> Managers meeting.</i></b> |
| Prepare a recruitment plan for each job vacancy to ensure continuing efforts to build a diverse workforce. | 1.1f          | Develop process for preparing recruitment plans for each job vacancy.  | Consultant                        | December 2017                 | Standard process for preparing recruitment plans completed<br><br>Staff trained<br><br>Applicant pools are diverse | <b><i>Internally we have created a recruitment plan for each vacancy.</i></b><br><br><b><i><u>VISIONS is currently reviewing our plans.</u></i></b>  |
|  | 1.1g          | Using local census data, develop applicant targets for under-represented groups for each job category.   | HR Director                       | August 2017                   | Targets for each job category established and incorporated into recruitment plans                                  | <b><i>Orange County census data is compared with departmental data to assist in determining under-represented groups to be targeted during advertising.</i></b>  |

**Objective 1.2 Employment decisions are made based on merit and job-related ability.**

| <b>Strategies</b>   | <b>Task #</b> | <b>Tasks</b>  | <b>Resources to Complete Task</b>  | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>   | <b>Status as of Sept. 14, 2017</b>   |
|---|---------------|---|------------------------------------|-------------------------------|---|--|
| Conduct training for supervisors on recognizing and understanding explicit and implicit bias and how to effectively conduct screening and selection interviews. | 1.2a          | Provide mandatory training program for all supervisors.<br><br>(Offer voluntary training to non-supervisors.) | Consultant                         | March 2018                    | Training program developed<br><br>All supervisors successfully complete training and demonstrate competency<br><br>Employment decisions based on an established and creditable merit system | <b><i>VISIONS suggested this task be completed after the Focus Group Assessment.</i></b>                     |
|   | 1.2b          | Evaluate “train-the-trainer” to sustain the training program moving forward.                                  | Consultant<br>Department Directors | TBD                           | TBD   | <b><i>We expect to learn more about this task after the supervisory training has been completed.</i></b>     |
| Use an inclusive process to objectively evaluate candidates for vacant positions to inform employment decisions.  | 1.2c          | Develop standard process for use by an employee interview panel for vacant positions.                         | Executive Director                 | March 2017                    | Standardized process for use of employee evaluation panel completed<br><br>Staff trained  | <b><i>Completed.</i></b><br><br><b><i>One hundred and twenty-four (124) employees have been trained.</i></b> |
|   | 1.2d          | Develop standard process for making employment decisions.   | Executive Director                 | March 2017                    | Standard process completed<br><br>Staff trained<br><br>Workforce diversity  | <b><i>Completed.</i></b><br><br><b><i>One hundred and twenty-four (124) employees have been trained.</i></b> |

## Goal 2. Inclusive work environment for everyone that encourages and supports each Team member to contribute to their full ability towards OWASA's mission

### Objective 2.1 Employees are aware of the importance and value of diversity and inclusion

| <b>Strategies</b>  | <b>Task #</b> | <b>Tasks</b>  | <b>Resources to Complete Task</b>  | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>   | <b>Status as of Sept. 14, 2017</b>  |
|--|---------------|---|------------------------------------|-------------------------------|---|---|
| Provide training for all employees on the importance and value of diversity and inclusion and how they contribute to a successful, diverse and dynamic work environment. | 2.1a          | Provide voluntary training program for all employees.   | Consultant                         | March - May 2018              | Training program developed<br><br>Number of employees trained<br><br>Employee feedback                      | <b>VISIONS suggested this task be completed after the Focus Group Assessment and supervisor training.</b><br><br><b>Three groups have been formed and provided 16 hours of training.</b><br><b>1) Diversity Resource Group</b><br><b>2) Diversity Recruitment Group</b><br><b>3) Leadership Group</b> |
|  | 2.1b          | Evaluate “train-the-trainer” to sustain the training moving forward.                              | Consultant<br>Department Directors | TBD                           | TBD   | <b>We expect to learn more about this task after the supervisory training has been completed.</b>   |
| Provide training and coaching for all supervisors on how to lead and manage their area of responsibility in a manner that promotes and                                   | 2.1c          | Provide mandatory training for supervisors.<br><br>(Offer voluntary training to non-supervisors.) | Consultant                         | March 2018                    | Training program developed<br><br>All supervisors successfully complete training and demonstrate competency | <b>VISIONS suggested this task be completed after the Focus Group Assessment.</b>   |

Revision mode edits reflect changes from the September 14, 2017 Progress Report



| <b>Strategies</b>  | <b>Task #</b> | <b>Tasks</b>  | <b>Resources to Complete Task</b>  | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>                                       | <b>Status as of Sept. 14, 2017</b>   |
|--|---------------|---|------------------------------------|-------------------------------|---|--|
| values the positive aspects of a more diverse workplace.                           |               |   |                                    |                               | Employee feedback   |  |
|  | 2.1d          | Evaluate “train-the-trainer” to sustain the training moving forward.  | Consultant<br>Department Directors | TBD                           | TBD   | <b><i>We expect to learn more about this task after the supervisory training has been completed.</i></b>   |
| Assess the work culture to determine level of success for diversity and inclusion. | 2.1e          | Develop, administer and evaluate Focus Group Assessment and recommend options for improvement (combined with 2.3d). | Consultant<br>Executive Director   | November 2017                 | Assessment participation rate<br><br>Recommendations for continuous improvement | <b><i>As recommended by VISIONS, the Focus Group Assessment will be completed via multiple group meetings. Completed.</i></b><br><br><b><i>Focus Group Assessments took place with employees and the Board. There were 15 Work Group meetings attended by 74 employees. There were 9 Demographic and Cultural group meetings attended by 47 employees.</i></b> |
| Establish a “welcome team” to help acclimate new employees                         | 2.1f          | Develop and train “welcome team.”   | HR Director                        | April 2017                    | Onboarding process improved   | <b><i>Ten employees volunteered to serve on the “Welcome Team”. Specific employees assigned to each new hire.</i></b>  |

| <b>Objective 2.2 Provide employees with opportunities to enhance their knowledge and skills to improve their performance and advance their career.</b> |               |  |   |                               |  |   |
|--|---------------|--|---|-------------------------------|--|---|
| <b>Strategies</b>  | <b>Task #</b> | <b>Tasks</b>   | <b>Resources to Complete Task</b>                     | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>                          | <b>Status as of Sept. 14, 2017</b>  |
| Provide job skills training.   | 2.2a          | Develop training program(s) for core job skills that benefit all employees and the organization (teamwork, communication, problem-solving, dispute resolution, multi-cultural appreciation, etc.). | Department Directors                                  | TBD (longer-term task)        | Training program developed   | <p><u><i>Discussions are underway with Durham Tech and Capital Associated Industries to provide additional core skills training.</i></u></p> <p><u><i>Two sessions were offered to all employees. The "Reaching for Stellar Service" class was attended by ten employees and "Communicating with Impact" was attended by 19 employees both sessions were provided by Durham Tech.</i></u></p> |
|  | 2.2b          | Make core job skills training available for all employees.   | Consultant Staff<br>Intergovernmental cooperation (?) | TBD                           | Employee feedback<br><br>Employees demonstrate core job competency | <p><u><i>On July 13, 2017 training on how to reduce stress and diffuse controversy was provided by BHS. The voluntary session was attended by seventeen (17) individuals.</i></u></p>   |

| <b>Strategies</b> | <b>Task #</b> | <b>Tasks</b>   | <b>Resources to Complete Task</b> | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>   | <b>Status as of Sept. 14, 2017</b>  |
|-------------------|---------------|--|-----------------------------------|-------------------------------|---|---|
|                   | 2.2c          | Provide interested employees a coaching and mentoring program. | Department Directors              | Ongoing                       | Number of mentors and mentees participating<br><br>Number of employees advancing career | <b>Complete and ongoing. There are currently four formal mentor/mentee relationships through the program.</b> |

**Objective 2.3 Retain successful employees.**

| <b>Strategies</b>  | <b>Task #</b> | <b>Tasks</b>  | <b>Resources to Complete Task</b>                                | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b> | <b>Status as of Sept. 14, 2017</b>  |
|--|---------------|---|--|-------------------------------|---|---|
| Provide competitive total compensation (pay and benefits) and reward employees for high performance. | 2.3a          | Evaluate options to allow employees to advance more quickly through their pay range based on performance. | Board of Directors<br>Executive Director<br>Department Directors | April 2017                    | TBD                                       | <del><b>HR Committee discussed at their June 6 and June 21 2017 meetings.</b></del><br><br><b><u>On December 14, 2017, the Board approved changes to OWASA's merit pay system (Pay Administration Guidelines) which provides employees the opportunity to move more quickly through their pay range based on performance.</u></b> |

| <b>Strategies</b>   | <b>Task #</b> | <b>Tasks</b>  | <b>Resources to Complete Task</b>        | <b>Target Completion Date</b> | <b>Outcomes &amp; Measures of Success</b>                                       | <b>Status as of Sept. 14, 2017</b>   |
|---|---------------|---|--|-------------------------------|---|--|
|   | 2.3b          | Routine evaluation of total compensation.   | Board of Directors<br>Executive Director | Ongoing                       | Voluntary turnover rate   | <del><b>Board decision on FY 2018 compensation expected in the fall 2017.</b></del><br><br><b><u>Board approved FY 2018 cost of labor and merit pay increases for eligible employees on September 14, 2017.</u></b>      |
| Routinely assess the diversity and inclusive work culture to identify opportunities to improve. | 2.3c          | Evaluate process to timely and effectively address employee concerns.   | HR Director                              | May 2017                      | Number of employee concerns successfully resolved                               | <b><i>The Grievance Procedures and Performance Review Appeal process were reviewed. Since July 1, 2016 there have been four grievances successfully resolved. There were no Performance Review appeals.</i></b>          |
|   | 2.3d          | Develop, administer and evaluate Focus Group Assessment and recommend options for improvement (combined with 2.1e). | Consultant                               | TBD                           | Assessment participation rate<br><br>Recommendations for continuous improvement | <del><b>This task will follow the training of the Diversity Resource Group, Recruitment Group and Leadership Group.</b></del><br><br><b><u>Staff has started to prepare an Action Plan for areas of improvement.</u></b> |

**Agenda Item 6:**

Review Board Work Schedule

**Purpose:**

- a) Request(s) by Board Committees, Board Members and Staff
- b) February 22, 2018 Board Meeting
- c) March 8, 2018 Work Session
- d) Review and update the 12 Month Board Meeting Schedule
- e) Review Pending Key Staff Action Items

**Information:**

- Draft agenda for the February 22, 2018 meeting
- Draft agenda for the March 8, 2018 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

February 8, 2018

**Agenda**  
**Meeting of the OWASA Board of Directors**  
**Thursday, February 22, 2018, 7:00 P.M.**  
**Chapel Hill Town Hall**

In compliance with the "Americans with Disabilities Act," interpreter services 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](mailto:aorbich@owasa.org).

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's agenda, or by comments upon items appearing on the Board's agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service ([aorbich@owasa.org](mailto:aorbich@owasa.org)/400 Jones Ferry Road, Carrboro, NC 27510).

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. OWASA's Annual Update to the Orange County Board of County Commissioners on February 20, 2018 (Ray DuBose)
  - B. Natural Resources and Technical Services Committee will meet on Monday, February 26, 2018, at 5:00 p.m. in the OWASA Boardroom to discuss and evaluate OWASA's Drought Response Operating Protocol (John Young)
3. Announcements by Staff
  - A. Jones Ferry Road Water Treatment Plant maintains Excellence in Water Treatment Award status from the Partnership for Safe Water for 2017 (Todd Taylor)

**Petitions and Requests**

1. Public
2. Board
3. Staff

**Consent Agenda**

**Information and Reports**

1. 12 Month Board Meeting Schedule (Robert Morgan/Todd Taylor)

**Action**

2. Minutes of the January 25, 2018 Meeting of the Board of Directors (Andrea Orbich)

3. Minutes of the February 8, 2018 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Barbara Foushee)

**Regular Agenda**

**Information and Reports**

4. Update on Regional and Local Information on Perfluorinated Compounds in Water Resources (Ken Loflin)
5. OWASA's Participation in the Partnership for Safe Water Optimization Programs (Todd Taylor)

**Discussion and Action**

6. Response to a Petition Regarding Options and Recommendations to Enhance Birdwatching Opportunities at Cane Creek Reservoir (Johnny Riley)
7. Approve Resolution to Accept Low-Interest Loan Offers from the State of North Carolina (Stephen Winters)
8. (Tentative) Consider Resolutions to Authorize Staff to Pursue Refunding \$20 million Variable Rate Bonds (Stephen Winters)

**Summary of Board Meeting Action Items**

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

**Closed Session**

10. The Board of Directors will convene in a Closed Session for the Purpose of Discussing a Personnel Matter (Barbara Foushee)

**Agenda**  
**Work Session of the OWASA Board of Directors**  
**Thursday, March 8, 2018, 6:00 P.M.**  
**OWASA Community Room**

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service ([aorbich@owasa.org](mailto:aorbich@owasa.org)/400 Jones Ferry Road, Carrboro, NC 27510).

For items 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
  - Update on the February 26, 2018 Natural Resources and Technical Services Committee Meeting (John Young)
- c. Announcements by Staff

**Consent Agenda**

**Action**

1. Minutes of the February 22, 2018 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Barbara Foushee)

**Regular Agenda**

**Discussion**

2. Fiscal Year 2019 Draft Budget & Rates (Stephen Winters)
3. Status of Action Items on Communications During Emergencies (Ed Kerwin)
4. Review and Approval of the 2018 Energy Management Plan Update (Mary Tiger)
5. (Tentative) Discuss Revisions to Retiree Health Insurance for New Hires and 457 Deferred Compensation (Stephanie Glasgow)
6. Review Board Work Schedule (Robert Morgan/Ed Kerwin)
  - a. Request(s) by Board Committees, Board Members and Staff
  - b. March 22, 2018 Board Meeting
  - c. April 12, 2018 Work Session
  - d. 12 Month Board Meeting Schedule
  - e. Pending Key Staff Action Items

**Summary of Work Session Items**

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

**Closed Session**

8. The Board of Directors will convene in a Closed Session for the Purpose of Discussing a Personnel Matter (Barbara Foushee)



## OWASA Board of Directors – 12 Month Board Meeting Schedule (February 2, 2018)

| Month         | Board Meetings  |  | Committee & Other Meetings and Reports  |
|---------------|---|--|---|
|               | Work Session  | Business Meeting   |   |
| February 2018 | Response to Petition from OWASA Customer Michael Potter regarding the Water Meter at his Residence<br>Affordability Outreach Program Update<br>Discuss and Determine Topic of Next KPI Discussion<br>Diversity and Inclusion Progress Report<br>CS - General Counsel Interim Review (C)   | Update on Perfluorinated Compounds<br>Participation in Partnership for Safe Water Optimization Programs<br>Response to Petition Regarding Options and Recommendations to Enhance Birdwatching Opportunities at Cane Creek Reservoir<br>Authorize Staff to Accept Loan Offers from the State<br>(Tentative) Consider Refunding Variable Rate Bonds<br>CS - General Counsel Interim Review (C) | <i>Human Resources Committee (2/5/2018)</i><br><br><i>OWASA Orientation for Newly Elected Chapel Hill Town Council Members (2/12/2018)</i><br><br><i>OWASA's Annual Update to the Orange County BOCC (2/20/2018)</i><br><br><i>NRTS Committee (2/26/2018)</i> |
|               | 2/8/2018  | 2/22/2018  |   |
| March 2018    | Status of Action Items on Communications During Emergencies<br>Approve Energy Management Plan Update<br>FY 19 Draft Budget & Rates (C)<br>(Tentative) Discuss Revisions to Retiree Health Insurance for New Hires and 457 Deferred Compensation<br>CS - ED Interim Review (C)   | FY 19 Draft Budget & Rates (C)<br>Set date for Public Hearings – FY 19 Budget & Rates (C)<br>Authorize staff to publish proposed rates (C)<br>Selection and Procurement of WWTP Solids Thickening Equipment<br>CS – ED Interim Review (C)  |   |
|               | 3/8/2018  | 3/22/2018  |   |
| April 2018    | Award the Rogerson Drive Pump Station Phase 2 Contract (C)<br>Review Employee Health and Dental Insurance Renewal<br>Award the Galvanized Water Main Replacement Contract (C)<br>FY 19 Draft Budget and Rates<br>Review Action Plan for Improvements Identified by Organizational Assessment<br>Appointment of the Nominating Committee (C) | Q3 Financial Report (C)<br>Award the WWTP Intermediate Pump Station Rehabilitation Contract  |   |
|               | 4/12/2018   | 4/26/2018  |   |
| May 2018      | <b><i>(Tentative) Discuss LRWSP – Demands &amp; Yield</i></b><br>Approve Employee Health and Dental Insurance Renewal (C)<br>Discuss Employee Merit Pay for FY 19<br><b><i>Discuss Community Engagement Plan for Forestry Management</i></b>  | Public Hearings – FY 19 Budget and Rates Budget Amendment for FY 2018 CIP (C)  |   |
|               | 5/10/2018   | 5/24/2018  |   |
| June 2018     | Approve FY 19 Budget and Rates (C)<br>Election of Officers (C)<br>(Tentative) Review Draft WTP & WWTP Reliability and Risk Assessment Report  | TBD  |   |
|               | 6/14/2018   | 6/28/2018  |   |
| July 2018     | Discuss KPI Trends  | TBD  |   |
|               | 7/12/2018   | 7/26/2018  |   |
| August 2018   | CS – General Counsel Review (C)   | Award the WWTP Solids Thickening Construction Contract<br>Preliminary 12 Month Financial Report (C)  |   |

## OWASA Board of Directors – 12 Month Board Meeting Schedule (February 2, 2018)

|                |  |  |                  |            |
|----------------|--|--|------------------|------------|
|                |  | CIP Semiannual Report (Tentative) Discuss AMI Policies (other than manual read)<br>CS – General Counsel Review | ☞<br>☞           |            |
|                | 8/9/2018   |  |                  | 8/23/2018  |
| September 2018 | EEO/Affirmative Action Report<br>Annual Report on Disposal of Surplus Personal Property<br>Review Updated Implementation Plan for D&I Program<br>Discuss Action Plan from WTP/WWTP Reliability and Risk Assessment Project<br>CS – ED Review | ☞<br>☞<br><br><br><br>☞  | ☞<br>☞<br>☞      |            |
|                | 9/13/2018  |  |                  | 9/27/2018  |
| October 2018   | TBD  | Q1 Financial Report<br>Strategic Trends Report and Strategic Plan Update                                       | ☞<br>☞           |            |
|                | 10/11/2018   |  |                  | 10/25/2018 |
| November 2018  | TBD  | <i>Holiday - no meeting</i>  |                  |            |
|                | 11/8/2018  |  |                  |            |
| December 2018  | TBD  | <i>Holiday - no meeting</i>  |                  |            |
|                | 12/13/2018   |  |                  |            |
| January 2019   | Employee Health and Dental Insurance Update<br>Appoint Audit Firm  | ☞<br>☞   | ☞<br>☞<br>☞<br>☞ |            |
|                | 1/10/2019  |  |                  | 1/24/2019  |

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

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

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

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

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forestry Management. Staff will develop a Community Engagement Plan for Forestry Management by June 2018, and currently plan to present a draft in May 2018.
- Improve effectiveness as a learning organization is considered a longer-term priority.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.

## **OWASA Board of Directors – 12 Month Board Meeting Schedule** (February 2, 2018)

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.

## OWASA Board of Directors – 12 Month Board Meeting Schedule (February 2, 2018)

Abbreviations Used in Draft Schedule:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>☐ Recurring agenda item (generally these are “required” items)</li> <li>AMI Advanced Metering Infrastructure</li> <li>CE Community Engagement</li> <li>CEP Community Engagement Plan</li> <li>CIP Capital Improvements Program</li> <li>COLA Cost of Labor Adjustment</li> <li>CS Closed Session of the Board</li> <li>CY Calendar Year</li> <li>D&amp;I Diversity and Inclusion</li> <li>ED Executive Director</li> <li>FY Fiscal Year</li> </ul> | <ul style="list-style-type: none"> <li>JLP Jordan Lake Partnership</li> <li>LRWSP Long-Range Water Supply Plan</li> <li>MST Mountains-to-Sea Trail</li> <li>MFMM Multi-Family Master Meter</li> <li>NRTS Natural Resources and Technical Services</li> <li>Q Quarter</li> <li>SOW Scope of Work</li> <li>TBD To Be Determined</li> <li>WTP Water Treatment Plant</li> <li>WWTP Wastewater Treatment Plant</li> </ul> |
|---|--|

### Current and Pending Key Projects and Stages

| Project     | Strategic Initiative | Project Lead | Feb-18 | Mar-18 | Apr-18 | May-18         | June-18 | July-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 |
|-------------|----------------------|--------------|--------|--------|--------|----------------|---------|---------|--------|--------|--------|--------|--------|--------|
| AMI         | 6                    | Taylor       |        |        |        |                |         |         |        |        |        |        |        |        |
|             |                      |              |        |        |        |                |         |         |        |        |        |        |        |        |
| LRWSP       | 1                    | Rouse        |        |        |        | Demand & Yield |         |         |        |        |        |        |        |        |
| Energy Plan | 5                    | Tiger        |        |        |        |                |         |         |        |        |        |        |        |        |
|             |                      |              |        |        |        |                |         |         |        |        |        |        |        |        |

| Stages | Committee Discussion | Feasibility Study | Board Review | Community Engagement | Action | Procurement | Implementation |
|--------|----------------------|-------------------|--------------|----------------------|--------|-------------|----------------|
|--------|----------------------|-------------------|--------------|----------------------|--------|-------------|----------------|

## Pending Key Staff Action Items from Board Meetings

| No. | Date       | Action Item  | Target Board Meeting Date | Person(s) Responsible      | Status                                    |
|-----|------------|--|---------------------------|----------------------------|---|
| 1.  | 1-25-2018  | *Provide a response and recommendation to Mr. Michael Potter's petition regarding his water bill.  | 2-8-2018                  | Winters                    | Complete – added to the 2-8-2018 agenda   |
| 2.  | 1-25-2018  | *Provide options and recommendations to enhance birdwatching opportunities at Cane Creek.  | 2-22-2018                 | Taylor<br>Loflin<br>Riley  | Complete – added to the 2-22-2018 agenda  |
| 3.  | 1-25-2018  | Incorporate Board Members suggestions in the next CIP report.  | 8/23/2018                 | Gangadharan                |   |
| 4.  | 1-25-2018  | Consider an Open House and other opportunities to attract greater MWBE participation in bidding construction projects.                                 | NA                        | Gangadharan                |   |
| 5.  | 1-25-2018  | Provide a report via email on staff's work to manage taste and odor during future algae outbreaks.   | NA                        | Taylor                     |   |
| 6.  | 1-11-2018  | Provide update on perfluorinated compounds.  | 2-22-2018                 | Taylor                     | Complete – added the 2-22-2018 agenda     |
| 7.  | 1-11-2018  | Provide information at a future Board meeting on awards OWASA has received and/or are pursuing and how it benefits the community and the organization. | 2-22-2018                 | Taylor                     | Complete – added the 2-22-2018 agenda     |
| 8.  | 1-11-2018  | Provide Board a brief on state of art methods to determine water main condition.   | NA                        | Gangadharan                |   |
| 9.  | 1-11-2018  | Board discussion on the next "deep dive" on a KPI.   | 2-8-2018                  | Tiger                      | Complete – added to the 2-8-2018 agenda   |
| 10. | 1-11-2018  | Implement changes to KPI Report on water main breaks.  | NA                        | Tiger                      |   |
| 11. | 1-11-2018  | Pass the Board's "thanks" along to the OWASA Team for their work during the difficult winter weather.  | NA                        | Kerwin                     | Complete on 1-11-2018                     |
| 12. | 11-9-2017  | Address Board member feedback on Strategic Trends Report for next year.  | 10-25-2018                | Rouse                      |   |
| 13. | 10-12-2017 | Schedule future Board discussion about low-flow benchmarks to be used once AMI is implemented.   | TBD                       | Winters<br>Taylor          | To be scheduled in summer or fall of 2018 |
| 14. | 9-19-2017  | Discuss request from Carrboro Mayor Lavelle regarding affordable housing   | NA                        | Epting<br>Kerwin<br>Morgan | Complete                                  |

## Pending Key Staff Action Items from Board Meetings

| No. | Date      | Action Item   | Target Board Meeting Date | Person(s) Responsible | Status                   |
|-----|-----------|---|---------------------------|-----------------------|--------------------------|
| 15. | 9-14-2017 | Issue request for qualifications in the spring of 2018 for banking services and seek the Board's input on the criteria to be considered in selecting the best-qualified bank. | TBD                       | Winters               | To occur in Spring 2018. |
| 16. | 5-25-2017 | Prepare a plan for solar PV on OWASA land.  | June 2018                 | Tiger                 |                          |
| 17. | 5-25-2017 | Prepare a Community Engagement Plan for Forestry Management.  | June 2018                 | Rouse                 |                          |