



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, May 10, 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/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 May 7, 2018 Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors Meeting (Heather Payne)
 - Update on the May 8, 2018 Natural Resources and Technical Services Committee Meeting (John Young)
 - Update on the May 9, 2018 Human Resources Committee Meeting (Barbara Foushee)
- c. Announcements by Staff
 - Update on the May 10, 2018 Chatham-Orange Task Force Meeting (Ed Kerwin)
- d. Additional Comments, Suggestions, and Information Items by Board Members (Robert Morgan)

Consent Agenda

Action

1. Minutes of the April 12, 2018 Work Session of the Board of Directors (Andrea Orbich)
2. Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross and Blue Shield of North Carolina for Employee Health and Dental Insurance Plans, and The Hartford for Employee Life, Dependent Life, Accidental Death and Dismemberment and Long-Term Disability Insurance Plans (Stephanie Glasgow)

Regular Agenda

Discussion

3. Employee Merit Pay for Fiscal Year 2019 (Stephanie Glasgow)
4. Draft Approach for Managing Forested Watershed Lands and its Community Engagement Process (Ruth Rouse)

5. Review Board Work Schedule (Robert Morgan/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff
 - b. May 24, 2018 Board Meeting
 - c. June 14, 2018 Work Session
 - d. 12 Month Board Meeting Schedule
 - e. Pending Key Staff Action Items

Summary of Work Session Items

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

Agenda Item 1

Orange Water and Sewer Authority

Meeting of the Board of Directors

April 12, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, April 12, 2018, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Mary Darr, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Ed Kerwin, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Stephen Winters and Richard Wyatt.

Others present: Margaret Holton (University of North Carolina Water Resources Manager), Ellen Tucker (Hill, Chesson & Woody) and Bruce Boehm.

Motions

1. Heather Payne made a motion to approve the Minutes of the March 22, 2018 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Yinka Ayankoya and unanimously approved.

* * * * *

Announcements

Robert Morgan asked 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.

Mr. Morgan said that on April 4, 2018, the Board held a diversity and inclusion training session with VISIONS, Inc. Topics included: increasing the Board's role in orientation for new Board members; how to build Board relationships; how to take action to maintain increased Board diversity and inclusion; and formal/informal parliamentary procedures to create inclusion. Another session will be scheduled to complete the training with VISIONS.

Yinka Ayankoya said she attended the April 11, 2018, Intergovernmental Parks Work Group meeting. Ms. Ayankoya provided a brief update on OWASA related topics including: Mountains-to-Sea Trail, renovation of UNC boating ramp at University Lake, and Finley Park athletic fields.

Jeff Danner said that the Finance Committee will meet on Wednesday, April 18, 2018, at 5:30 p.m. in OWASA's Community Room to discuss rate options for Fiscal Year 2019. Mr. Danner said he would be unable to attend, and that Heather Payne would Chair the meeting.

Heather Payne said that the Chapel Hill Town Council OWASA Committee and the Chapel Hill Appointees to the OWASA Board will meet on Monday, May 7, 2018, at 8:30 a.m. in OWASA's Board Room to discuss items of mutual interest.

John Young said that the Natural Resources and Technical Services Committee will meet on Tuesday, May 8, 2018, at 4:30 p.m. in OWASA's Board Room to discuss source water protection.

Mr. Young said that the Chatham-Orange Task Force will meet on Thursday, May 10, 2018, at 12:00 noon at Central Carolina Community College in Pittsboro. An agenda will be provided prior to the meeting, and may include Chatham Park, Obey Creek, 15-501 Corridor Study, and Bus Transit connectivity between Chatham and Orange County.

Barbara Foushee said that the Human Resources Committee will meet on Wednesday, May 9, 2018, at 5:30 p.m. in OWASA's Boardroom to continue discussing retiree health benefits for new hires and OWASA's deferred compensation (457) plan.

Mr. Morgan said that he will be absent from the April 26, 2018 Board Meeting, and that Heather Payne will Chair the meeting.

Todd Taylor said that he attended the April 11, 2018, Chapel Hill Town Council meeting to provide an update on OWASA's Agua Vista (Advanced Metering Program) which was well received.

Stephen Winters announced that OWASA's Series 2018 Refunding Bonds were priced on April 10, 2018. The winning bid, from Citigroup Global Markets, was at an interest rate that was lower than the assumption used in estimating future savings, resulting in greater potential savings than was originally projected for OWASA and its customers.

Ruth Rouse announced that on April 10, 2018, the NC Forest Service completed the prescribed burn on the Cane Creek Mitigation Tract. She said that the Forest Service kept safety first and minimized impacts to the neighbors.

John Morris shared the article, "Rising Water Bills Squeeze Homeowners" in *The Wall Street Journal*, April 2018, with the Board.

Item One: Quarterly Report on Board and Committee Meetings

The Board received this as an information item.

Item Two: Minutes

Heather Payne made a motion to approve the Minutes of the March 22, 2018 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Yinka Ayankoya and unanimously approved. Please see Motion No. 1 above.

Item Three: Review Employee Health, Dental, Life, Dependent Life, Accidental Death & Dismemberment and Long-Term Disability Insurance Renewals

The Board received a status report on discussions with Blue Cross Blue Shield of North Carolina regarding renewal of health (-6%), dental (6.9%), and ancillary (-10.8%) insurance. The Board agreed to schedule the approval of insurance renewals on the May 10, 2018, consent agenda.

John Young requested information on benchmark organizations.

Item Four: Review Fiscal Year (FY) 2019 Budget and Rate Adjustment Information

The Board discussed the draft budget and proposed rate adjustment options for FY 2019 (July 2018 through June 2019) and projected rate and expenditure information for the subsequent four fiscal years. After discussion, the Board requested that information for the April 18, 2018, Finance Committee meeting include projections of rate adjustments beyond the next five years. The Board also requested information about projected operating expenses and the assumptions behind them as well as talking points for why a rate increase might be needed in FY 2019.

The Board is scheduled to authorize staff on April 26, 2018 to publish proposed budget and rate adjustment information for FY 2019 in advance of the May 24, 2018 public hearings.

Item Five: Review Action Plan for Improvements Identified by Organizational Assessment

The Board received and supported the Diversity and Inclusion Organizational Assessment approach to prioritize and implement the recommendations and goals for the draft plan of improvements.

Item Six: Appointment of the Nominating Committee

The Board agreed that the Nominating Committee will consist of the full Board. The Board agreed to continue the practice of limiting Board Members successive terms' as Chair, Vice Chair and Secretary to one one-year term for each office beginning July 1, 2018. The Board also agreed that the Chair of the Board will appoint the Chair of the Nominating Committee.

Item Seven: Review Board Work Schedule

The Board agreed, in coordination with VISIONS, Inc., to schedule the fourth Session with VISIONS the last week of May 2018.

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

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

- A doodle pool to select a date and time for the Board’s next session with VISIONS, Inc.
- April 18, 2018 Finance Committee meeting will include: projections of rate adjustments beyond the next five years; information about projected operating expenses and the assumptions behind them; and talking points for why a rate increase might be needed in Fiscal Year 2019.
- Provide health insurance benchmark information.

The Board Work Session was adjourned at 8:15 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

DRAFT

Agenda Item 2:

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

Purpose:

Authorize the Executive Director to execute contracts for insurance plans to replace those scheduled to expire on June 30, 2018.

Background:

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

The current Employee Health, Dental, Life, Dependent Life, AD&D and LTD contracts expire on June 30, 2018.

The Board began receiving information on renewals from OWASA staff and Ellen Tucker with Hill, Chesson and Woody in January 2018. At the January 11th work session, the Board received a presentation that included:

- Financial Performance of Health Insurance Plan
- Overview of Utilization and Cost
- Renewal Considerations

On April 12, 2018 the Board was provided a presentation from Hill, Chesson and Woody that included:

- Benchmarking Information
- Updated Data on Utilization and Cost
- Renewal Negotiations and Considerations

Additional information was requested on the Health benefits of benchmark entities, and this was provided to the Board by e-mail on April 23, 2018.

Information:

- See, Letter from Ellen Tucker with Hill, Chesson and Woody recommending renewals as follows:
 - Health Insurance renewal with BCBSNC with a decrease of 7.4% in premiums and with no change in benefits;

May 10, 2018

- Dental Insurance renewal with BCBSNC with an increase of 6.9% in premiums with no change in benefits;
- Employee Life, Dependent Life, AD&D and LTD plans as proposed by The Hartford with an overall decrease of 10.8% from current premiums and a three-year rate guarantee with no change in benefits.
- Resolution for consideration authorizing the Executive Director to Execute Contracts is attached

May 10, 2018



May 1, 2018

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

Stephanie:

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

Medical Plan

BCBSNC originally released a 2.5% renewal increase which was negotiated to a 6% decrease with no plan design changes. Additionally, a 7.4% decrease on medical is available through a package pricing program if OWASA elects dental coverage through BCBSNC, and Life and Long Term Disability through Mosaic Group, a subsidiary of BCBSNC. We recommend accepting the 7.4% renewal decrease with package pricing.

Dental Plan

BCBSNC requested a 14% increase on dental but agreed to a 6.9% increase after negotiations. Our recommendation is to renew with BCBSNC.

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

USABLE requested an overall 15.7% increase for Life/AD&D, Dependent Life and Long Term Disability with Life guaranteed for 2 years and Long Term Disability guaranteed for 1 year. The Hartford has offered a comparable quote at an overall 10.8% decrease with rates guaranteed for 3 years. Additionally, The Hartford qualifies for package pricing through Mosaic Group. We recommend moving to The Hartford based on savings and to accept the package pricing offer on medical.

Sincerely,

A handwritten signature in black ink that reads "Ellen M. Tucker".

Ellen Tucker, CMCE

Area Vice President, Health and Welfare Consulting

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
CONTRACTS WITH BLUE CROSS BLUE SHIELD OF NORTH CAROLINA
(BCBSNC) FOR EMPLOYEE HEALTH AND DENTAL INSURANCE, AND THE
HARTFORD FOR EMPLOYEE LIFE, DEPENDENT LIFE,
ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) AND LONG TERM
DISABILITY (LTD) INSURANCE**

WHEREAS, OWASA employees are provided health and dental insurance coverage, as well as Life, Dependent Life, AD&D and LTD Insurance through OWASA's contract with Blue Cross Blue Shield of North Carolina (BCBSNC), which will expire on June 30, 2018; and

WHEREAS, OWASA employees have expressed their satisfaction with their present coverage through BCBSNC, and the Board of Directors has determined that continuing the contract for such coverage with BCBSNC is desirable and in OWASA's best interests; and

WHEREAS, with the capable assistance of its insurance consultant Hill, Chesson & Woody, OWASA has obtained proposals from BCBSNC for continuing the health coverage for a decrease in annual premiums of 7.4%, and renewal of Dental coverage with a 6.9% increase in rates for the period of July 1, 2018 through June 30, 2019; and, for Life, Dependent Life, AD&D and LTD through The Hartford for three years at a 10.8% decrease in premiums; and

WHEREAS, with the capable assistance Hill, Chesson & Woody the Board of Directors has determined that the rates proposed by BCBSNC and The Hartford for such are reasonable and appropriate, and that it is in best interests of OWASA to accept the proposals;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors has determined to accept the BCBSNC proposals for Health and Dental insurance coverage for the term and on the conditions proposed.
2. That the Board of Directors has determined to accept The Hartford proposals for Life, Dependent Life, AD&D and LTD Insurance for the term and on the conditions proposed.
3. That the Executive Director is hereby authorized and directed to execute the contracts.

Adopted this 10th day of May 2018.

Robert Morgan, Chair

ATTEST:

Yinka Ayankoya, Secretary

Agenda Item 3:

Employee Merit Pay for Fiscal Year (FY) 2019

Purpose:

To provide the Board information on Employee Cost of Labor/Merit Pay Increases for FY2019.

Background:

On December 14, 2017 the Board received information from staff regarding Compensation Strategies for Employee Performance Rating Period October 1, 2017 through September 30, 2018 and future years. The Board adopted a resolution updating the Pay Administration Guidelines establishing:

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

The merit pay increases are illustrated below.

Rating	COLA Increase	Merit Increase
Exceptional	1x	2x
Exceeds Expectations	1x	1.5x
Meets Expectations	1x	1x
Below Expectations	Not Applicable	Not Applicable

Schedule:

Staff has prepared information to assist the Board in its decision on employee compensation adjustments as part of the annual budget development process. The Board is currently scheduled to make a decision about employee pay no later than June 14, 2018 (draft Resolution provided). If approved, pay range adjustments and pay increases normally go into effect the first pay period in November.

Market Analysis:

The table below displays planned employee compensation increases for local entities.

Entity	Merit	Cost of Labor/Living
City of Durham	4% Budgeted	N/A
Town of Cary	Averaging 4% - discussion is taking place to increase to 5%	Undecided
Town of Hillsborough	3.25% Average (0 – 4.25%)	N/A Market adjustments will be given as needed
Cape Fear Public Utility	Up to 2.5%	1.5% Market Adjustment
Town of Chapel Hill	N/A	3% of Market
Town of Carrboro	N/A	3%
Orange County	\$500, \$750 or \$1,000	Proposed 2%

Based on the most recent World at Work survey data projected for 2018, Cost of Labor increases are projected to be from 0.6% to 2.2% and Merit Pay increases are projected to be from 2.4% to 3.0%. See the following World at Work data.

WORLD AT WORK SALARY SURVEY DATA

	2017				2018 projected			
	COLA	Merit	Other	Total ⁴	COLA	Merit	Other	Total ⁴
	(Percent)				(Percent)			
1-499 Employees, \$30M-\$100M revenue								
All Industries								
National	1.4	3.0	1.2	3.3	1.8	3.0	1.4	3.5
Southern ¹	1.9	2.9	0.9	3.2	2.0	2.9	0.9	3.2
NC	2.1	2.5	0.4	3.2	2.2	2.3	0.6	3.1
Public Administration ²								
National	*	2.1	*	3.7	*	2.5	-	3.5
Southern ¹	*	2.1	*	3.7	*	2.5	-	3.5
NC	-	-	-	-	-	-	-	-
Utilities ³								
National	-	3.3	-	3.3	-	3.0	-	3.0
Southern ¹	-	-	-	-	-	-	-	-
NC	-	-	-	-	-	-	-	-
All Size Employees, All Size Revenue								
All Industries								
National	1.4	2.8	0.9	3.0	1.6	2.9	0.9	3.1
Southern ¹	1.3	2.7	0.8	3.0	1.4	2.9	0.8	3.1
NC	1.2	2.7	0.7	3.0	1.3	2.9	0.9	3.2
Public Administration ²								
National	1.4	2.2	0.9	2.7	1.7	2.4	0.9	2.9
Southern ¹	1.4	2.5	0.7	3.0	1.7	2.5	0.5	3.0
NC	-	*	*	*	-	*	*	*
Utilities ³								
National	1.7	2.8	1.0	2.9	1.7	2.9	0.9	3.0
Southern ¹	0.9	2.8	0.7	2.9	0.6	2.8	0.7	2.9
NC	-	2.8	-	2.8	-	2.8	-	2.8

(-) Fewer than 5 responses

(*) This data may represent a small sample size of less than 30 response

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

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

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

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

Staff Recommendation:

Based on market data, and the December 2017 Board approved Pay Administration Guidelines, and the Board's expression of support for moving employees meeting expectations through their pay ranges in seven to nine years, staff recommends that the Board:

1. Approve a 1% Cost of Labor Adjustment for all eligible employees who earn a Meets Expectations, Exceeds Expectations or Exceptional rating at their October 2018 annual performance review and implement the same percentage increase to salary ranges in the Schedule of Employee Classification and Authorized Compensation effective October 29, 2018.
2. Approve a Merit Pay increase of 3% effective October 29, 2018 for all Employees rated as Meets Expectations at their October 2018 annual performance review;
3. Approve a Merit Pay increase of 4.5% effective October 29, 2018 for Employees rated as Exceeds Expectations at their October 2018 annual performance review;
4. Approve a Merit Pay increase of 6% effective October 29, 2018 for Employees rated as Exceptional at their October 2018 annual performance review.

The table below illustrates pay adjustment components and budget impact of the recommendation.

	Components of Employee Pay Adjustments	World at Work	Meets Expectations Rating	Exceeds Expectations Rating	Exceptional Rating
	Cost of Labor	0.6% - 2.2%	1.0%	1.0%	1.0%
+	Merit Pay	2.4% - 3.0%	3.0%	4.5%	6.0%
=	Total Pay Increase		4.0%	5.5%	7.0%
Approximate Budget Impact including payroll taxes			\$416,000		
Amount in draft FY 2019 Budget			\$398,000		
Difference			\$18,000		

These calculations are based on current employee wage rates and assume no more than 40% of the workforce will receive a rating of Exceptional or Exceeds Expectations with no more than 15% in the Exceptional category.

Information:

- Draft Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees (currently scheduled for approval on June 14, 2018)

**RESOLUTION UPDATING THE SCHEDULE OF EMPLOYEE CLASSIFICATION
AND AUTHORIZED COMPENSATION; ADJUSTING AFFECTED EMPLOYEES'
COMPENSATION TO THE MINIMUM OF THE PAY RANGE;
AND AUTHORIZING COST OF LABOR AND MERIT PAY INCREASES
FOR ELIGIBLE EMPLOYEES**

WHEREAS, the Orange Water and Sewer Authority maintains a Schedule of Employee Classification and Authorized Compensation which provides the appropriate number of properly classified and compensated employees to efficiently and effectively fulfill the organization's duties and responsibilities; and

WHEREAS, the Board of Directors has determined that it is reasonable and prudent in achieving and maintaining competitiveness in the market to increase the pay ranges in the Schedule of Employee Classification and Authorized Compensation; and

WHEREAS, the Board of Directors has determined that it is reasonable and prudent to provide Merit Increases to provide fair and equitable compensation so that qualified employees may be retained to do the work necessary for the operation of the OWASA service system:

NOW THEREFORE, BE IT RESOLVED:

1. That the Board of Directors hereby approves a _____% Cost of Labor increase for eligible employees who have earned a Meets Expectations, Exceeds Expectations or Exceptional Performance review during the October 2018 annual review process and the Executive Director is directed to adjust and implement the same percentage increase in salary ranges in the Schedule of Employee Classification and Authorized Compensation.
2. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of Meets Expectations during the October 2018 annual review process by increasing base pay _____%.
3. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of Exceeds Expectations during the October 2018 annual review process by increasing base pay _____%.
4. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of Exceptional during the October 2018 annual review process by increasing base pay _____%.
5. That employees whose salaries fall below the minimum amount of the new pay ranges shall be brought up to the minimum of the respective pay range regardless of the performance rating earned.

6. That the pay adjustments will be effective October 29, 2018.

Adopted this ____ day of _____, 2018.

Robert Morgan, Chair

ATTEST:

Yinka Ayankoya, Secretary

DRAFT

Agenda Item 4:

Draft Approach for Managing Forested Watershed Lands and its Community Engagement Process

Purpose:

To receive the OWASA Board of Directors’ questions, comments, and direction to staff regarding a draft framework for managing OWASA’s forested watershed lands and developing a community engagement plan for the proposed approach.

Background:

OWASA owns approximately 2,400 acres of forested lands to support our core mission of providing water, wastewater, and reclaimed water services for the Chapel Hill-Carrboro community. These land holdings are mapped in Figure 1 and summarized in Table 1. These lands include watershed protection lands to protect Cane Creek Reservoir; the Cane Creek Mitigation Tract, which was purchased to mitigate the impacts to wildlife as part of the permit process to construct Cane Creek Reservoir; lands for our biosolids program; and land for a potential water treatment plant near Jordan Lake in Chatham County.

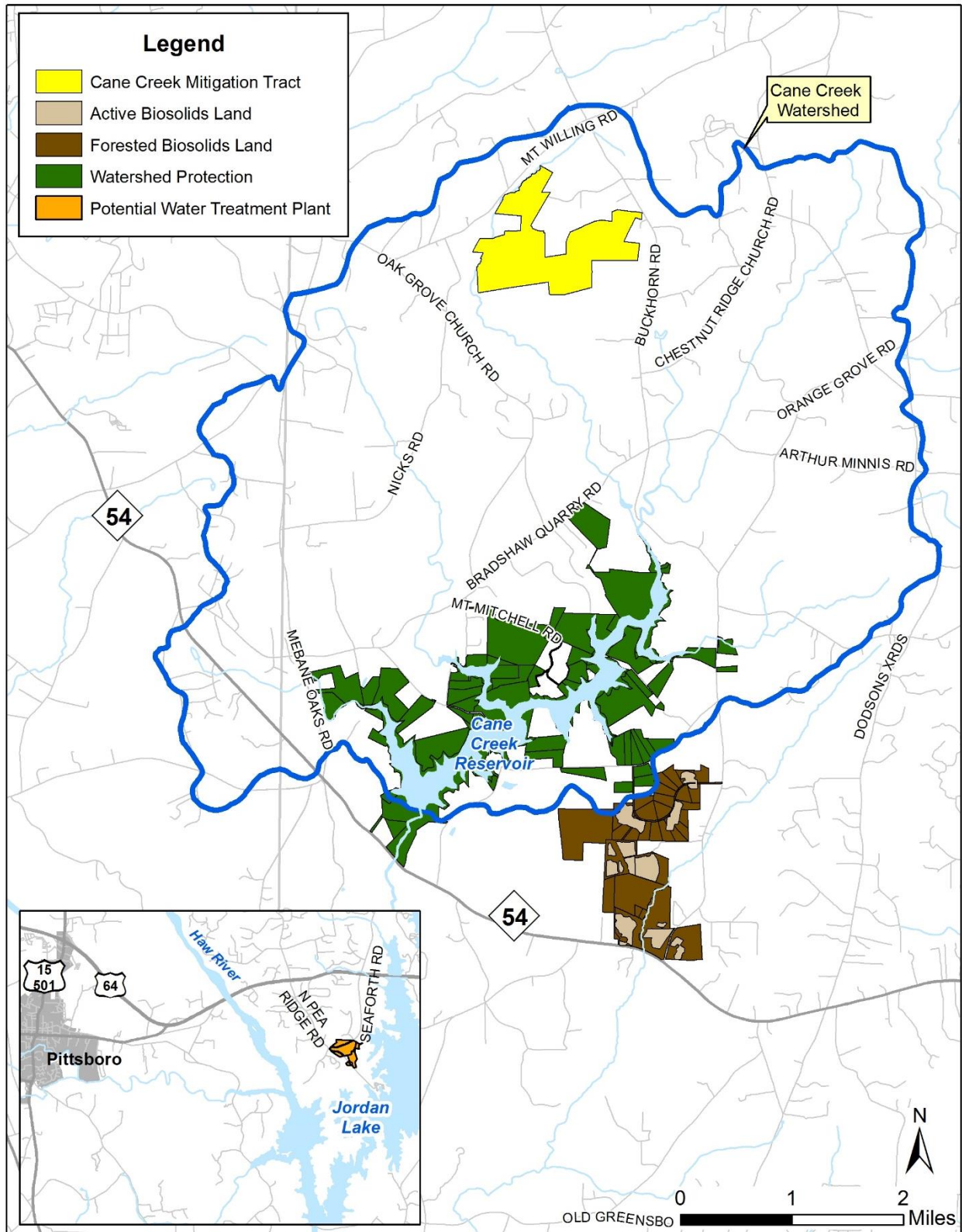
Table 1: Summary of OWASA-Owned Forested Land *(Acres rounded to nearest tens)*

Purpose	Acres
Watershed protection	1,260
Wildlife mitigation (and watershed protection)	490
Biosolids program	530
Potential water treatment plant	110
Total	2,390

OWASA recognizes the benefit of forested land to protect its water supply reservoirs. However, some of the forests it owns are poor quality and are diseased, include storm damage areas, or were planted with pines that are too close together which provides little wildlife benefit. Some of these poor quality areas also pose a fire risk. OWASA would like to manage its forests to protect water quality, improve the forest quality, and reduce fire risk.

OWASA implemented a forest management plan developed by the North Carolina Wildlife Resources Commission on the 491-acre Cane Creek Mitigation Tract to comply with state and federal permit requirements. To address the remaining 1,900 acres of forested land, OWASA hired True North Forest Management to develop plans to manage them. These Forest Stewardship Plans were presented to the public in late 2010 and subsequently put on hold following extensive public comments and concerns, and OWASA’s need to focus on higher priority strategic plan initiatives. OWASA made a promise to the public that it would conduct a public meeting before implementing any forest management on these 1,900 acres.

Figure 1: OWASA-Owned Forested Land



Strategic Initiative 6 of the Board of Directors' [Strategic Plan](#) is to develop a plan and policy framework for long-term management of OWASA lands. One action identified is to develop a long-term plan for sustainable management of OWASA forest lands; management could range from no active management to comprehensive management that includes a variety of forest management activities. As a first step in addressing this initiative, staff presented the Board of Directors with an overview of OWASA's land holdings and past discussions on [May 25, 2017](#). At that meeting, the Board requested that staff draft a Community Engagement Plan (CEP) for forest management and present that draft plan by the end of fiscal year 2018.

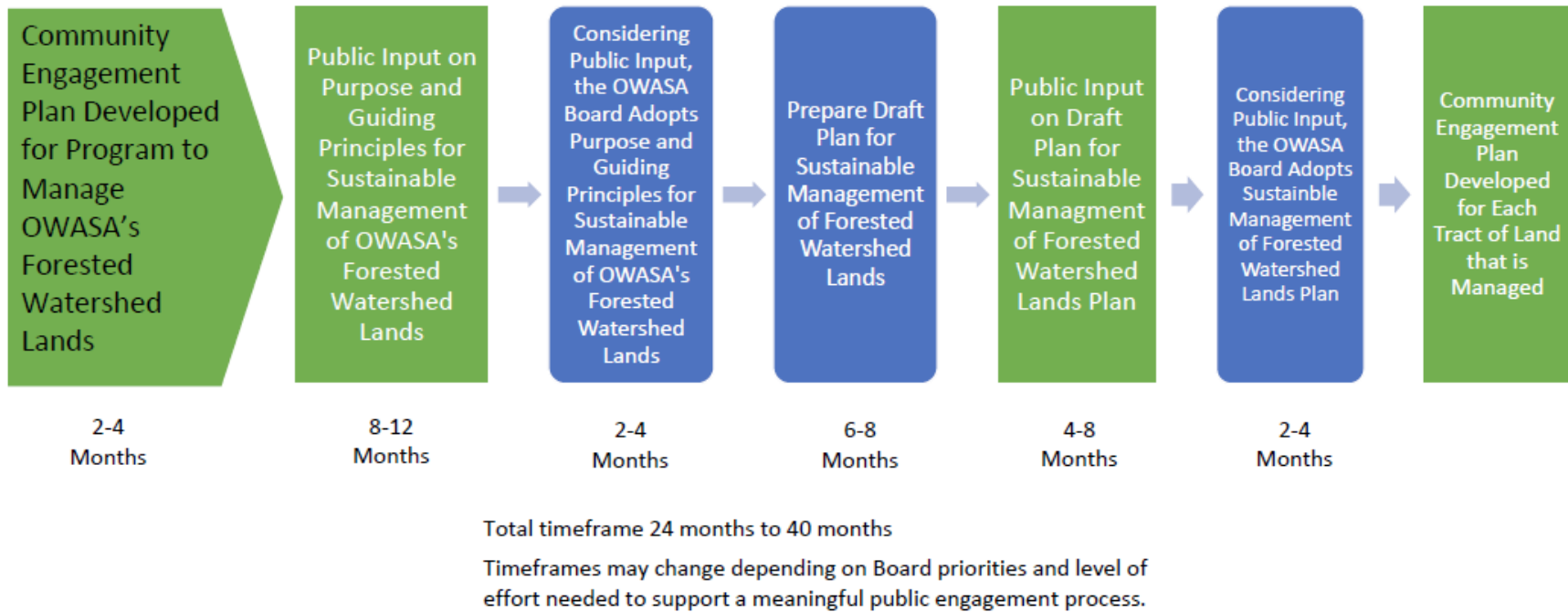
Staff began drafting a CEP to present to the Board, but determined that it was important to discuss an overall approach for managing our forested land prior to developing a detailed CEP. This suggestion was provided to the Board of Directors in an email dated April 10, 2018 (Attachment 1).

Proposed Framework for Developing a Sustainable Program to Manage OWASA's Forested Watershed Lands:

Staff's proposed process is illustrated in Figure 2. The blue boxes in the figure illustrate the basic steps for preparing and implementing a Forest Management Plan while the green boxes illustrate community engagement. The following basic steps are identified:

1. **Develop purpose and guiding principles** for sustainable management of OWASA's forested watershed lands – staff envisions that the Board of Directors would adopt this document after extensive stakeholder input through a resolution. We also anticipate obtaining agency and forest expert input to this process. This document would serve as the foundation for developing a Forest Management Plan.
2. **Develop Draft Plan** for Sustainable Management of OWASA's Forested Watershed Lands – staff envisions that the Plan would be developed by a forest management consultant based on the purpose and guiding principles. Depending on the purpose and guiding principles, the Forest Management Plan could include or recommend a series of plans developed for various forested tracts. If that occurred, staff envisions that priorities for management and implementation would be assigned based on the guiding principles. Based on the purpose and guiding principles, there could be some areas that have little or no forest management while others have more extensive management. This Plan could look very different from the draft Forest Stewardship Plans developed in 2010. Staff further envisions that the draft Plan would include an implementation schedule and any resources needed for implementation.
3. **Develop Final Plan** for Sustainable Forest Management – Based on Board and public input, a Final Plan for Sustainable Forest Management would be developed. Staff envisions that the Board would approve the Plan by resolution.
4. **Implement Final Plan** – while this is not shown in Figure 2, the Plan would be implemented based on information included in the final Plan. Staff intends to develop individual CEPs for any areas managed, similar to our practice of developing CEPs for each capital improvement program project.

Figure 2: Draft Concept for Developing a Sustainable Program to Manage OWASA’s Forested Watershed Lands



The steps illustrated in Figure 2 could change depending on public input. Staff also envisions that details would be added to the figure as we move through the forest management process.

Proposed Approach for Community Engagement:

Staff proposes to proactively engage the community in the process to develop a program to sustainably manage OWASA’s forested watershed lands. We believe there is great benefit to having the public actively engaged in establishing the overall goals and guiding principles that will provide the foundation for developing a Forest Management Plan. We believe that beginning with a community process to develop the guiding principles will have a greater chance of developing a Forest Management Program that will be supported by the public. We also recognize that beginning with a community process will require more time and resources to develop a sustainable Forest Management Program. Advantages and disadvantages of this community process are summarized in Table 2.

Table 2: Advantages and Disadvantages of a Community Process to Develop Guiding Principles for Developing a Sustainable Forest Management Program

Advantages	Disadvantages
<ul style="list-style-type: none">• Greater chance of success at developing a sustainable forest management program that is supported by the public• Supports OWASA’s Strategic Plan Initiative 2 to engage the community to understand their perceptions and expectations so we can make better decisions• Builds relationships with neighboring landowners	<ul style="list-style-type: none">• Will likely take more time to develop a sustainable forest management program than if OWASA developed guiding principles and a draft plan to present to the public• To be successful, may require a neutral third-party facilitator hired by OWASA, which will add cost to the initiative.• May require strawman goals and objectives to have productive meetings with the public; this could be perceived as an OWASA-driven approach

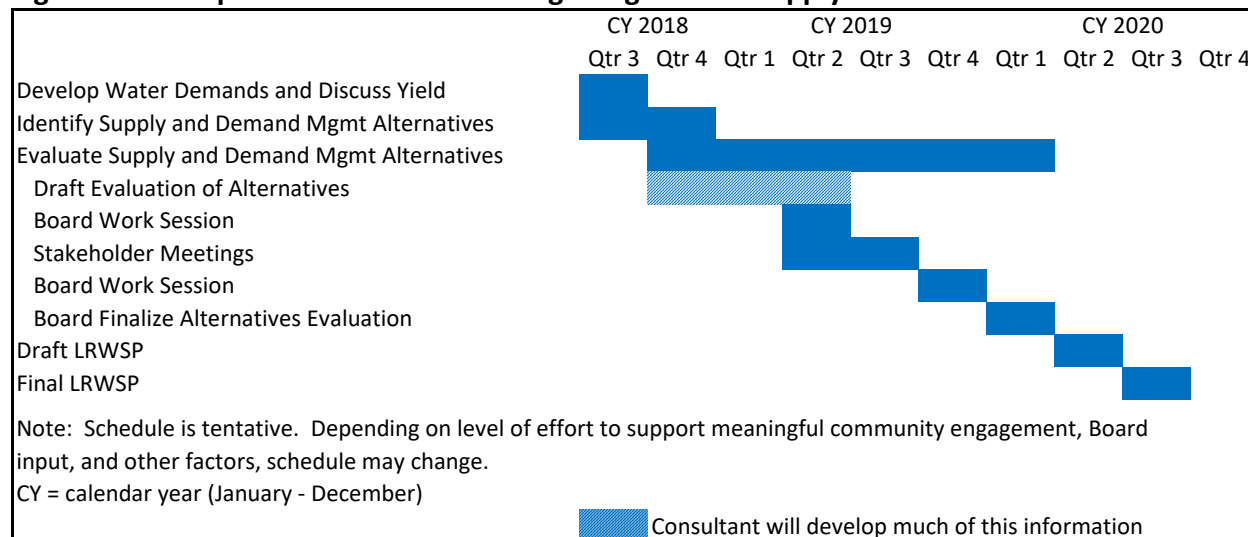
Once staff has input from the Board of Directors about the overall framework to develop a Sustainable Program to Manage OWASA’s Forested Watershed Lands and guidance on how the community should be engaged in developing the purpose and guiding principles, staff will develop a CEP for the overall program which follows the Administrative Guide (Attachment 2). Staff also suggests that Figure 2 or something similar be included to provide context for the CEP.

Schedule:

Staff appreciates any guidance that the Board has on the schedule to begin developing a sustainable program for managing our forested watershed lands. Staff’s proposal to begin the forest management process with a community approach to develop the guiding principles for the program will require a fair amount of staff time to adequately prepare and plan for productive meetings. The main staff involved in forest management are also involved in updating our Long-Range Water Supply Plan; our newly hired Communications and Community Relations Officer will also play a key role in both initiatives along with other high profile strategic initiatives such as Agua Vista. Figure 2 includes staff’s estimate of the time for each step in its proposed

approach to manage its forested watershed lands, and Figure 3 includes a schedule to update the Long-Range Water Supply Plan (LRWSP). Note that the information provided in Figures 2 and 3 is tentative and may change based on the level of effort to support meaningful community engagement, Board input, and other factors.

Figure 3: Anticipated Time Table for Long-Range Water Supply Plan



Staff Recommendation:

Staff recommends that the Board discuss staff’s draft concept for forestry management and provide direction to staff. Staff recommends a community process to develop guiding principles for developing a sustainable forest management program. We offer the following additional information for consideration by the Board of Directors:

- Staff suggests that the Board strongly consider supporting a neutral third-party facilitator. The facilitator should have demonstrated successful facilitation of other government efforts to develop and implement programs that had the potential for negative public feedback.
- Staff suggests that the Board consider allowing staff to work with a small group of landowners in the watershed to develop some strawman goals and guiding principles. This may enable more productive meetings with the public, and help allay any concerns about OWASA driving the guiding principles.

Staff recommends that community engagement begin after the alternatives analysis is completed for the LRWSP update. The evaluation of supply and demand management alternatives is an important element of the LRWSP and will require extensive stakeholder input. Not overlapping these two efforts will help assure that staff has time to effectively engage on both projects and that two initiatives which may have extensive public interest are not on the same Board agenda to allow adequate time for public comment and full discussion by the Board. While much of the public interest in forest management may be from people who reside outside our service area,

some people may be interested in both initiatives and separating them may make meetings more manageable for them.

In the meantime, staff can work with the Board of Directors to complete the Community Engagement Plan, develop a budget for any consultant support the Board approves, and begin to develop a request for proposals for approved consultant support.

Questions that may help guide Board discussion include:

1. Does the Board concur with the overall approach illustrated in Figure 2?
2. Does the Board agree with staff's recommendation that we include a community process to define the purpose and guiding principles for a sustainable forest management program?
3. Does the Board think we should hire a professional facilitator for community meetings?
4. What guidance does the Board have on whether to develop strawman guiding principles and if we should solicit a small group of neighboring landowners to help develop draft guiding principles?
5. What guidance does the Board have on prioritizing developing a sustainable forest management program and other strategic initiatives?
6. Staff has switched from our 2010 title for Forest Stewardship Plans to Sustainable Program for Managing Forested Watershed Lands. We note that we have some forested land that is outside the Cane Creek Reservoir and University Lake watersheds that we purchased for biosolids land application; these lands are in the Jordan Lake watershed. Does the Board have any thoughts about the potential name change?

Information:

- Attachment 1: Email from Ruth Rouse to Board and Leadership dated April 10, 2018
- Attachment 2: OWASA Administrative Guide for Community Engagement Plans

From: [Ruth Rouse](#)
To: [Board and Leadership](#)
Cc: [Todd Taylor](#); [Mary Darr](#); [Stephen Winters](#); [Stephanie Glasgow](#); [Dan Przybyl](#); [Ken Lofin](#); [Johnny Riley](#); [Mary Tiger](#); [Robin Lackey Jacobs](#)
Subject: Forestry Management - Community Engagement Concept
Date: Tuesday, April 10, 2018 3:33:18 PM
Attachments: [Draft Community Engagement Process - Forestry Management 20180410.pdf](#)

Board of Directors,

We owe the Board an outline and overview of staff's work to prepare a Community Engagement Plan for sustainable management of OWASA's forested watershed lands in advance of the Board's discussion on May 10th. We developed a basic concept for community engagement which is briefly explained below and illustrated on the attachment.

We believe it is prudent to establish an overall approach to manage our forested lands before preparing a detailed community engagement plan. Additionally, we believe it is important to think through with the Board how this work fits into our overall priorities and workload before committing to a path forward. We welcome your questions and feedback as it will help us prepare information for your discussion on May 10th.

Concept for Community Engagement

Proactive and effective community engagement is essential for success. We believe there is great benefit to have the public actively involved in establishing the overall goals and guiding principles for sustainable management of OWASA's forested watershed lands before a plan is developed. We believe the draft plan prepared in 2010 should serve as background information only. Once we have the benefit of public input (including expert peer review) on goals and guiding principles, the OWASA Board will adopt same.

Staff will then proceed to have a consultant develop a draft plan to manage the forested watershed lands to include strategies and priorities for a sustainable program. Once the draft plan has been prepared, OWASA will proactively seek public input (including expert peer review) on the draft plan. As before, once we have the benefit of public input, the OWASA Board will adopt the plan. There will be ongoing community engagement as the plan is implemented.

The path forward...

Rather than focusing on a detailed community engagement plan at this point, we suggest that the Board and staff think through the overall approach for sustainable management of our forested lands. Once we have a better handle on the overall approach, we will be in a better position to develop a detailed community engagement plan. Additionally, we need to discuss

the bigger OWASA picture of how this work should be coordinated with other key projects and priorities, especially the update to our Long-Range Water Supply Plan.

Again, we welcome your questions, suggestions and feedback as it will help us prepare information for our Work Session discussion on May 10th.

Thanks.

[Ruth Rouse, AICP](#)

Planning and Development Manager

Orange Water and Sewer Authority

400 Jones Ferry Road

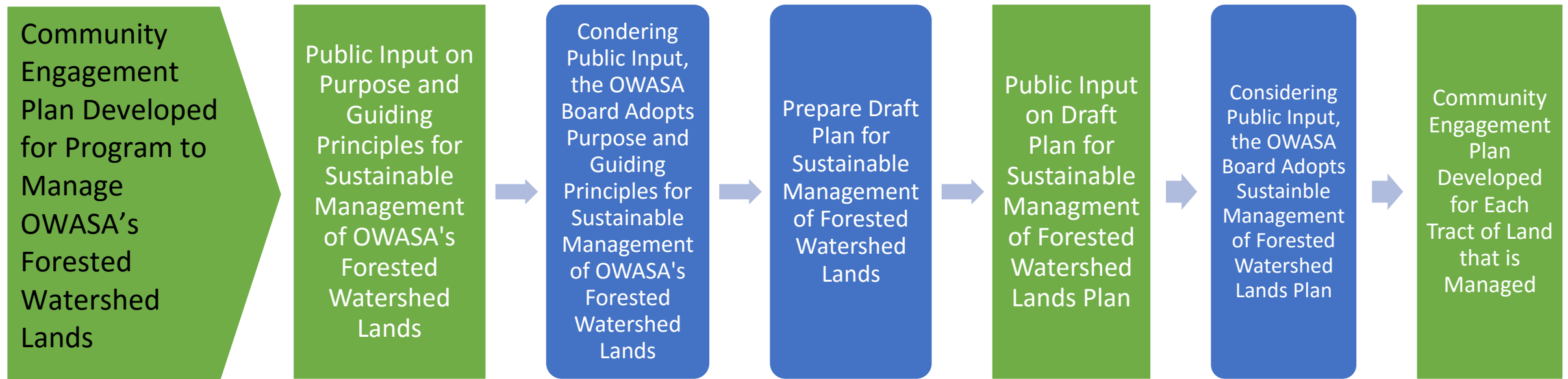
Carrboro, NC 27510-2001

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Draft Concept for Developing a Sustainable Program to Manage OWASA's Forested Watershed Lands



April 10, 2018

ORANGE WATER AND SEWER AUTHORITY

ADMINISTRATIVE GUIDE

COMMUNITY ENGAGEMENT PLANS

PURPOSE

This Administrative Guide sets forth the process for preparing, implementing and successfully executing Community Engagement Plans (CEPs) for all capital improvement projects and key initiatives.

ADMINISTRATIVE PROCEDURE

1. CEPs will be prepared for all capital improvement projects and other key initiatives.
2. All CEPs will be prepared following the Guide for Preparing a Community Engagement Plan (Attachment 1). It is understood that not all elements of the Guide will be applicable to all capital improvement projects and key initiatives based on their scope and level of community importance.
3. Staff will seek review and approval by the Board of Directors of CEPs for projects or key initiatives that:
 - are expected to be of great interest to a large number of our customers and stakeholders due to one or more of the following:
 - significant benefits to customers and/or stakeholders;
 - significant environmental and/or sustainability impacts (positive or negative);
 - significant changes in scope, reliability, quality, etc. of our services;
 - the need for action/behavioral change by a significant number of customers and/or stakeholders due to changes in conditions, needs, etc.;
 - significant total project cost; or
 - will require extensive involvement, collaboration and/or support by our customers, partners or other stakeholders; or
 - include potential alternatives for which OWASA would seek extensive public input prior to Board action.
4. The Director of Engineering and Planning or his/her designee will be responsible for preparing, implementing and successfully executing CEPs for capital improvement projects.

Community Engagement Plans

April 12, 2016

Page 2

5. The Executive Director or his/her designee will be responsible for preparing, implementing and successfully executing CEPs for all applicable key initiatives. The Executive Director or his/her designee will determine which key initiatives require CEPs.
6. Checklists will be used to ensure all applicable requirements of each CEP have been met (sample checklist - Attachment 2). The responsible person may choose to use an alternate checklist if desired.
7. For the purposes of records retention, all CEP records will be classified under Standard 1, Administrative and Management Records, Item #40 "Projects Files" of OWASA Records Retention and Destruction Schedule adopted by the Board of Directors on August 12, 2004.

This Administrative Guide is effective April 12, 2016.



Ed Kerwin
Executive Director

Attachment 1 – Guide for Preparing a Community Engagement Plan

Attachment 2 – Checklist for Preparing, Implementing and Executing Community Engagement Plans

GUIDE FOR PREPARING A COMMUNITY ENGAGEMENT PLAN

1. **Purpose** of the proposed policy/plan/initiative
2. **Outcomes/objectives**
 - a. **Define key messages**, information to be communicated, level of engagement desired, etc.
 - b. **Inform the relevant stakeholder group(s)** about what is proposed, how they would be affected, costs and benefits, what would change, etc.
 - c. **Seek stakeholders' feedback and questions** so that we can better understand their perspectives and expectations.
 - d. **Engage in dialogue** by receiving stakeholders' comments, responding to questions and providing additional information as needed.
 - e. **Show that we listened to stakeholders' comments.**
 - f. **Encourage action by customers** when applicable to the proposed policy, plan, initiative, etc.

3. **Identify the stakeholder groups** we want to inform and engage

The engagement may include all accountholders, all system users including people who are not OWASA accountholders, or specific categories of customers/citizens.

4. **Set forth our core messages**

These messages should concisely explain the key benefits or needs we want to meet.

5. **Identify the key information stakeholders should have** throughout the various stages of the engagement process
 - a. **What is proposed** and why, including alternatives under consideration
 - b. **Who would be affected** and how
 - c. **Costs and benefits/advantages** and disadvantages
 - d. **Return on community investment** if applicable
 - e. **Timetable** for public comment opportunities, decisions and potential implementation
 - f. **How to get more information**
 - g. **Board actions**
 - h. **Other** as needed

6. **Identify practical and cost-effective communication/engagement methods** that are appropriate considering the level of impact and importance of the policy issue, plan, initiative, etc.

- a. The **information process** will include an appropriate mix of methods, which may include some or all of the following: electronic or paper mailing(s) to stakeholders,

- news releases, outreach presentations to interested community groups including elected officials, paid advertising, social media, website information, announcements/presentations in televised Board meetings and community meeting(s).
- b. The ***engagement/dialogue process*** will include opportunities to comment/ask questions in meeting(s) of the Board of Directors, to participate in less formal meetings for open discussion, outreach presentations and informal surveys. Formal surveys designed to achieve a representative sample of stakeholders' views may be done for high priority initiatives. It is important that OWASA take the message to stakeholders rather than expecting them to come to OWASA.
 - c. ***The level of resources and activity*** for a given engagement plan will depend on the expected level of community interest and the costs, benefits and impacts of the proposed initiative. For example, a proposal that would affect rates would normally involve a high level of information/engagement.
7. ***Provide a timetable*** for the information/engagement process
- a. The timetable will ***normally allow at least two to four weeks*** for the information process before the engagement/feedback opportunities.
 - b. Some timetables ***may include multiple phases***.
8. ***Plan to measure effectiveness*** of the engagement
- a. Will include seeking ***stakeholders' feedback on quality and timeliness of information and engagement opportunities***.
 - b. Will normally include ***measurable objectives such as the number of outreach presentations***, level of stakeholder participation in community meetings, etc.
 - c. ***Formal surveys*** may be done to evaluate high priority engagements.
9. ***Board engagement and staff communications:***
- a. What specific ways will the Board be involved in the community engagement activities?
 - b. With what frequency and by what method(s) will staff keep the Board updated about the initiative?
 - c. With what frequency and by what method(s) will the Board provide staff feedback regarding the effectiveness of the community engagement work for the initiative?

**REVIEW CHECKLIST FOR COMMUNITY ENGAGEMENT PLAN
PREPARATION AND EXECUTION**

Name of Project/Initiative:		
Reviewed by:		
	Yes	No
Community Engagement Plan (CEP) has been prepared in accordance with applicable parts of the <i>Guide for Preparing a Community Engagement Plan</i>	<input type="checkbox"/>	<input type="checkbox"/>
This project or initiative involves:		
- significant benefits to customers and/or stakeholders	<input type="checkbox"/>	<input type="checkbox"/>
- significant environmental and/or sustainability impacts (positive or negative)	<input type="checkbox"/>	<input type="checkbox"/>
- significant changes in scope, reliability, quality, etc. of our services	<input type="checkbox"/>	<input type="checkbox"/>
- the need for action/behavioral change by a significant number of customers and/or stakeholders due to changes in conditions, needs, etc.	<input type="checkbox"/>	<input type="checkbox"/>
- significant total project cost	<input type="checkbox"/>	<input type="checkbox"/>
- extensive involvement, collaboration and/or support by our customers, partners or other stakeholders	<input type="checkbox"/>	<input type="checkbox"/>
- potential alternatives for which OWASA would seek extensive public input prior to Board action	<input type="checkbox"/>	<input type="checkbox"/>
Board approval has been obtained if any of the above are true.	<input type="checkbox"/>	<input type="checkbox"/>
Community Engagement for this project or initiative was executed in substantial compliance with the CEP.	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for any substantial variances from CEP requirements:		
Lessons learned for future CEP development:		

Agenda Item 5:

Review Board Work Schedule

Purpose:

- a) Request(s) by Board Committees, Board Members and Staff
 - Does the Board agree to continue its practice of having an “Additional Comments, Suggestions, and Information Items by Board Members” on each Board meeting agenda?
- b) May 24, 2018 Board Meeting
- c) June 14, 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 May 24, 2018 meeting
- Draft agenda for the June 14, 2018 meeting
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

May 10, 2018

Agenda
Public Hearings and Meeting of the OWASA Board of Directors
Thursday, May 24, 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.

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/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.
 - B. The OWASA Board will convene for a Diversity and Inclusion Session with VISIONS, Inc. on Wednesday, May 30, 2018, at 6:00 p.m. in OWASA's Boardroom
2. Announcements by Board Members
3. Announcements by Staff
4. Additional Comments, Suggestions, and Information Items by Board Members (Robert Morgan)

Public Hearings

1. Concurrent Public Hearings on the Preliminary Fiscal Year 2019 Annual Budget and Proposed Rates, Fees and Charges (Ed Kerwin/Stephen Winters)
 - A. Staff Presentation
 - B. Public Comments
 - C. Motion to Close Public Hearings
 - D. Board Discussion

Petitions and Requests

2.
 - A. Public
 - B. Board
 - C. Staff

Consent Agenda
Information and Reports

3. 12 Month Board Meeting Schedule (Robert Morgan/Ed Kerwin)

Action

4. Budget Amendment for Fiscal Year 2018 Capital Improvements Program (Vishnu Gangadharan/Stephen Winters)

Regular Agenda

Discussion

5. (Tentative) Discuss Revisions to Retiree Health Insurance for New Hires and 457 Deferred Compensation (Stephanie Glasgow)

Summary of Board Meeting Action Items

6. 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

DRAFT

Agenda
Work Session of the OWASA Board of Directors
Thursday, June 14, 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/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 Vice Chair
 - Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
 - Update on the May 30, 2018 Board Diversity and Inclusion Training Session
- b. Announcements by Board Members
 -
- c. Announcements by Staff
- d. Additional Comments, Suggestions, and Information Items by Board Members (Heather Payne)

Consent Agenda

Action

1. Award the Wastewater Treatment Plant Intermediate Pump Stations Rehabilitation Contract (Simon Lobdell)
2. (Tentative) Approve Local Water Supply Plan and Water Shortage Response Plan (Ruth Rouse)
3. (Tentative) Approve NCDOT Right-of-Way Acquisition for Road Improvements at Intersection of Highway 54 and Orange Grove Road (Todd Spencer)

Regular Agenda

Discussion and Action

4. Approval of the Schedule of Rates, Fees and Charges; Annual Budget; and Five-Year Capital Improvements Program (CIP) (Stephen Winters)
 - A. Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers (System Development Fees Effective On and After July 1, 2018, All Other Fees Effective On and After October 1, 2018)
 - B. Resolution Adopting the Budget for Orange Water and Sewer Authority for Fiscal Year (FY) 2019
 - C. Resolution Approving the CIP for FY 2019-2023 and the Accompanying FY 2019 Capital Project Resolution

- D. Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees
- 5. Resolution Honoring the Service of Barbara Foushee to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors (Heather Payne)
- 6. Resolution Honoring the Service of Heather Payne to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors (Yinka Ayankoya)

Discussion

- 7. Review Draft Water Treatment Plant and Wastewater Treatment Plant Reliability and Risk Assessment Report (Adam Haggerty)
- 8. Review Board Work Schedule (Heather Payne/Ed Kerwin)
 - a. Request(s) by Board Committees, Board Members and Staff
 - b. June 28, 2018 Board Meeting
 - c. July 12, 2018 Work Session
 - d. 12 Month Board Meeting Schedule
 - e. Pending Key Staff Action Items

Election of Officers (Effective July 1, 2018)

- 9. Report of the Nominating Committee for Election of Officers (Barbara Foushee, Chair of the Nominating Committee)
 - A. Chair of the Board
 - B. Vice Chair of the Board
 - C. Secretary of the Board

Summary of Work Session Items

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

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 4, 2018)

Month	Board Meetings		Committee & Other Meetings and Reports
	Work Session	Business Meeting	
May 2018	Approve Employee Health, Dental, Life, Dependent Life, Accidental Death and Dismemberment and Long-Term Disability Insurance Renewal Discuss Employee Merit Pay for FY 2019 <i>Discuss Draft Approach for Forestry Management and Community Engagement</i> 5/10/2018	Public Hearings – FY 19 Budget and Rates Budget Amendment for FY 2018 CIP (Tentative) Discuss Revisions to Retiree Health Insurance for New Hires and 457 Deferred Compensation 5/24/2018	Chapel Hill OWASA Board Members meet with TOCH OWASA Committee (5/7/2018) NRTS Committee Meeting to discuss Source Water Protection (5/8/2018) Human Resources Committee Meeting (5/9/2018) 4 th Board Session with VISIONS, Inc. (5/30/2018)
June 2018	Approve FY 19 Budget and Rates, including merit pay decision Election of Officers Review Draft WTP & WWTP Reliability and Risk Assessment Report Award the WWTP Intermediate Pump Stations Rehabilitation Contract (Tentative) Approve Local Water Supply Plan and Water Shortage Response Plan (Tentative) NCDOT right-of-way acquisition for Orange Grove Road 6/14/2018	TBD 6/28/2018	
July 2018	<i>(Tentative) Discuss LRWSP – Demands & Yield</i> Award the Galvanized Water Main Replacement Contract Award the Pritchard Avenue Water Main Construction Contract Assigning weights to Banking RFP Criteria 7/12/2018	TBD 7/26/2018	
August 2018	TBD 8/9/2018	Award the WWTP Solids Thickening Construction Contract Preliminary 12 Month Financial Report CIP Semiannual Report Discuss AMI Policies (other than manual read) CS – General Counsel Review 8/23/2018	NRTS Committee Meeting to continue discussion of Drought Response Operating Protocol (TBD)
September 2018	EEO/Affirmative Action Report Annual Report on Disposal of Surplus Personal Property Review Updated Implementation Plan for D&I Program Discuss Action Plan from WTP/WWTP Reliability and Risk Assessment Project 8/9/2018	Annual Report and Financial Audit Approve General Counsel Engagement Strategic Trends Report and Strategic Plan Update CS – ED Review 8/23/2018	

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 4, 2018)

	Discuss KPI Deep Dive on Water Loss and Non-Revenue Water (Tentative) MOA for Triangle Water Supply Partnership CS – General Counsel Review 9/13/2018		9/27/2018	
October 2018	Discuss Recreational Fees for Out-of-County Visitors CS – ED Review 10/11/2018	Q1 Financial Report 10/25/2018		<i>Chapel Hill Peoples Academy – OWASA Session (10/20/2018)</i>
November 2018	TBD 11/8/2018	<i>Holiday - no meeting</i>		
December 2018	TBD 12/13/2018	<i>Holiday - no meeting</i>		
January 2019	Employee Health and Dental Insurance Update Appoint Audit Firm Affordability Outreach Program Plan Update 1/10/2019	Annual Lakes Recreation Report CIP Semiannual Report Q2 Financial Report FY 20 Budget Calendar and Assumptions 1/24/2019		
February 2019	CS - General Counsel Interim Review 2/14/2019	CS - General Counsel Interim Review 2/28/2019		
March 2019	FY 20 Draft Budget & Rates CS - ED Interim Review 3/14/2019	Annual Update of the Energy Management Plan FY 20 Draft Budget & Rates and Proposed Staff Rate Adjustment Recommendation Set date for Public Hearings – FY 20 Budget & Rates CS – ED Interim Review 3/28/2019		
April 2019	Review Employee Health and Dental Insurance Renewals FY 19 Draft Budget and Rate Adjustment Information Appointment of the Nominating Committee 4/11/2019	Q3 Financial Report FY 19 Budget and Rates Discussion and Authorize Staff to Publish Proposed Rates 4/25/2019		

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.

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 4, 2018)

- 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 framework 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.

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 (May 4, 2018)

Abbreviations Used in Draft Schedule:

- ☐ Recurring agenda item (generally these are “required” items)
- AMI Advanced Metering Infrastructure
- CE Community Engagement
- CEP Community Engagement Plan
- CIP Capital Improvements Program
- COLA Cost of Labor Adjustment
- CS Closed Session of the Board
- CY Calendar Year
- D&I Diversity and Inclusion
- ED Executive Director
- FY Fiscal Year

- JLP Jordan Lake Partnership
- LRWSP Long-Range Water Supply Plan
- MST Mountains-to-Sea Trail
- MFMM Multi-Family Master Meter
- NRTS Natural Resources and Technical Services
- Q Quarter
- SOW Scope of Work
- TBD To Be Determined
- WTP Water Treatment Plant
- WWTP Wastewater Treatment Plant

Current and Pending Key Projects and Stages

Project	Strategic Initiative	Project Lead	May-18	June-18	July-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-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
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Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
1.	4-26-2018	Provide Board via email information about renewal and replacement reserves for the reclaimed water system to include an outlook for future capital investment.	NA	Winters Taylor M. Dodson Gangadharan	
2.	4-26-2018	Explore ways to make it easier for customers to update their phone number/contact information on online.	NA	Battle Winters	Complete. Email sent to Board on May 2, 2018.
3.	4-26-2018	As information only, provide Board via email Care-to-Share roundup impact of possible rate changes.	NA	Winters	Complete. Email sent May 2, 2018.
4.	4-26-2018	Discuss out-of-County fees for lake use for the next recreation season.	10-11-2018	Taylor Loflin	
5.	4-12-2018	Doodle poll to select date for the Board's next session with VISIONS (expected the last week of May).	NA	Orbich and Board members	Complete – meeting scheduled for 5-30-2018
6.	4-12-2018	Information for the 4-18-2018 Finance Committee meeting will include talking points for why a modest rate increase is needed in Fiscal Year 2019; look at estimated rates beyond the next five years; and five years of operating expenses and the assumptions behind them.	NA	Winters and Dept. Directors	Complete
7.	4-12-2018	Provide Board health insurance benchmark information.	NA	Glasgow	Complete – emailed to the Board on 4-23-2018
8.	3-22-2018	Complete follow up information from the BOCC/CHTC Joint meeting: provide background and guidance on how each respective Board can promote Care to Share.	NA	Tiger	Complete – emailed local governments and Board on 4-27-2018/4-30-2018
9.	2-8-2018 and 2-22-2018	Provide Board and public an update on Agua Vista (AMI) including financial performance data.	4-26-2018	Taylor	Complete
10.	2-8-2018	Provide Board an outline and overview of staff's work to prepare a Community Engagement Plan (CEP) for forestry management in advance of the draft CEP the Board will discuss on May 10, 2018.	5-10-2018	Rouse	Complete - emailed to the Board on 4-10-2018

Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
11.	1-25-2018	Incorporate Board Members suggestions in the next CIP report.	8-23-2018	Gangadharan	
12.	1-25-2018	Consider an Open House and other opportunities to attract greater MWBE participation in bidding construction projects.	NA	Gangadharan	Outreach to be conducted by June 2018 in coordination with approval of CIP budget and project funding
13.	1-11-2018	Provide Board a brief on state of art methods to determine water main condition.	NA	Gangadharan Haggerty	Complete – emailed to the Board on 4-30-2018
14.	11-9-2017	Address Board member feedback on Strategic Trends Report for next year.	9-27-2018	Rouse	
15.	10-12-2017	Schedule future Board discussion about low-flow benchmarks to be used once AMI is implemented.	TBD	Winters Taylor	To be scheduled in summer or fall of 2018
16.	10-12-2017	Schedule Board discussion of strategic communications action items when the County's After Action Review has been completed and issued.	TBD	Kerwin	AAR completed - discussion to be scheduled after coordinated release of information
17.	9-14-2017	Issue request for proposals 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.	7-12-2018	Winters	<ul style="list-style-type: none"> • Board agreed with staff's suggestions regarding social responsibility criteria to include in a banking services RFP on April 26, 2018. • Staff to obtain Board input/approval regarding assigning weights to RFP criteria on July 12, 2018
18.	5-25-2017	Prepare a Community Engagement Plan for Forestry Management.	TBD	Rouse	Per email provided to Board on 4-10-18, staff recommends that Board and staff think through the overall approach for forestry management prior to developing the details on a CEP