



ORANGE WATER AND SEWER AUTHORITY

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

AGENDA
MEETING OF THE OWASA BOARD OF DIRECTORS
THURSDAY, MARCH 27, 2014, 7:00 P.M.
OWASA COMMUNITY ROOM

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 the three-to-five minute time frame allowed each speaker. Additional time may be allowed at the discretion of the Board of Directors.

Announcements

1. Announcements by the Chair
 - A. Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
2. Announcements by Board Members
 - A. Update on the March 25, 2014 Human Resources Committee Meeting (Will Raymond)
 - B. Update on the March 27, 2014 Finance Committee Meeting (John Young)
 - C. Natural Resources and Technical Systems Committee Meeting will be held on Wednesday, April 2, 2014 at 5:30 PM in the OWASA Boardroom (Terri Buckner)
3. Announcements by Staff

Petitions and Requests

1. Public
2. Board
3. Staff

CONSENT AGENDA

Action

1. Approval of the Minutes of the February 27, 2014 Meeting of the Board of Directors (Andrea Orbich)
2. Approval of the Minutes of the February 27, 2014 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Will Raymond)
3. Approval of the Minutes of the March 13, 2014 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Will Raymond)

REGULAR AGENDA

Discussion and Action

4. Discussion and Approval of a Charter for the Long-Range Water Supply Plan Update (Ruth Rouse)

Discussion

5. Potential Pilot Program to Engage Target Groups with Information about how Residential Customers can Reduce their Water and Sewer Bills (Steve Dear/Patrick Davis)
6. Discussion of a Board Self Assessment of the Orange Water and Sewer Authority Board of Directors (Alan Rimer)
7. Discussion of Compensation of the Orange Water and Sewer Authority Board of Directors (Alan Rimer)

Summary of Board Meeting Action Items

8. 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 Board meeting

DRAFT

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

FEBRUARY 27, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, February 27, 2014, at 7:00 PM in OWASA’s Community Room at 400 Jones Ferry Road, Carrboro.

Board Members present: Alan Rimer, P.E., Chair; John A. Young, Vice Chair; Michael M. Hughes, P.E., Secretary; Terri Buckner; Heather Payne; Dana Raborn; Will Raymond; and Amy Witsil. Board Member excused: Stephen Dear.

OWASA staff present: Ed Kerwin; Stuart Carson; Mary Darr; Patrick Davis; Greg Feller; Andrea Orbich; Kevin Ray; Ruth Rouse; Todd Taylor; Stephen Winters; Robert Epting, Esq., Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Chapel Hill residents: Susan H. Martin, Esther H. Miller, and Dale Coker; Myra Dotson, Sewage Sludge Action Network; Raymond Atwater, Andrews & Associates Realty; Bruce and Ruth Carney, Elfland residents.

There being a quorum present, Chair Alan Rimer called the meeting to order.

* * * * *

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Awarding a Construction Contract for the South Estes Drive Water Main Replacement Project. (Resolution so titled attached hereto and made a part of these minutes. Motion by Will Raymond, second by Heather Payne and unanimously approved.)

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Setting the Date of May 22, 2014 for a Public Hearing on the Proposed OWASA Budgets for Fiscal Year 2015. (Resolution so titled attached hereto and made a part of these minutes. Motion by Will Raymond, second by Heather Payne and unanimously approved.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Setting the Date of May 22, 2014 for a Public Hearing on the Proposed Revisions to OWASA’s Schedule of Rates, Fees and Charges. (Resolution so titled attached hereto and made a part of these minutes. Motion by Will Raymond, second by Heather Payne and unanimously approved.)

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Authorizing Private Access Easement. (Resolution so titled attached

hereto and made a part of these minutes. Motion by Will Raymond, second by Heather Payne and unanimously approved.)

5. Will Raymond made a motion to approve the Minutes of the January 23, 2014 Meeting of the Board of Directors; second by Heather Payne and unanimously approved.

6. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Honoring the Service of the Late Dusty Martin and Expressing OWASA's Deepest Sympathies to his Family. (Resolution so titled attached hereto and made a part of these minutes. Motion by Will Raymond, second by Heather Payne and unanimously approved.)

7. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by John Young and unanimously approved.)

8. Will Raymond made a motion that the Board convene in a Closed Session for the purpose of discussing a personnel matter; second by Michael Hughes and unanimously approved.

* * * * *

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Alan Rimer said 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. There were none.

CHANGE TO THE AGENDA

Mr. Rimer said that OWASA was saddened by the unexpected passing of Dusty Martin, Operations Supervisor at the Jones Ferry Road Water Treatment Plant, on Friday, February 21, 2014. Without objection, a Resolution Honoring the Service of the Late Dusty Martin and Expressing OWASA's Deepest Sympathies to his family was added to the Consent Agenda.

STEVE DEAR'S FATHER

Mr. Rimer said that Steve Dear's father, David Dear, passed away on Saturday, February 22, 2014. Mr. Rimer extended the Board and staff's deepest sympathies to the Dear family.

OWASA ANNUAL PRESENTATION TO THE COUNTY COMMISSIONERS

Mr. Rimer said that on February 18, 2014 he gave OWASA's annual update to the Orange County Board of Commissioners. Terri Buckner and Ed Kerwin also attended. Topics covered were: water supply, Strategic Plan, Historic Rogers Road sewers and forestry management.

OWASA ORIENTATION

Mr. Rimer said that an OWASA orientation was held for the two new Chapel Hill Town Council Members, Maria Palmer and George Cianciolo, on January 28, 2014 at 4:00 PM in the OWASA Boardroom.

BOARD COMPENSATION

Mr. Rimer said that in response to a Board Member question, he has requested staff provide information on Board Member compensation to be discussed at a future Board meeting.

BOARD SELF-ASSESSMENT

Mr. Rimer said that he is nearing completion of materials for a Board Self-Assessment to be discussed at a future Board meeting.

NATURAL RESOURCES AND TECHNICAL SYSTEMS (NRTS) COMMITTEE

Terri Buckner said that the NRTS Committee met on February 5, 2014 to discuss two items, an update to the Long-Range Water Supply Plan and Capital Improvements Program (CIP). Staff presented information on the individual tasks to update the Long-Range Water Supply Plan and this discussion will continue at the Committee's March 5, 2014 meeting. Ms. Buckner said the Committee discussed semi-annual reporting of the CIP. Outcomes include informing the Board of significant exceptions that may occur between semi-annual reports and that the Board likes the stop light format. Staff will continue to evaluate ways to modify the report for more clarity regarding schedules and budget variances. The next NRTS Committee meeting will be Wednesday, March 5, 2014 at 5:30 PM in the OWASA Boardroom to continue discussion of updating the Long-Range Water Supply Plan.

Ms. Buckner noted that as a result of the January 23, 2014 Board meeting, the NRTS Committee would receive a staff response to Mr. Alan Tom's comments regarding recreation at OWASA's lakes. Ms. Buckner said that NRTS Committee did not complete this task and requested the task be delayed until the fall of 2014. The Board concurred with Ms. Buckner's request and asked staff to follow up with Mr. Tom.

HUMAN RESOURCES (HR) COMMITTEE

Will Raymond said the HR Committee met February 6, 2014 to discuss several topics. The Committee is in the process of reviewing the draft employee survey regarding the newly

implemented employee Performance Evaluation and Compensation System. The survey will be conducted and resulting information reviewed for any possible improvements necessary to the System.

The HR Committee also reviewed minority outreach including recruiting. Mr. Raymond suggested this topic be reviewed and discussed annually by the Committee. Mr. Raymond said the Committee discussed the possibility of hiring a consultant for assistance in bidding health and dental insurance; discussion on this topic will continue at a future meeting. Finally, the Committee briefly reviewed information regarding the Life Insurance, Dependent Life, Long Term Disability and Accidental Death and Dismemberment. Pending agreement of all Committee Members, the next HR Committee meeting may be March 10, 2014 at 6:00 PM in the OWASA Boardroom.

FINANCE COMMITTEE

John Young said that the Finance Committee met prior to tonight's Board Meeting to discuss OWASA's Fiscal Year 2015 budget and potential rate adjustments.

Mr. Young said the Committee's main focus tonight included a review of a preliminary draft of the FY 2015-2019 Capital Improvements Program budget. The Committee also reviewed potential changes to OWASA's water and sewer rate structure as a continuation of discussion that began last year.

Mr. Young said that the Finance Committee's next meeting will be March 13, 2014 at 5:00 PM to discuss the preliminary operating budget and reserve fund policy, which is a part of the Draft Strategic Plan distributed to the public.

ITEM TWO: PETITIONS AND REQUESTS

Ester Miller, Chapel Hill resident, petitioned the Board to stop adding fluoride to OWASA's drinking water.

The Board received Ms. Miller's petition and took no action. The Board will stay abreast of scientific developments, changes in best management practices, and accepted public health practices and recommendations regarding drinking water fluoridation.

Alan Rimer asked for petitions and requests from the Board and staff; there were none.

ITEM THREE: PUBLIC FEEDBACK AND DISCUSSION ON OWASA'S DRAFT STRATEGIC PLAN FOR FISCAL YEARS 2014-2017

Alan Rimer said that the Board will receive public feedback and then discuss OWASA's Draft Strategic Plan for Fiscal Years 2014-2017.

Ed Kerwin summarized the following 12 comments received from citizens via e-mail on OWASA's Draft Strategic Plan (this information was added to the agenda materials):

- Rick Ennis – Service availability
- Frank Hurley – Water supply option
- Mac Clarke – Employees, reclaimed water, outreach, energy and land
- Pat Garavaglia – Rate structure
- Amy Jeroloman – Land
- Richard Ellington – Recreation
- Mary Johnson – Growth, water supply option, energy and rates
- George A. George – Rate structure
- John Thomas – Rates and rate structure
- Bethany E. Chaney – Rates, metering and land
- Nancy Drozd – Rates
- W. David Brown – Rates, recreation, land and employees

Mr. Rimer opened the floor for comments from the public.

Myra Dotson, Chair of Sewage Sludge Action Network and a resident of Orange County, said a few years ago she asked management at the Mason Farm Wastewater Treatment Plant how much of the land that OWASA owns near Orange Grove Road would be cleared and sludged? The reply she received then was, *“The OWASA land on the western side of Orange Grove Road available for biosolids spreading is approximately 500 acres. Of that 500 acres approximately 120 acres is cleared and in agriculture use. The rest of the land remains in forest. As demand for additional application is required in the future, clearing of the forested area may be required.”*

Ms. Dotson said that she had asked during consideration of OWASA’s draft forestry management plan how much of the timbered acres would be sludged. She noted that the Board’s response at that time was that biosolids spreading was not in the forestry plan. She also asked that OWASA check its files for a plan to put sludge on timbered land.

In response to a question from Will Raymond, Ms. Dotson said her question is how much OWASA land to be timbered will be used for sludge disposal, and where is that land.

Mr. Kerwin said OWASA does not plan to apply biosolids in its watersheds. He said the property Ms. Dotson referred to is outside of OWASA’s watershed. He said it is possible that the property could be cleared for biosolids application; however, there are no short-term plans to do so. Mr. Kerwin also noted that OWASA staff would engage the Board and the public if such a plan is proposed.

Mac Clarke noted that the Board already received his comments and he reiterated that his most important comment was regarding OWASA employees. He said that as a result of the Pay and Compensation Study, a minority of the staff received raises because their pay ranges were outside of the new pay ranges for their job classifications. Mr. Clarke said the Board owes it to the rest of the employees to review and adjust their pay over time. He also stated that the OWASA staff as a whole is underpaid. Regarding Strategic Initiative 1 (water supply), Mr.

Clarke expressed concern about the ability of the Stone Quarry to meet projected needs. Mr. Clarke suggested giving long-term consideration to recycling reclaimed water back to the water treatment plant. Finally, Mr. Clarke stated that OWASA should not own land other than what OWASA uses.

There were no further comments. Mr. Rimer thanked the public for their feedback and stated that a response will be sent to each citizen to ensure their questions are answered and to let them know how their feedback has been or will be addressed. He said the next step for the Board is to determine how the Board should integrate the comments from citizens into the Draft Strategic Plan. Mr. Rimer also acknowledged John Young for his leadership in the development and follow-through with the Board and staff for successful completion of the Draft Strategic Plan.

Mr. Kerwin said that the comments the Board received prior to and at the meeting were unsurprising and in line with feedback from the customer satisfaction survey conducted in 2012. He said staff believes that the Draft Strategic Plan is on target and it is recommended the Board move forward.

Terri Buckner said recreation was a subject the Board heard a lot about and she recommended the Board set up a citizens' advisory group to deal with recreational issues in the Strategic Plan to help the public understand the reasons behind Board decisions.

Mr. Rimer said that as the Board and staff look at the elements of the Strategic Plan, some suggestions/actions may go quickly while others take more time to deliberate.

Will Raymond expressed appreciation to all the citizens who provided comments and noted that while some of the topics raised by citizens are not a part of the final Draft Strategic Plan, responses to citizens should include comments on the topics discussed. Mr. Raymond also suggested communicating how each initiative in the Draft Strategic Plan is related so that OWASA can be a more sustainable and efficient organization.

John Young concurred with Mr. Kerwin's comments and said some of the public comments are operational and it might be helpful to categorize them, while other comments may indicate gaps which would need to be discussed. Mr. Young said recreation is an active topic and suggested that clarification be provided on what options are available with respect to OWASA's legal charter.

Mr. Rimer agreed that he would communicate to the citizens who commented that their remarks have been addressed and will be taken seriously.

Mr. Kerwin suggested that the Board wait until its March 13, 2014 meeting to consider adoption of the final Draft Strategic Plan so the Board Chair and staff will have time to respond to each citizen. The Board agreed.

ITEM FOUR: 2013 ANNUAL RECREATION REPORT FOR UNIVERSITY LAKE AND CANE CREEK RESERVOIR

The Board received this report as an information item.

ITEM FIVE: RESOLUTION AWARDED A CONSTRUCTION CONTRACT FOR THE SOUTH ESTES DRIVE WATER MAIN REPLACEMENT PROJECT

Michael Hughes inquired as to the size and type of pipe on each end of South Estes Drive.

Stuart Carson said he did not have the information but would follow up.

Will Raymond made a motion to adopt the resolution; second by Heather Payne and unanimously approved. Please see Motion No. 1 above.

ITEM SIX: RESOLUTION SETTING THE DATE OF MAY 22, 2014 FOR A PUBLIC HEARING ON THE PROPOSED OWASA BUDGETS FOR FISCAL YEAR 2015

Will Raymond made a motion to adopt the resolution; second by Heather Payne and carried by unanimous vote. Please see Motion No. 2 above.

ITEM SEVEN: RESOLUTION SETTING THE DATE OF MAY 22, 2014 FOR A PUBLIC HEARING ON THE PROPOSED REVISIONS TO OWASA SCHEDULE OF RATES, FEES AND CHARGES

Will Raymond made a motion to adopt the resolution; second by Heather Payne and carried by unanimous vote. Please see Motion No. 3 above.

ITEM EIGHT: PRIVATE ACCESS EASEMENT TO OWASA PROPERTY ON TEER ROAD

Will Raymond made a motion to adopt the Resolution Authorizing Private Access Easement; second by Heather Payne and carried by unanimous vote. Please see Motion No. 4 above.

ITEM NINE: MINUTES

Will Raymond made a motion to approve the Minutes of the January 23, 2014 Meeting of the Board of Directors; second by Heather Payne and unanimously approved. Please see Motion No. 5 above.

ITEM TEN: RESOLUTION HONORING THE SERVICE OF THE LATE DUSTY MARTIN AND EXPRESSING OWASA'S DEEPEST SYMPATHIES TO HIS FAMILY

Will Raymond made a motion to adopt the resolution; second by Heather Payne and carried by unanimous vote. Please see Motion No. 6 above.

ITEM ELEVEN: RESOLUTION AWARDDING AUDIT CONTRACT TO MARTIN STARNES & ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF THE BOARD OF DIRECTORS AND THE FINANCE OFFICER TO EXECUTE SAID CONTRACT

Terri Buckner made a motion to adopt the resolution; second by John Young and carried by unanimous vote. Please see Motion No. 7 above.

ITEM TWELVE: UPDATE ON OWASA'S POSSIBLE ROLE REGARDING SEWER SERVICE FOR THE ROGERS ROAD NEIGHBORHOOD

Staff provided an update on discussions between the Towns of Chapel Hill and Carrboro and Orange County about the possibility of the local governments asking OWASA to do preliminary engineering for sewer in the Historic Rogers Road neighborhood. OWASA will be reimbursed for the cost of hiring an engineering consultant.

ITEM THIRTEEN: 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 BOARD MEETING

Ed Kerwin summarized the meeting as follows:

- Staff will notify Alan Tom that his comments regarding recreation at OWASA's lakes will be addressed in the fall of 2014.
- Staff will work with Alan Rimer to provide responses to each citizen to ensure their questions and comments are answered and to let them know how their feedback has been or will be addressed.
- Staff will follow-up on questions raised on the South Estes Drive Water Main Replacement Project.
- Staff will continue to keep the Board informed of any developments regarding OWASA's role regarding sewer service for the Rogers Road neighborhood.
- The March 13, 2014 Board meeting will include:
 - Discussion and possible approval of the Draft Strategic Plan for Fiscal Years 2014-2017; and
 - Closed Session for the purpose of discussing a personnel matter.

DRAFT

ITEM FOURTEEN: CLOSED SESSION

Will Raymond made a motion that the Board convene in a Closed Session for the purpose of discussing a personnel matter; second by Michael Hughes and unanimously approved. Please see Motion No. 8 above.

There being no further business to come before the Board, the meeting was adjourned at 9:25 PM.

Respectfully submitted,

DRAFT

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Draft

**ORANGE WATER AND SEWER AUTHORITY
CLOSED SESSION OF THE BOARD OF DIRECTORS
FEBRUARY 27, 2014**

The Board of Directors of Orange Water and Sewer Authority met in Closed Session on Thursday, February 27, 2014, following the regular Board meeting.

Board Members present: Alan Rimer, P.E., Chair; John A. Young, Vice Chair, Michael M. Hughes, P.E., Secretary; Terri Buckner; Heather Payne; Will Raymond; Dana Raborn and Amy Witsil.

Board Member excused: Stephen Dear.

ITEM ONE

The Board of Directors met in Closed Session for the purpose of evaluating the annual performance of OWASA's Executive Director for the previous year.

No official action was taken at the meeting.

Draft

Will Raymond, Chair
Human Resources Committee

Draft

**ORANGE WATER AND SEWER AUTHORITY
CLOSED SESSION OF THE BOARD OF DIRECTORS
MARCH 13, 2014**

The Board of Directors of Orange Water and Sewer Authority met in Closed Session on Thursday, March 13, 2014, following the regular Board meeting.

Board Members present: Alan Rimer, P.E., Chair; Michael M. Hughes, P.E., Secretary; Terri Buckner; Stephen Dear; Heather Payne; Will Raymond; and Amy Witsil.

Board Members excused: John A. Young, Vice Chair, and Dana Raborn.

ITEM ONE

The Board of Directors met in Closed Session for the purpose of evaluating the annual performance of OWASA's Executive Director for the previous year.

No official action was taken at the meeting.

Draft

Will Raymond, Chair
Human Resources Committee

AGENDA ITEM

- DISCUSSION AND APPROVAL OF A CHARTER FOR THE LONG-RANGE WATER SUPPLY PLAN UPDATE

PURPOSE

- To consider adopting a charter to guide the development of the Long-Range Water Supply Plan update.

BACKGROUND

- The last update of our Long-Range Water Supply Plan (LRWSP) was completed in 2010. Since that time, water demands have continued to decline despite continued growth in our customer base, and development plans are being updated by the Towns and UNC.
- In light of these and other factors, the OWASA Board of Directors has concluded that the LRWSP needs to be updated to reflect the best information available.
- Update of the plan is one of the seven strategic initiatives in the Board's Strategic Plan for Fiscal Years 2014-2017.
- Staff developed a draft charter to guide the development of the LRWSP, and to document and communicate key goals, objectives, assumptions, and process steps for this important project.
- The Natural Resources and Technical Systems (NRTS) Committee reviewed the draft charter at its March 5, 2014 meeting and recommended that the proposal be brought to the full Board for approval.

ACTION NEEDED

- The NRTS Committee and staff recommend that the Board of Directors adopt the Charter for the Long-Range Water Supply Plan


March 27, 2014



ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors
THROUGH: Ed Kerwin 
FROM: Ruth Rouse
DATE: March 21, 2014
SUBJECT: Charter for the Long-Range Water Supply Plan Update

BACKGROUND

OWASA's mission is to provide its customers with high quality and reliable water, wastewater and reclaimed water services through responsible and creative stewardship of the resources we manage. Since it can take many years – even decades – to plan, design, permit, and construct new water supplies, work must be done early to ensure we take timely action to meet drinking water needs far into the future (water supply planning done on 50-year basis).

The last update of our Long-Range Water Supply Plan (LRWSP) was completed in 2010. Since that time, water demands have continued to decline despite growth in our customer base, and local development plans are being updated by the Town of Chapel Hill, Town of Carrboro and the University of North Carolina. In light of these and other factors, the OWASA Board of Directors has concluded that the LRWSP needs to be updated to reflect the best information available. The planned update is one of the seven strategic initiatives included in the Board's Strategic Plan for Fiscal Years 2014-2017. Updating the LRWSP will ensure we meet our core mission.

The LRWSP will document the optimum mix of technically, environmentally, economically, and socially feasible water supply and demand management alternatives that meet projected demands and level-of-service objectives under a range of future conditions and uncertainties that are presented in the Plan.

Staff drafted a charter to guide the development of the LRWSP update, and to document and communicate key goals, objectives, assumptions, and process steps for this important project. The Natural Resources and Technical Systems (NRTS) Committee discussed the draft charter at its March 5, 2014 meeting, and was very supportive of the proposal.

The Committee's comments have been incorporated into the revised draft charter which is included as Attachment 1. The Committee recommended that the proposed charter be presented for adoption by the Board of Directors.

STAFF RECOMMENDATION

The NRTS Committee and staff recommend Board approval of the Charter for the LRWSP; however, we do not believe a formal resolution is necessary for this matter.



Ruth C. Rouse, AICP
Planning and Development Manager

Attachments:

Attachment 1: Charter for Long-Range Water Supply Plan

DRAFT CHARTER FOR LONG-RANGE WATER SUPPLY PLAN

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

DRAFT CHARTER FOR LONG-RANGE WATER SUPPLY PLAN

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PROJECT VISION

We will implement environmentally, socially, and financially acceptable and technically practical water supply and demand management strategies to ensure a reliable and high quality supply of water for the community for the next 50 years. We will seek to involve and engage the community as we define and evaluate our community’s needs, identify and evaluate our options, and proceed to implement the preferred strategies. Our plans will be periodically re-evaluated and adjusted as assumptions, trends, and conditions change over time.

PROJECT GOALS AND OBJECTIVE

The goals and objectives are organized along the three pillars of sustainability: social performance, environmental performance, and financial performance. As with many decisions, selection of the optimum mix of supply and demand management strategies will require balancing the multiple and sometimes competing objectives.

(Note: Goals and objectives will be reviewed and revised, where needed, as the project progresses, and as the Board receives and considers feedback received through the public engagement process. For this reason, some objectives listed below have not yet been fully developed.)

1. **Social Performance:** Our operations and facilities affect the well-being of the people, businesses, institutions and the community we serve. We will address the needs of and enhance our relationships with our customers, the whole community, our employees, the local governments and other public agencies that we work with.
 - a. Annual average-day raw water demand does not exceed the reliable capacity of OWASA’s existing and planned water supply sources. This could be achieved through a mix of supply and demand management alternatives.
 - b. Our plan will include contingency measures for meeting water demands if and when an extreme event (such as an exceedance of the 2001-02 drought of record or sudden loss of water supply storage capacity) is projected to cause us to drawdown our remaining supply to 20 percent or less of total storage.
 - c. We will maintain a diverse and resilient portfolio of water supply and demand management strategies so we are positioned to meet the community’s water needs as we face increasing uncertainty in the future.
 - d. Selected water supply strategies must enable us to meet all applicable drinking water-related standards.
 - e. Mandatory water use restrictions and associated drought rate surcharges will not be implemented more frequently than once in ## years on average.
 - f. In any given year, mandatory water use restrictions will not be in place more than ## percent of the year.
 - g. The community is engaged in the development of the LRWSP such that OWASA understands and reflects the community’s values in the selected mix of supply and demand management options.
 - h. Key stakeholders are involved in evaluating and implementing demand management strategies.
 - i. Water supply and demand management strategies are evaluated against their impacts on the community. These include but are not limited to impacts to landowners, recreation, and transportation.
2. **Environmental Performance:** We will pursue strategies that help us preserve natural resources; maintain or restore natural systems; conserve energy, water, and other natural resources; minimize waste and pollution emissions, and reduce our environmental impacts.

- a. Water supply and demand management alternatives are evaluated against their relative projected energy use and greenhouse gas emissions.
 - b. Water supply and demand management alternatives are evaluated against their relative impacts on streams, wetlands, groundwater, air quality, habitat, and other environmental considerations.
 - c. The selected set of water supply and demand management strategies will be environmentally acceptable to the community and regulatory agencies.
3. **Financial Performance** The economic well-being of our customers and our community depend upon our ability to ensure high quality and reliable water services at an acceptable financial cost.
- a. Water supply and demand management alternatives are evaluated against their relative life cycle financial costs (capital and operating and maintenance costs).
 - b. The selected set of water supply and demand management strategies represents a reasonable balance of financial considerations with our social and environmental performance objectives.

PROJECT OVERVIEW

The goal of this project is to develop a plan that helps guide OWASA's decisions, actions, and investments to ensure a reliable and high quality supply of water for the next 50 years.

PROBLEM STATEMENT

OWASA's mission is to provide its customers with high quality water, wastewater and reclaimed water services through responsible, sustainable, and creative stewardship of the resources and assets we manage. Since it can take many years – even decades - to plan, design, permit, and construct new water supplies, work must be done early to ensure we take timely action to meet drinking water needs far into the future (water supply planning done on 50-year basis). This project will ensure we meet our core mission.

COMMUNITY NEED

The last update of our Long-Range Water Supply Plan was completed in 2010. Since that time, water demands have continued to decline and updated planning documents have been developed by the Towns and UNC. In light of these and other factors, the OWASA Board of Directors has concluded that the LRWSP needs to be updated to reflect the best information available.

Update of the plan is one of the seven strategic initiatives identified in the Board's draft Strategic Plan for Fiscal Years 2014-2017.

The plan will document the optimum mix of technically, environmentally, economically, and socially feasible water supply and demand management alternatives that meet projected demands and level-of-service objectives under a range of future conditions and uncertainties that are presented in the Plan.

As a first step in the planning process, the Board of Directors will establish the proposed over-arching goals and objectives, water supply level-of-service requirements, and criteria (and associated weighting) to be used to evaluate a range of potential supply and demand management options. Consistent with OWASA's community engagement goals expressed in the draft Strategic Plan, the Board will also need to determine the proposed scope and process for engaging the public in this important planning initiative.

HIGH-LEVEL SCOPE/DELIVERABLES

HIGH-LEVEL DELIVERABLE AND/OR SERVICE	
1.	More detailed information on individual tasks are found in Supplement 1. Specific task scopes will be developed as the project progresses (e.g., the community engagement process).
2.	Updated water demand projections that incorporate the best information available and appropriately reflect the uncertainty surrounding local governments’ population and economic growth projections and UNC’s projections.
3.	Updated estimates of water supply yield, including more rigorous assessment of potential effects of climate change on yield.
4.	List of supply and demand management alternatives; financial and non-financial evaluation of those alternatives (evaluation criteria identified in Task 1)
5.	Communication plan to provide community with meaningful input to the process.
6.	Concise final plan which summarizes OWASA water supply goals and objectives, projected water supply needs, alternatives considered to meet those needs, the cost and schedule to implement the selected alternatives, and the assumptions used to develop the plan.
7.	Implementation plan which includes legal/policy frameworks and funding

EXCLUSIONS

EXCLUSIONS	
1.	Alternatives which involve the transfer of water from outside the Jordan Lake watershed will not be considered.
2.	Alternatives which were evaluated in the 2010 Long-Range Water Supply Plan but eliminated from detailed consideration will not be considered during the update. These include: new reservoir on Sevenmile Creek, dredging University Lake, expanding Cane Creek Reservoir, expanding University Lake, and putting a permanent intake on the Haw River.
3.	Demand management alternatives for which firm, measurable savings cannot be documented (such as public education and outreach) will not be included in the plan update. However, such measures will be considered during the planned development of OWASA’s formal Water Conservation Plan.

ASSUMPTIONS

ASSUMPTIONS	
1.	OWASA strongly supports and promotes activities which result in additional water conservation by its customers.
2.	The plan will carefully consider input from the Town of Carrboro, Town of Chapel Hill and UNC. The plan elements will be developed iteratively such that others are clear on potential policy issues associated with different water supply and demand management alternatives.
3.	The Plan is an opportunity to engage OWASA’s customers. Further details on community engagement will be developed in Task 1.

ASSUMPTIONS	
4.	The Plan should include a list of actions that could be used if extended drought or other operational emergency outside the assumptions used to develop Plan put community at risk; in other words, the Plan should include a back-up strategy if the water supply and demand management alternatives selected may not be adequate for some future situation.
5.	Supply and demand management evaluations will be based on desktop analyses using readily available data.
6.	Energy use and greenhouse gas emissions are assumed to based on operation of the applicable strategy (embedded energy for materials in construction will not be included in the analyses).

CONSTRAINTS

	SCOPE	TIME	COST	DESCRIPTION
1.	N/A	N/A	X	Consulting support – tasks such as updating yield and demand projections to address climate change considerations, and preparing life-cycle cost evaluations for certain alternatives will require consulting support. The level of detail provided by consultants should be based on balancing the risk of developing a higher level analysis against OWASA’s affordability goal.
2.	N/A	X	X	The timetable and scope of the project will depend in part on the Board’s decisions regarding the community engagement process. Providing meaningful opportunities for stakeholder input to the process (including customers, local governments, UNC, etc.) will require additional time and project support. This is internally driven schedule so low risk.

HIGH-LEVEL RISKS

High-Level Risks	
1.	Climate change could impact yield of reservoir system, demands – should be accounted for during planning process.
2.	Local governments development policies/ordinances, changes in UNC and UNC Hospitals plans, changes in the OWASA service area, and other factors could result directly or indirectly in faster (or slower) growth than anticipated.
3.	Demand management strategies result in reduced revenues; policies which could reduce demand should be evaluated against current pricing structure

SERVICE IMPACT

	Service Group	Impact Potential			Notes
		Low	Med	High	
1.	Water Supply and Treatment			X	Will ultimately affect staffing needs, facility operations and maintenance requirements, etc.
2.	Finance and Customer Service	X			Potential effects related to drought surcharge billing, potential financial incentive program for demand management, etc.
3.	Engineering and Planning		X		Will affect future engineering design and project support services.
4.	Office of Executive Director			X	Will affect policy evaluation and implementation, public education and outreach, drought response planning, demand management program, etc.

ESTIMATED TIMELINE

Estimated Start Date	Target Delivery Date
March 2014	Oct 2016 (does not include budget/implementation); schedule will likely slide with in depth stakeholder involvement (low impact)

PROJECT SPONSORS AND STAKEHOLDERS

Role	Description	Responsibility	Name(s)
Project Sponsor	Executive Leadership and Decision Maker	Executive Leadership, Champion and Requester	Board of Directors
Project Manager	Project Manager	Supports the Initiator and/Sponsor in Document Preparation	Ruth Rouse, Planning and Development Manager

COMMUNITY ENGAGEMENT PROCESS

The success of our water supply plan will depend on the effectiveness of our partnerships – with local governments, our customers, the business community, conservation organizations, regulatory agencies, and others. To obtain their participation in the development of the plan, and their commitment to helping implement the plan, we need to develop an effective public engagement plan for the project.

Effective community engagement is a key goal expressed in our draft Strategic Plan, and it is implied in our Commitments to Our Customers, and our Mission and Values statement.

Examples of key goals of the public engagement process for this project are:

- ✓ Involve stakeholders in the exchange of information and ideas, and in the decision-making process so that we can better understand and incorporate public values, and ultimately improve the quality of the decisions;
- ✓ Increase public awareness of and support for the findings, recommendations, and implementation of the plan;
- ✓ Obtain commitments from stakeholders that will have key roles in the implementation of the plan;
- ✓ Build trust in OWASA;
- ✓ Develop and implement outreach strategies to better serve minority communities, persons with limited English proficiency, and socio-economically disadvantaged individuals;
- ✓ Better understand and seek to minimize sources of conflict among interested and affected parties by building agreement on proposed strategies;

The public engagement plan for this project will identify the target stakeholders and strategies and general timetable and methods for informing and involving them throughout the project. It will also document the projected staffing, support service, and funding requirements for implementation of the community engagement process.

CRITICAL SUCCESS FACTORS

- ✓ Project goals and objectives, evaluation criteria, scope, technical approach, and community engagement process are clearly defined and agreed upon as a first step in the process.
- ✓ The plan development process is open and transparent.
- ✓ The plan is developed through a highly collaborative process with the public, local governments, UNC, and others.
- ✓ Demand projections reflect the best information available from local governments and UNC, and the inherent uncertainty in forecasts of population and economic growth, water use trends, climate, etc.
- ✓ OWASA provides the necessary funding for (a) the consulting services needed to ensure quality technical analyses in support of the plan, and (b) an effective community engagement process for the project.
- ✓ The public is provided (a) timely information about the purpose, technical approach, and technical findings and recommendations of the plan, and (b) meaningful opportunities to provide feedback throughout the various phases of the planning process.
- ✓ For any action item coming out of the plan, the partner organization responsible for implementation endorses the action and agrees in principle to undertake it.
- ✓ The plan includes a proposed process for periodic review and update.

**ORANGE WATER AND SEWER AUTHORITY: LONG-RANGE WATER SUPPLY PLAN UPDATE
SOME CORE QUESTIONS/ISSUES, TASKS, RESOURCE REQUIREMENTS**

(Note: As the LRWSP Update progresses, tasks, resource requirements, deliverables, communications strategies, etc. will be revised to reflect the public engagement process and Board discussion.)

	PROCESS TASK*	CORE QUESTIONS/ISSUES	SUBTASK(S)	RESOURCE REQUIREMENTS	Deliverables	Communications
PROCESS	Task 1	What are the goals/objectives/core values/decision criteria/planning horizon? How do we compare/weight economic and non-economic factors? What level of service is desired (conversely, what level of risk is acceptable)?	Obtain Board's policy guidance before moving ahead		Charter document to guide future tasks Goals and objectives Financial and non-financial factors to evaluate alternatives against	News release and website update Information to Carrboro, Chapel Hill, Orange County and UNC Other to be determined as part of Communications Plan
		What is the desired process for public participation, review and comment?	Obtain Board's policy guidance before moving ahead	To be determined once guidance is received from Board	Communications Plan	To be determined and specified as part of Communications Plan
PROJECTIONS	Task 2	What will the community's future water demands be under different growth and climate scenarios?	Compile and analyze most up-to-date information regarding local population, employment, growth and development Get input from local governments and UNC on boundaries for low and high growth Develop estimates of how climate change may impact demands	May need consulting assistance to estimate how changing climate may impact customer demands	Updated water demand projections that incorporate the best information available	To be determined and specified as part of the Communications Plan
	Task 3	What is the reliable yield of our local supplies under historic record and with climate change?	Re-evaluate estimates of reliable yield of our supplies; incorporate climate change into yield estimates	May need consulting assistance to provide guidance to incorporate climate change into yield estimates	Updated estimate of water supply yield which includes potential effects of climate change	Collaboration with area researchers on climate change To be further developed in Communications Plan developed in Task 1
	Task 4	Do we anticipate any projected shortfalls in supply that need to be addressed through increases in supply and/or reductions in future demands? If so, when do we expect those will occur and what is the projected magnitude and duration of the shortfalls?	Compare projected demands vs. estimated capacity for the various scenarios to be considered		Short summary which combines the information gathered in Tasks 2 and 3	Information released to customers in manner supported by Communications Plan developed in Task 1; should involve local governments and UNC in this communication

**ORANGE WATER AND SEWER AUTHORITY: LONG-RANGE WATER SUPPLY PLAN UPDATE
SOME CORE QUESTIONS/ISSUES, TASKS, RESOURCE REQUIREMENTS**

(Note: As the LRWSP Update progresses, tasks, resource requirements, deliverables, communications strategies, etc. will be revised to reflect the public engagement process and Board discussion.)

IDENTIFICATION AND EVALUATION OF OPTIONS	PROCESS TASK*	CORE QUESTIONS/ISSUES	SUBTASK(S)	RESOURCE REQUIREMENTS	Deliverables	Communications	
	Task 5	What potentially viable supply alternatives should we consider?	<ul style="list-style-type: none"> - Jordan Lake - mutual aid - Jordan Lake - agreement with Cary - Jordan Lake - western intake and treatment - Quarry Reservoir - deep option - Quarry Reservoir - mine longer - Haw River - temporary intake - Expand current reclaimed water system - Indirect potable reuse - Other 	Review supply options evaluated in 2010 LRWSP Update; decide if any are to be added or deleted Present supply alternatives to evaluate to Board Evaluate alternatives to determine potential yield and cost	Consulting assistance to update capital, operating and maintenance costs of the alternatives	List of potential water supply sources which would increase OWASA's projected yield	Stakeholder input our OWASA's suggested list of supply alternatives which is supported by Communications Plan developed in Task 1
		What potentially viable demand management alternatives should we consider?	<ul style="list-style-type: none"> - Toilet replacement program - Other incentives such as to xeriscape - WaterSense homes program - Water use efficiency requirements - Greater reliance on mandatory use restrictions - Other 	Review demand management options evaluated in 2010 LRWSP Update; decide if any are to be added or deleted Present demand management alternatives to evaluate to Board Evaluate demand management alternatives to determine potential demand reduction and cost	May need consulting assistance in evaluating capital, operating and maintenance costs of the alternatives	List of potential demand management alternatives which would impact demand projections developed in Task 2; should evaluate impacts on revenues under existing and alternative rates for review by Board and stakeholders	Stakeholder input our OWASA's suggested list of demand alternatives which is supported by Communications Plan developed in Task 1
		Do we need to modify our pricing structure?	Evaluate pricing with the demand management scenarios to determine impact on revenue Present alternative pricing structures to Board	May need technical support from our rate consultants	Summary of impacts of demand management alternatives on revenue under current rate structure and up to 3 alternative rate structures		
Task 6	Do the alternatives meet agreed-upon criteria?	Develop short-list of potentially feasible options to meet water supply needs		Short list of supply and demand management options to evaluate further	Communication to stakeholders on list of options moving forward for further review in accordance with Communications Plan developed in Task 1		
Task 7	What are the advantages and disadvantages of the different supply and demand management alternatives which meet the agreed-upon criteria?	Evaluate and rank the alternatives against the different evaluation criteria and weighting factors established at the outset	Consulting assistance to evaluate the advantages and disadvantages of the alternatives	Summary of impacts of short-listed supply and demand management alternatives based on their ability to meet water supply goals and objectives, social impacts, environmental impacts, and financial impacts. Will be weighed against criteria developed as part of Task 1	Collaboration with key stakeholders who may help implement demand management alternatives Communication with all stakeholders in accordance with Communications Plan developed in Task 1		

**ORANGE WATER AND SEWER AUTHORITY: LONG-RANGE WATER SUPPLY PLAN UPDATE
SOME CORE QUESTIONS/ISSUES, TASKS, RESOURCE REQUIREMENTS**

(Note: As the LRWSP Update progresses, tasks, resource requirements, deliverables, communications strategies, etc. will be revised to reflect the public engagement process and Board discussion.)

	PROCESS TASK*	CORE QUESTIONS/ISSUES	SUBTASK(S)	RESOURCE REQUIREMENTS	Deliverables	Communications
PLAN	Task 8	What is the preferred mix of supply and demand management alternatives?	Select the optimum mix of alternatives that are required to meet and/or manage the projected demands and that best achieve our goals and objectives	May need consulting assistance to determine the optimum mix of alternatives	Long-Range Water Supply Plan	Decision from NC Division of Water Resources/Environmental Management Commission on Jordan Lake Round 4 allocation request Public meeting(s) with stakeholders in accordance with Communications Plan developed in Task 1
		What are the projected capital and operating and maintenance costs for the preferred option(s)?				
		What actions do we and others need to take to implement the plan?				
		What will be the process and timetable for evaluating and updating the plan?				
IMPLEMENTATION	Task 9	What resources are required to implement the plan and on what timetable?	Board approval of investments and commitments to implement the preferred alternative and plan Staff bring resource requirements to Board annually as part of budget process	To be determined as update to LRWSP completed in Task 8	Budget items for Board review Others to be determined in accordance with LRWSP completed in Task 8	Stakeholder feedback during Board meetings
	Task 10		Implement the preferred alternative and plan			

* Corresponds to Task Number on Graphic "Potential Process for Key Water Supply Planning Tasks" dated December 6, 2013

AGENDA ITEM

- **POTENTIAL PILOT PROGRAM TO ENGAGE TARGET GROUPS WITH INFORMATION ABOUT HOW RESIDENTIAL CUSTOMERS CAN REDUCE THEIR WATER AND SEWER BILLS**

PURPOSE

- To receive the Board of Directors' guidance and approval to implement a proposed pilot project to engage the community/target groups with information about how to reduce OWASA bills.

BACKGROUND

- “Affordability and Cost Management” is one of five key strategic themes in OWASA’s Strategic Plan for Fiscal Years 2014 – 2017. During rate deliberations and strategic planning meetings, the Board of Directors has concluded that water conservation should be promoted as a key strategy for customers that want to lower their OWASA bills.
- The OWASA Board’s Community Engagement Committee requested that staff design “*a pilot program to engage the community/target groups with information about how to reduce OWASA bills.*”
- A proposal for a pilot project has been developed and revised to incorporate the Committee’s comments. As proposed, it can be accomplished with existing staff and modest program expenses.
- Several social service and housing agencies have reviewed the proposal, expressed strong support for this effort, and offered to help with specific tasks.
- The Committee requested that this proposal be discussed by the Board of Directors at the March 27, 2014 meeting.

ACTION

- If the Board concurs, staff will proceed to work with partner agencies to implement the pilot project.

March 27, 2014




ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin 

FROM: Patrick Davis

DATE: March 21, 2014

SUBJECT: Potential Pilot Program to Engage Target Groups with Information about how Residential Customers Can Reduce their Water and Sewer Bills

Purpose

To receive the Board of Directors' guidance and approval to implement a proposed pilot project to engage the community/target groups with information about how to reduce OWASA bills.

Background

As our water and sewer rates have increased, so has our concern about service affordability. "Affordability and Cost Management" is one of the five key strategic themes in our Strategic Plan for Fiscal Years 2014 – 2017. During rate deliberations and strategic planning meetings, the Board of Directors has concluded that water conservation should be promoted as a key strategy for customers that want to lower their OWASA bills.

At its January 21, 2014 meeting, the OWASA Board's Community Engagement Committee requested that staff design "a pilot program to engage the community/target groups with information about how to reduce OWASA bills." The Committee reviewed and commented on a draft pilot project proposal at its March 4, 2014 meeting, and staff has prepared a revised draft proposal (Attachment #1). The Committee requested that this proposal be placed on the March 27, 2014 agenda.

The Pilot Project

If the proposed pilot project is approved, we will: (1) review and refine our conservation and affordability outreach materials; (2) partner with social service and housing agencies to distribute information to targeted customers; (3) with support from partner agencies, contact some owners of rental properties to seek their support for our affordability efforts; (4) provide follow-up information and technical assistance to targeted customers that request assistance; (5) obtain feedback from targeted customers so that we can improve the program; (6) evaluate and report on our progress.

As proposed, the pilot project can be accomplished with existing staff and modest program expenses. If major additions are made to the scope, additional staff and/or funding could be required for the pilot project.

Pilot Proposal Has Support From Several Agencies

To help inform the Board's consideration of this proposal, we requested that several social service and housing agencies review and comment on the draft proposal. We specifically asked:

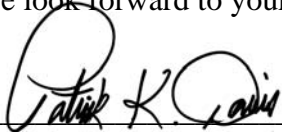
- Do you support the proposed pilot project?
- Are there specific actions you think we can/should take to help our customers in need?
- Are there specific actions your agency can commit to in support of our pilot project effort?

We have received comments from several agencies, and are pleased to report that there is strong support for the proposed pilot project. Attachment #2 shows the comments we have received to date on the draft proposal.

Recommendation

The Community Engagement Committee and staff seeks the Board's concurrence to move ahead with this pilot project in partnership with social service and housing agencies.

We look forward to your comments, questions and guidance on March 27th.



Patrick Davis
Sustainability Manager

Attachment

Potential Pilot Project for Engaging the Community With Information About How to Reduce OWASA Bills

(March 21, 2014)

Background and Purpose

The OWASA Board of Directors' Community Engagement Committee requested that staff propose a pilot program that would "...engage the community/target groups with information about how to reduce OWASA bills." Staff presented an initial draft proposal at the Committee's March 4, 2014 meeting. It has been revised to reflect the Committee's comments, and is presented below.

Target Audience

1. OWASA's high-use, residential customers that live in low- to moderate-income neighborhoods and those customers that have limited incomes
2. A subset of rental property owners, since they make control decisions regarding the potential installation of water-efficient fixtures in their properties
3. Social service and housing agencies, as they can help us in engaging the target customers and rental property owners

Proposed Goal and Objectives for a Pilot Project

Proposed Goal: Help interested residential customers and owners of multi-family properties reduce monthly water and sewer bills by providing them effective information and guidance about the most effective ways they can save water.

Proposed Objectives:

1. Develop and distribute to our target audiences information about cost-effective ways they can reduce bills through conservation practices and water use efficiency investments.
2. Build and strengthen partnerships with other organizations to more effectively inform our target audiences about ways to reduce their water and sewer bills.
3. Obtain active participation of our target audiences in evaluating their water use and implementing conservation practices and water use efficiency investments to save water and reduce their bills.
4. Use a variety of methods, such as targeted surveys, focus groups, etc. to obtain feedback from our target audiences regarding: the usefulness of the information we provide; the most (and least) effective methods and channels for communication; and their suggestions for additional ways in which we can help customers reduce bills.

5. Use the pilot project as a springboard for engaging the community in addressing water and sewer affordability challenges.
6. Keep the scope of the pilot project at a level that can be managed using existing staff and modest program expenses.
7. Create awareness and positive perception of OWASA.

Proposed Pilot Project

1. Review and refine our conservation outreach materials for our targeted customers. Prior to finalizing those materials, staff will request and incorporate the comments and suggestions from partner agencies.
2. Use our Geographic Information System technology and linked customer billing system information to identify our high-use residential customers that are located within low- to moderate-income neighborhoods.
3. Work with applicable social service agencies to distribute conservation information (including home self-audit materials) to our targeted customers.
4. Participate in partner agency-sponsored workshops and outreach events in which we can provide information to our targeted customers.
5. Provide follow-up information and technical assistance to our customers that request additional information.
6. Work with partner agencies to contact at least five (5) owners of rental properties to seek their support for efforts to reduce the cost of water and sewer services to their renters. (Renters have limited financial capacity and minimal, if any, incentive to help pay for conservation investments in property owned by others.)
7. Conduct focus group meetings and/or interviews to understand some of the issues and constraints that renters and property owners face regarding conservation and water use efficiency investments, and to identify potential strategies for increasing the effectiveness of OWASA's affordability program efforts.
8. Survey targeted customers to determine the clarity, quality and effectiveness of the conservation information we provide. Follow-up with some of the high users that did not contact us to learn why they did not ask for assistance.
9. Evaluate and report on progress of the pilot project after it has been in place for at least six months.

Partnerships for Success

1. We have limited information about customers that have difficulty paying their OWASA bills, or that receive financial assistance from other agencies in order to pay their bills. Therefore, we will engage local social service and housing agencies in our effort to identify and more effectively reach high-use customers that are more likely to have difficulty paying their OWASA bill.
2. We will seek support from the local media in reaching target audiences with desired messages through guest columns, letters to the editor, etc.
3. Since Duke Energy has financial incentives for installation of appliances that are both energy- and water-saving (e.g. low-flow showerheads and faucet aerators) we will also contact that utility to explore potential partnership opportunities.

Evaluation Plan

The pilot project should be evaluated after an appropriate amount of time to determine if it is providing real benefits. Examples of potential evaluation measures for the pilot project are:

1. % of our targeted customers that receive our information about ways to reduce their bill
2. % of our targeted customers that request follow-up information and assistance from OWASA about ways to reduce their monthly bills
3. % of our targeted customers that our billing records show have reduced their water use
4. Average % reduction, and total gallons/day savings in water use by our targeted customers, as determined by an analysis of our billing records
5. % of targeted customers that rate the quality and usefulness of our information as good or better
6. % of partner agencies that agree to distribute the information to their clients
7. Number of partner-agency workshops and outreach events we participated in
8. Number and percentage of contacted owners of rental property that report making water use efficiency investments to help their tenants reduce their water and sewer bills
9. Number of dwelling units retrofitted in response to this pilot project

Next Steps

If the Board of Directors concurs, staff will proceed with the pilot project in partnership with other agencies. We believe we can implement the pilot project as described above with existing staff and without major expansion of our conservation program expenses. However, major additions to the proposed scope or other priority projects could require additional staff and/or funding for the project.

COMMENTS RECEIVED ON PROPOSED PILOT PROJECT

John Dorward, Executive Director of Inter Faith Council for Social Service

This seems like a great idea since it will actually reduce the bills for our clients in a meaningful way, provided the money is available to make the necessary changes.

My first question would be whether or not money or credits on their bills will be available to customers or landlords who are interested in participating?

We would be happy to make sure every client who comes in for services and has to pay for their own water is given the materials provided.

We would be happy to create a list of landlords we work with who might be approached by OWASA with this program.

We would be happy to pull a list of our clients who come to us for OWASA help so that they can be approached directly. We would be happy to set up meetings with these people with OWASA representatives.

If OWASA will provide us with a list of equipment that they recommend for use, we will make that available to our clients.

I am willing to commit the IFC to funding a small pilot project to see what a difference could be made by making the changes to a few households. We could partner with the Jackson Center to identify a few (4-6) owner occupied dwellings in the Northside area that have high bills. We could replace the toilets, shower heads, etc. and see what the difference is on a before and after basis. Perhaps with some real data about savings we could find additional funding for making more conversions.

Susan Levy, Executive Director of Habitat for Humanity, Orange County

We certainly support any efforts that will save money for our homeowners and conserve water usage, and we will partner with OWASA in implementing the proposal, to the degree that we are able, within the resource constraints of staff time and availability.

Robert Dowling, Executive Director of the Community Home Trust

We're happy to help you reach out to our homeowners. We conduct quarterly post-purchase classes for our owners... We can certainly disseminate information and encourage our homeowners to pay attention for ways they can reduce water usage.

Tara Fikes, Director of Orange County Housing, Human Rights, and Community Development

I have reviewed this information, support the pilot project and offer the following modification to the Target Audience. Specifically, I would make the following revision to the first statement since many low and moderate income customers do not necessarily live in low income neighborhoods.

- 1. OWASA's high-use, residential customers that live in low to moderate-income neighborhoods and those customers that have limited incomes.*

Delores Bailey, Executive Director of EmPOWERment, Inc.

I fully support this proposal. Please let me know if I can be of further service.

AGENDA ITEM

- **DISCUSSION OF COMPENSATION OF THE ORANGE WATER AND SEWER AUTHORITY (OWASA) BOARD OF DIRECTORS**

PURPOSE

- To discuss compensation of OWASA Board Members.

BACKGROUND

- North Carolina General Statute 162A-5(c), states that: “The members of the authority may be paid a per diem compensation set by the authority which per diem may not exceed the total amount of four thousand dollars (\$4,000) annually, and shall be reimbursed for the amount of actual expenses incurred by them in the performance of their duties.” No OWASA Board member has ever received the maximum annual per diem compensation of \$4,000 allowed under this statute.
- The current Board Member compensation policy was approved on May 12, 2011 and provides that Board Members receive \$50 compensation for attendance at each OWASA Board of Directors Meeting, Special Meeting, Work Session, and Standing Committee meeting of the Board and that, in lieu of a meeting attendance payment, the OWASA Board Chair receives a \$250 monthly stipend regardless of the number of meetings attended.

March 27, 2014



ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

FROM: Alan Rimer, P.E.

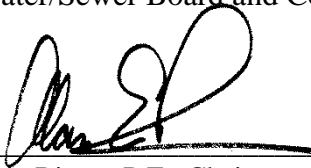
DATE: March 21, 2014

SUBJECT: Discussion of Compensation of the Orange Water and Sewer Authority
(OWASA) Board of Directors

North Carolina General Statute 162A-5(c), states that: "The members of the authority may be paid a per diem compensation set by the authority which per diem may not exceed the total amount of four thousand dollars (\$4,000) annually, and shall be reimbursed for the amount of actual expenses incurred by them in the performance of their duties." No OWASA Board member has ever received the maximum annual per diem compensation of \$4,000 allowed under this statute.

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Attached is information staff assembled in January 2011 regarding compensation of Water/Sewer Board and Commission members in North Carolina.



Alan Rimer, P.E., Chair
OWASA Board of Directors

Attachment

Compensation of Water/Sewer Board and Commission Members
in North Carolina (January, 2011)

UTILITY	STIPEND FOR A BOARD MEMBER	NOTES
Broad River Water Authority	\$100 per year	12 Board meetings per year
Buncombe County Metropolitan Sewerage District	\$100 per Board or Committee meeting; maximum of \$300 per month	Wastewater treatment and interception systems only; 16 meetings per year
Cabarrus County Water and Sewer Authority	\$3999.96 per year	Operates wholesale water treatment plant and regional wastewater treatment and interceptor systems; 11 Board meetings in 2010
Fayetteville Public Works Commission	\$500 per month	Board Meetings: 2 per month plus occasional planning sessions (est. 1-2/year). No committee meetings
Greenville Utilities Commission (water, sewer, electric, natural gas)	\$200 per month	Board usually meets 18 times per year
Lower Cape Fear Water and Sewer Authority	\$250 per monthly meeting attended (please see note at right)	12 Board meetings per year. Committee meetings are held before monthly board meetings; only one per diem is paid per month. If a special meeting is called on a date other than the regular board meeting date, board members are paid the per diem for attendance. Special meetings are rare.
Neuse Regional Water and Sewer Authority (Kinston)	None	Board meetings on fourth Thursday of month
Onslow County Water and Sewer Authority	\$150 per month if at least one meeting is attended	21 Board meetings and workshops in 2010 per website minutes listings
Orange Water and Sewer Authority (OWASA)	\$50 per Board meeting attended; no payment for Committee meetings	22 meetings are scheduled annually. However, Board meetings averaged 15 per year from 2008 through 2010. The number of Committee meetings varies.
Piedmont Triad Regional Water Authority	\$100 per meeting up to 2 hours; \$200 if a meeting is more than 2 hours long	12 per year
South Granville Water and Sewer Authority	\$4,000 per year	12 Board meetings per year
Stokes County Water and Sewer Authority	\$30 per meeting attended; no committee meetings	Usually 5 Board meetings per year
Tuckaseegee Water and Sewer Authority	\$4,000 per year	2 Board meetings per month; Finance Committee meets once a year before a Board meeting
Yadkin Valley Sewer Authority	\$125 per month regardless of number of meetings; must attend at least one meeting per month or have an excused absence	12 scheduled meetings (one per month) plus est. 4 additional meetings per year for work sessions, etc.

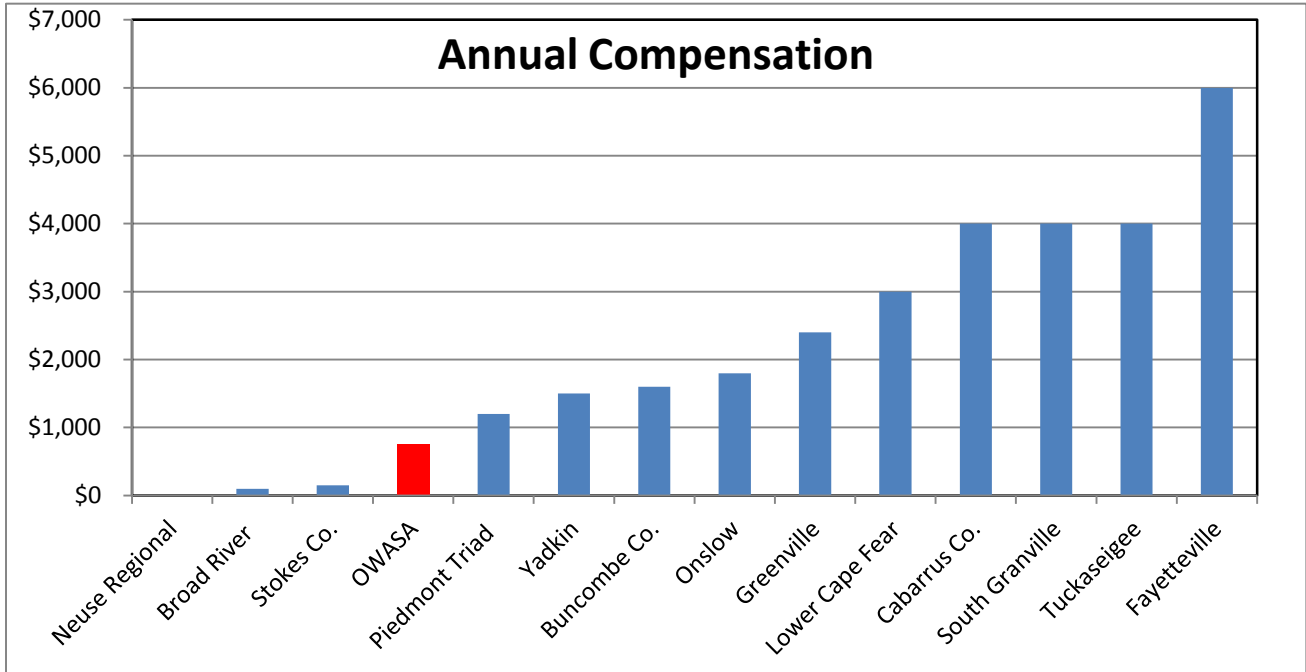
(Please see the notes on the back of this sheet.)

Notes on the compensation of water and sewer utility boards in North Carolina
January, 2011

Most of the entities in this survey are water and sewer authorities but some provide only water or sewer service and one provides additional utility services, as indicated in the table.

OWASA's services include reclaimed water service in addition to water and sewer.

The number of meetings per year may vary for any utility, so a comparison of average compensation per meeting would involve making estimates.



UTILITY	ANNUAL COMPENSATION	
Neuse Regional	\$0	actual
Broad River	\$100	actual
Stokes Co.	\$150	based on 5 meetings per year*
OWASA	\$750	based on 15 meetings per year*
Piedmont Triad	\$1,200	based on 12 meetings per year*
Yadkin	\$1,500	actual
Buncombe Co.	\$1,600	based on 16 meetings per year*
Onslow	\$1,800	actual
Greenville	\$2,400	actual
Lower Cape Fear	\$3,000	based on 12 meetings per year*
Cabarrus Co.	\$3,999.96	actual
South Granville	\$4,000	actual
Tuckaseegee	\$4,000	actual
Fayetteville	\$6,000	actual

Annual compensation for five of the 14 boards depends on the number of meetings per year. The annual amounts for those five utilities are therefore an estimate based on current practice.

January 2011