



ORANGE WATER AND SEWER AUTHORITY
Meeting of the OWASA Board of Directors

Thursday, February 8, 2024, 6:00 p.m.

OWASA Community Room, 400 Jones Ferry Road, Carrboro

Pages

A. Announcements

Live stream link - https://www.youtube.com/live/KyX_z-_yrlo?si=JFFqAUMb2dKzKpv

1. Conflict of Interest (Bruce Boehm)
2. Meeting Updates
3. Mary Tiger - OWASA's new Director of Administration (Todd Taylor)

B. Petitions and Requests

C. Consent

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1. Capital Improvements Program Semiannual Report (Vishnu Gangadharan) | 3 |
| 2. Financial Report for Six-Month Period Ended December 31, 2023 (Stephen Winters) | 7 |
| 3. Resolution Establishing Collaborative Delivery Criteria (Vishnu Gangadharan) | 19 |
| 4. Resolution Awarding a Construction Contract for the Morgan Creek Interceptor Phase 1 (Andre Miller) | 23 |
| 5. Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Clearwell Interim Repairs Project (Andre Miller) | 30 |
| 6. Minutes of the January 11, 2024 OWASA Board of Directors Meeting (Andrea Orbich) | 36 |

D. Discussion and Action

- | | |
|----------------------------------------------------------------------------------------|----|
| 1. Decision on Whether to Complete a Board of Directors' Self-Assessment (Bruce Boehm) | 39 |
|----------------------------------------------------------------------------------------|----|

E. Information and Reports

- | | |
|--------------------------------------------------------------------------------------------|----|
| 1. Operating Department Managers Fiscal Year 2025 Budget Planning Presentation (Mary Darr) | 43 |
| 2. Strategic Plan Update (Todd Taylor) | 50 |
| 3. Review Board Work Schedule (Bruce Boehm/Todd Taylor) | 72 |

F. Summary of Board Meeting Items

G. Adjournment

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with

five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's agenda, or by comments on 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.

Consent Item 1:

Capital Improvements Program (CIP) Semiannual Report

Purpose:

To summarize project and program performance for OWASA's Capital Improvements Program (CIP) for the first half of Fiscal Year (FY) 2024

Background:

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

Program Summary:

During the first half of FY 2024, approximately \$9 million (56% of the planned CIP budget) was invested in 45 active capital projects to rehabilitate, replace or improve various components of OWASA's water and wastewater infrastructure, most notably:

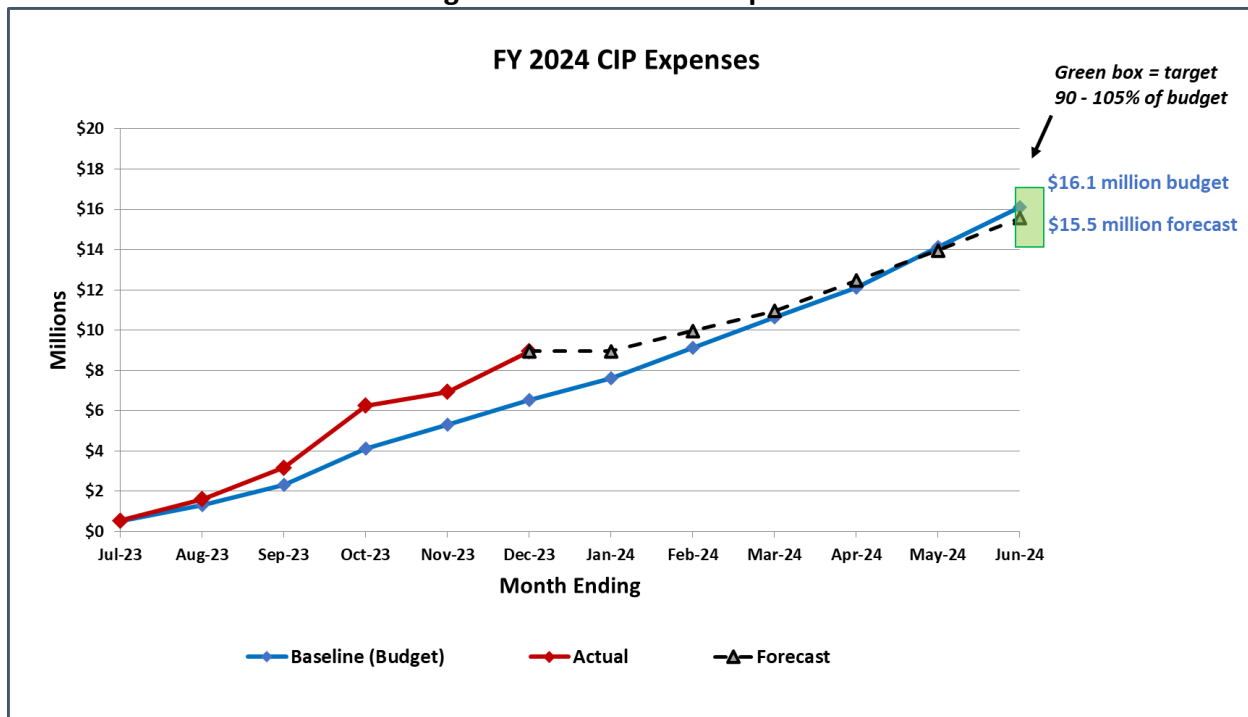
- water mains along Rogerson Drive
- construction of a new chemical permanganate facility at University Lake
- upgrades to the solids handling facility at the water treatment plant and installation of a new belt filter press and ancillary equipment
- rehabilitation of the Chapel Hill North Pump Station
- SCADA upgrades as part of the execution of the SCADA master plan at various facilities
- gravity sewer repair and rehabilitation throughout the service area
- water main replacements by the construction crew throughout the service area
- planning for compliance with the Lead and Copper Rule and the upcoming PFAS regulations
- preliminary engineering related to transmission and intake design, permitting, governance and program management for the Jordan Lake Water Supply project through the Western Intake Partnership

Figure 1 shows the year-to-date and forecast FY 2024 CIP expenses against the monthly baseline projection, as well as the expenditure target of 90% to 105% of budgeted funds. The pace of CIP spending through the first half of FY 2024 was slightly above the baseline due to the completion of some large projects including the Bolinwood Sewer Interceptor which was originally planned to finish in FY 2023 as well as some extensive billing on facility projects for the water treatment plant. Some billing for the large WTP projects was accelerated into the second quarter. Additionally, the use of on-call contracting was established in the first half of

February 8, 2024

the fiscal year which has allowed projects to move more quickly. In the coming months, spending is anticipated to return to be closer to baseline. However, regardless of spending timeline, overall CIP expenditures for the fiscal year are projected to be within the Board adopted goal.

Figure 1 – FY 2024 CIP Expenses



The forecast FY 2024 expenditures of \$15.5 million are 96% of (or about \$600,000 million less than) the budgeted funds, primarily due to the items noted above as well as advantageous pricing for some construction activities and designs. This expenditure-to-budget percentage falls within the Board-adopted target of executing between 90 to 105% of the CIP budget.

Table 1 (attached) contains summaries of project performance for all active projects during this reporting period. The projects in the table are color coded according to the primary reason for the projected fiscal year cost variance (price, schedule, or scope). Those projects without color either have no or minimal projected FY 2024 cost variance, or are in preliminary stages for which baseline budget and schedule have not yet been established.

Minority and Women Business Enterprise (MWBE) Participation

OWASA's goal for minority participation in public building construction projects (vertical buildings & other structures over \$300,000) is 10% of overall contract value. However, OWASA encourages and tracks MWBE participation in all formal and informal construction contracts. Historical averages for the CIP program are reported in Table 2. Eleven construction contracts totaling \$2.2 million were awarded during the first half of FY 2024, and two of the eleven awarded contracts awarded met the 10% MWBE goal. Of the remaining nine construction contracts not meeting the MWBE requirements, none of them were in the formal range (over

\$500,000). In situations where the participation goal was not met, bidders met good faith effort requirements to solicit MWBE participation or else did not have any subcontracts.

Table 2
OWASA Average MWBE Participation Summary, FY 2020 Through first half FY 2024

	Black	Hispanic	Asian American	American Indian	Female	Total MWBE
Dollar amounts in MWBE categories	\$ 366,645	\$ 1,398,919	\$ 0	\$ 0	\$ 7,533,480	\$ 9,298,744
% of sum of contract value (\$36,152,061)	1.0%	3.9%	0%	0%	20.8%	25.7%**

**overall goal is 10%

Staff continues to further develop the MWBE outreach practices as previously discussed with the Board during the August 27, 2020 [Semiannual CIP Report](#). In an effort to increase MWBE participation in OWASA projects, OWASA's Diversity and Inclusion Specialist is supporting the CIP program in discussions with the City of Durham to learn more about their planned disparity study. Additionally, OWASA plans to attend the training course entitled "Minority Participation Programs and Contracting" with the University of North Carolina School of Government in Spring 2024. While staff has continued with the implementation of strategies to increase MWBE participation as discussed in the August 2020 report, there has been a negligible effect on the participation rates of underutilized businesses in our CIP program. CIP staff is currently working with the Diversity and Inclusion Specialist to understand if there are new opportunities we can explore. New efforts and any potential trends in MWBE participation will be reported in future CIP Semiannual Reports.

Action Needed:

Receive and discuss the report.

Information:

- Table 1: Project Performance Summary – FY 2024

Table 1: Project Performance Summary - FY 2024 (Forecasted)

FY 2024 Cost Variance due to Schedule Changes
FY 2024 Cost Variance due to Cost/Pricing
FY 2024 Cost Variance due to Scope Changes

- Costs within 5% of budget; completion within 2 months of baselined completion
- Costs more than 5% of budget; completion more than 2 months beyond baselined completion

CIP No.	Project	Active Phase (at 12/31/23)	FY 2024 Performance			Overall Project Performance						Comments
			FY 2024 Budget	Forecasted FY 2024 Cost	FY 2024 Cost Status	Baseline Budget	Forecasted Cost	Cost Status	Baseline Completion	Forecasted Completion	Schedule Status	
270-04	Jordan Lake Raw Water Supply Allocation	N/A	\$ 10,000	\$ 10,000		\$ 10,000	\$ 8,000		Jun 24	Jun 24		
270-09	Quarry Reservoir Development	Design	\$ 95,000	\$ 120,000		\$ 95,000	\$ 150,000		Mar 24	Mar 24		study only, does not include permitting or future construction costs
270-16	Cane Creek Pump Station	Pending	\$ 25,000	\$ 25,000		-	\$ 2,316,000	-	-	FY26	-	not yet started nor baselined
270-28	University Lake Permanganate Facility	Construction	\$ 1,000,000	\$ 1,000,000		\$ 2,242,000	\$ 3,820,000		Jun 22	Jun 24		
270-30	Cane Creek Dam Rehabilitation - Part 2	Construction	\$ 50,000	\$ 280,000		\$ 282,000	\$ 327,000		Nov 23	Jun 24		Second contract hired to finish the initial scope of work which increased costs
270-34	Western Intake Partnership Projects	Design	\$ 500,000	\$ 500,000		-	-	-	-	-	-	
270-35	University Lake Dam Improvements	Study	\$ 75,000	\$ 75,000		-	-	-	-	-	-	Study only, construction cost and timeline not yet baselined
270-36	Cane Creek Dam Diversion Tunnel Improvements	Design	\$ 50,000	\$ 75,000		\$ 120,000	\$ 120,000		Jul 24	Jun 24		
270-37	Cane Creek Roof Replacements	Bidding	\$ -	\$ 85,000		\$ 100,000	\$ 85,000		Jun 24	May 24		Expedited into FY24 as part of the facility line item
271-05	Cane Creek Raw Water Transmission Main Capacity Study	Design	\$ -	\$ 146,000		\$ 145,000	\$ 146,000		Jun 24	Jun 24		Expedited into FY24 to prepare for CC Pump Station Design work planned for FY25
272-37	WTP Belt Filter Press Replacement	Construction	\$ 1,100,000	\$ 1,100,000		\$ 3,587,000	\$ 4,510,000		Oct 22	Jun 24		
272-49	WTP & WWTP SCADA Master Plan Improvements	Construction	\$ 800,000	\$ 600,000		\$ 2,500,000	\$ 2,500,000		Jul 26	Jul 26		
272-52	WTP Electrical Distribution Improvements	Consultant Selection	\$ 1,000,000	\$ 350,000		-	-	-	-	-	-	Combined with the New Clearwell (272-64) so new baseline schedule and budget will be developed. Current spending in this line item is associated with the admin building generator
272-55	WTP Flash Mix Rehabilitation and Clearwell Stabilization	Bidding	\$ 25,000	\$ 825,000		\$ 1,500,000	\$ 1,649,000		Jun 24	Jun 24		Original budget did not include all scope necessary for clearwell stabilization
272-59	Finished Water Pump #4 Motor and Pump Replacement	Complete	\$ 325,000	\$ 60,000		-	-	-	-	-	-	Maintenance completed
272-60	Filter Shaft and Actuator Replacements	Complete	\$ 150,000	-		\$ 60,000	\$ 60,000		Jun 24	Jun 23		Accelerated into FY23 and completed
272-63	PFAS Planning Study	Consultant Selection	\$ 800,000	\$ 600,000		-	-	-	-	-	-	Once PFAS Design is at 30%, schedule and budget will be baselined
272-64	New Clearwell and FWPS and Electrical Improvements	Consultant Selection	\$ -	\$ 75,000		-	-	-	-	-	-	Mid year request, once Design is at 30%, schedule and budget will be baselined
272-65	Water Supply and Treatment Condition Assessments - Pump Stations	Scoping	\$ 100,000	\$ 121,000		\$ 100,000	\$ 121,000		Jun 24	Jun 24		Baseline budget and completion dates are only for the planned FY 24 projects at the pump stations
272-66	Pulsator Walkway Replacement	Design	\$ -	\$ 170,000		-	-	-	Jun 24	Jun 23		Mid Year Request
273-26	Highway 54 Pump Station Improvements	Deferred	\$ 75,000	-		-	-	-	Jun 24	Jun 24		Staff rebuilt the pump and will reevaluate Pump Station needs once the hydraulic model is complete
273-27	Calvander Pump Station Site Improvements	Contracting	\$ 200,000	\$ 235,000		\$ 235,000	\$ 297,000		Jun 24	Jun 24		Part of the prioritized facility line item
274-17	Nunn Mountain Tank Roadway Improvements	Scoping	\$ -	\$ 85,000		-	\$ 85,000		Jun 24	Jun 24		Expedited into FY24 as part of the facility line item
275-01	Lead and Copper Rule Compliance	Study	\$ 250,000	\$ 200,000		\$ 300,000	\$ 320,000		Oct 24	Oct 24		Compliance will be ongoing but the consultant led portion of the project is expected to be complete by Oct. 2024
275-15	Reimbursement for Distribution System Improvements	Construction	\$ 115,000	\$ 50,000		\$ 115,000	\$ 50,000		Jun 24	Jun 24		
275-20	Water Main Rehabilitation/Replacement Projects - Crew	Construction	\$ 1,009,000	\$ 925,000		\$ 1,000,000	\$ 925,000		Jun 24	Jun 24		
275-21	Rogerson Neighborhood Water Mains	Complete	\$ 1,100,000	\$ 1,000,000		\$ 4,311,000	\$ 2,961,000		Jun 23	Nov 23		
275-53	Distribution System Hydraulic Model	Study	\$ 250,000	\$ 250,000		\$ 320,000	\$ 380,000		Jun 22	Aug 24		Additional scope items have been incorporated into the hydraulic model update
275-77	Galvanized Water Main Replacement Program	Construction	\$ -	\$ 2,000		-	-	-	-	-	-	Project carryover for engineer's certification as part of the water line replacements with the construction crew
275-92	Jones Ferry Rd Water Main Replacements	Complete	\$ -	\$ 5,000		\$ 3,750,000	\$ 3,468,500		Sep 21	Jul 23		Project closeout costs
275-95	West Rosemary Street Water Main Replacement	Design	\$ 200,000	\$ 170,000		-	-	-	-	-		Working on 30% design now and will baseline cost when that is complete
275-99	Distribution System Asset Management	Study	\$ 30,000	\$ 30,000		\$ 30,000	\$ 30,000		Jun 24	Jun 24		
375-01	Briarcliff and Ridgefield Neighborhood AC Water Main Replacements	Design	\$ 50,000	\$ 200,000		-	-	-	-	-	-	Significant upfront survey costs increased spending this FY, to be baselined when 30% design is complete
375-01	Burning Tree Water Main Replacement	Scoping	\$ -	\$ 20,000		-	-	-	-	-	-	Expedited into FY24 due to Town of Chapel Hill pavement plans
276-02	Large Diameter Sewer Condition Assessment - Upstream Rogerson & Siphon	Scoping	\$ 50,000	\$ 50,000		-	-	-	-	-	-	Funding for future years is combined with the Siphon Line condition assessment
276-18	Gravity Sewer Rehabilitation Program	Construction	\$ 1,000,000	\$ 1,213,000		\$ 1,000,000	\$ 1,213,000		Jun 24	Jun 24		Approach to sewer rehab focused on smaller packages to be executed within the FY
276-20	Creek Crossing Aerial Assessments	Complete	\$ 20,000	\$ 12,500		-	-	-	-	-		
276-45	Bolinwood Interceptor Replacement	Complete	\$ 50,000	\$ 574,000		\$ 1,500,000	\$ 2,163,000		Mar 22	Sep 23		Project construction delayed and final construction and closeout costs lingered into FY 24
276-53	Creek Crossing Access Improvements - High Priority Locations	Design	\$ 50,000	\$ 80,000		-	-	-	-	-	-	Project working on 30% design and will then be baselined, survey costs were higher than originally anticipated
276-59	Morgan Creek Interceptor Replacement	Bidding	\$ 1,315,000	\$ 320,000		\$ 5,100,000	\$ 3,840,000		Sep 25	Sep 25		Construction start anticipated to be later than originally planned, costs only shown for Phase 1. Phase 2 is not yet at 30% design
276-70	Collection System On-Call Modeling	Study	\$ 20,000	\$ 10,000		\$ 20,000	\$ 10,000		Jun 24	Jun 24		
276-99	Collection System Asset Management	Study	\$ 40,000	\$ 40,000		\$ 50,000	\$ 40,000		Jun 24	Jun 24		
376-01	Gravity Sewer Rehab FY26-29 Large Contractor Program	Study	\$ 125,000	\$ 125,000		-	-	-	-	-	-	Project just started, baseline is set to have large construction projects ready by FY26
376-02	Creek Crossing Access Improvements - Bayberry Drive Study	Scoping	\$ 65,000	\$ 50,000		\$ 50,000	\$ 50,000		Jun 24	Jun 24		Just the study shown here
376-03	Cobb Terrace Sewer Rehabilitation	Scoping	\$ 50,000	\$ 50,000		-	-	-	-	-	-	Project not yet underway, after 30% design the project will be baselined
277-43	Rogerson Drive Force Main and Pump Station Program Services	Study	\$ 100,000	\$ 80,000		\$ 307,000	\$ 300,000		Jun 23	Jun 24		
277-45	Chapel Hill North Pump Station Rehabilitation	Complete	\$ 400,000	\$ 529,000		\$ 300,000	\$ 1,090,000		Jun 22	Sep 23		
277-49	Eastowne Generator	Procurement Complete	\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000		Jun 24	Jun 24		WWTP Maintenance Installing CIP procured equipment
277-51	Piney Mountain MH Lining	Deferred	\$ 15,000	-		-	-	-	-	-	-	Pricing received was not competitive, deferred project for now and will include in a larger gravity sewer package for better pricing
277-52	Force Main ARV Upgrades/Replacements	Scoping	\$ 80,000	\$ 50,000		\$ 50,000	\$ 50,000		Jun 24	Jun 24		
278-01	WWTP and PS PLC Replacement	Construction	\$ 650,000	\$ 300,000		\$ 2,300,000	\$ 2,300,000		Jun 28	Jun 28		Equipment and integrator delays
278-03	Digester 3/4 Stairwell Safety Improvements	Bidding	\$ 200,000	\$ 200,000		\$ 200,000	\$ 200,000		Jun 24	Jun 24		
278-15	Wastewater Condition Assessments - IPS 1 and 2	Scoping	\$ 40,000	\$ 40,000		\$ 40,000	\$ 40,000		Jun 24	Jun 24		Potential for added scope for asset management needs
278-16	Morgan Creek PS Ventilation and Coatings and Fall Protection	Procurement Complete	\$ 25,000	\$ 14,000		\$ 25,000	\$ 14,000		Jun 24	Jun 24		Procurement of safety nets to be installed by WWTP maintenance, additional phases of the morgan creek pump station work are planned for future Fys
278-20	WWTP Secondary Clarifier #4 Improvements	Construction	\$ 560,000	\$ 560,000		\$ 2,200,000	\$ 4,318,000		May 23	Jan 24		
278-75	WWTP Master Plan	Study	\$ 150,000	\$ 150,000		\$ 350,000	\$ 463,120		Oct 22	Mar 24		
278-78	WWTP Fermenter Improvements	Construction	\$ -	\$ 5,224		\$ 994,000	\$ 1,952,000		Jun 21	Jul 23		Project close out costs
278-85	WWTP Gas Monitoring Systems	Procurement	\$ 280,000	\$ 180,000		\$ 280,000	\$ 250,000		Jun 24	Jun 24		
278-94	Biogas Removal System Improvements	Complete	\$ 150,000	\$ 100,000		\$ 250,000	\$ 250,000		Jun 23	Dec 23		
278-97	Digester 3 and 4 Cleaning, Assessment and Repair	Design	\$ 400,000	\$ 200,000		\$ 800,000	\$ 540,000		Jun 23	Jun 24		
278-98	WWTP Bridge Repairs	Deferred	\$ -	\$ 650		-	-	-	-	-	-	Project deferred until land ownership and right of entry with UNC can be established
278-99	Old UNC Lab Building Demo	Contracting	\$ 200,000	\$ 88,000		\$ 200,000	\$ 88,000		Jun 24	Jun 24		
378-02	NPW Leak Emergency Repair	Complete	\$ -	\$ 54,634		-	-	-	-	-	-	
378-03	Trickling Filter Emergency Repair	Complete	\$ -	\$ 53,000		-	-	-	-	-	-	
279-14	Reclaimed Water Water Quality Evaluation	Scoping	\$ 75,000	\$ 75,000		\$ 75,000	\$ 75,000		Jun 24	Jun 24		
279-15	Reclaimed Water Elevated Storage Tank Evaluation	Design	\$ -	\$ 50,000		\$ 50,000	\$ 50,000		Jun 24	Jun 24		UNC requested study
280-17	Admin Building Coping and Stucco Repairs	Contracting	\$ 200,000	\$ 275,000		\$ 200,000	\$ 275,000		Jun 24	Jun 24		
280-18	Jones Ferry Road Campus Perimeter Fence	Contracting	\$ 400,000	\$ 450,000		\$ 400,000	\$ 450,000		Jun 24	Jun 24		
280-20	Ops Center Vestibule Conversion	Complete	Facility Line Item	\$ 10,000		\$ 10,000	\$ 10,000		Jun 24	Jun 24		Expedited into FY24 as part of the facility line item
280-21	Admin Building/Gazebo Step Concrete Rehab	Complete	Facility Line Item	\$ 10,000		\$ 10,000	\$ 10,000		Jun 24	Jun 24		Expedited into FY24 as part of the facility line item
280-22	Admin Building Lobby Stairwell Study	Design	Facility Line Item	\$ 20,000		\$ 30,000	\$ 20,000		Jun 24	Jun 24		Expedited into FY24 as part of the facility line item

Total FY 2024 Active Projects	FY 2024 Budget	FY 2024 Cost
	\$ 16,144,000	\$ 15,458,008

Consent Item 2:

Financial Report for the Six-Month Period Ended December 31, 2023

Purpose:

The Financial Report for the Six-month Period Ended December 31, 2023, is presented to inform the Board of Directors of OWASA's financial position and financial performance in relation to budget.

Contents:

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

Fiscal Performance:

- As shown on page 10 of the report, all but one of our financial performance measurement targets were met for the period. Actual reserves totaled about \$21.6 million versus the target of \$27.7 million. We plan to meet the reserves balance target by the end of the year.
- Average drinking water sales for the period was 6.16 million gallons per day (MGD), 6.08 was projected. Combined drinking and reclaimed water sales for the period averaged 6.96 MGD versus a projection of 6.95 MGD.
- Combined drinking water and wastewater services revenue was about \$1.4 million greater than budget.
- Total income was over budget by 11.3% or about \$2.7 million.
- Total operating expenses for the period were 7.6% or about \$1.1 million less than the budget.
 - General and administrative expenses were under budget by 4.9% or about \$249,000. This is largely due to the timing of certain consulting projects.
 - Water supply and treatment department expenses were about 8.8% or \$328,000 under budget. So far, chemical prices have been less than projected.
 - Water distribution expenses were under budget by 18.4% or about \$367,000. Position vacancies, most of which have since been filled, accounted for a part of the variance. We have also completed more in-house construction projects than

February 8, 2024

projected for the period. (CIP projects performed by OWASA personnel reduce operating expenses because labor and other project costs are charged to the CIP budget.)

- Wastewater treatment and biosolids recycling expenses were 5.6% or about \$172,000 under budget. Maintenance expenses and chemicals, used to clean wastewater, so far, have been less expensive than projected.
- Wastewater collection expenses were under budget by 2.2% or about \$21,000.

Net Income less Debt Service for the period was approximately \$4.0 million greater than budget. OWASA is a nonprofit entity; net Income less Debt Service is used to fund investments in capital improvement projects and reserves.

Capital Improvements Program (CIP) Summary

During the first half of FY 2024, approximately \$9 million (56% of the planned CIP budget) was invested in 45 capital projects to rehabilitate, replace or improve various components of OWASA's water and wastewater infrastructure, most notably:

- water mains along Rogerson Drive
- construction of a new chemical facility at University Lake
- upgrades to the solids handling facility at the water treatment plant and installation of a new belt filter press and ancillary equipment
- rehabilitation of the Chapel Hill North Pump Station
- upgrades to the systems for controlling processes (SCADA) at various facilities as part of the execution of the SCADA master plan
- gravity sewer repair and rehabilitation throughout the service area
- water main replacements by the construction crew throughout the service area
- planning for compliance with the EPA's Lead and Copper Rule and the upcoming PFAS regulations
- preliminary engineering related to transmission and intake design, permitting, governance and program management for the Jordan Lake Water Supply project through the Western Intake Partnership

Fiscal Year 2024 CIP spending is expected to be between 90% and 100% of the budget; the current projection is approximately 96%. CIP has expedited projects where possible to make up for construction and design delays as well as advantageous pricing and scope reductions. As the fiscal year continues and additional projects get underway or move into new phases, the projection will continue to be refined.

Action Requested:

Receive and review the financial report.

Orange Water and Sewer Authority

**Financial Report
For the Six-month Period Ended
December 31, 2023**

Orange Water and Sewer Authority
Statement of Net Position
December 31, 2023
(unaudited)

Assets

Current Assets

Cash	\$21,557,021
Receivables	7,246,086
Inventory	2,228,515
Prepaid expenses	788,718
Restricted cash	3,772,994

Total Current Assets	35,593,334
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Noncurrent Assets

Leases receivable	631,760
Capital assets (net of depreciation)	339,409,668
Other noncurrent assets	43,709,861

Total Noncurrent Assets	383,751,289
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Total Assets	\$419,344,623
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Liabilities and Net Position

Current Liabilities

Accounts payable and deferred outflows	\$3,918,631
Leases and subscriptions payable	1,025,500
Other current liabilities	1,625,833

Total Current Liabilities	6,569,964
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Noncurrent Liabilities

Bonds payable	61,815,000
State revolving fund loans	21,259,626
Other noncurrent liabilities	25,034,199

Total Noncurrent Liabilities	108,108,825
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Net Position

Contributed capital	131,654,863
Net position at the beginning of the year	165,736,870
Year-to-date accrual basis net income	7,274,101

Total Liabilities and Net Position	\$419,344,623
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Net income reconciliation:

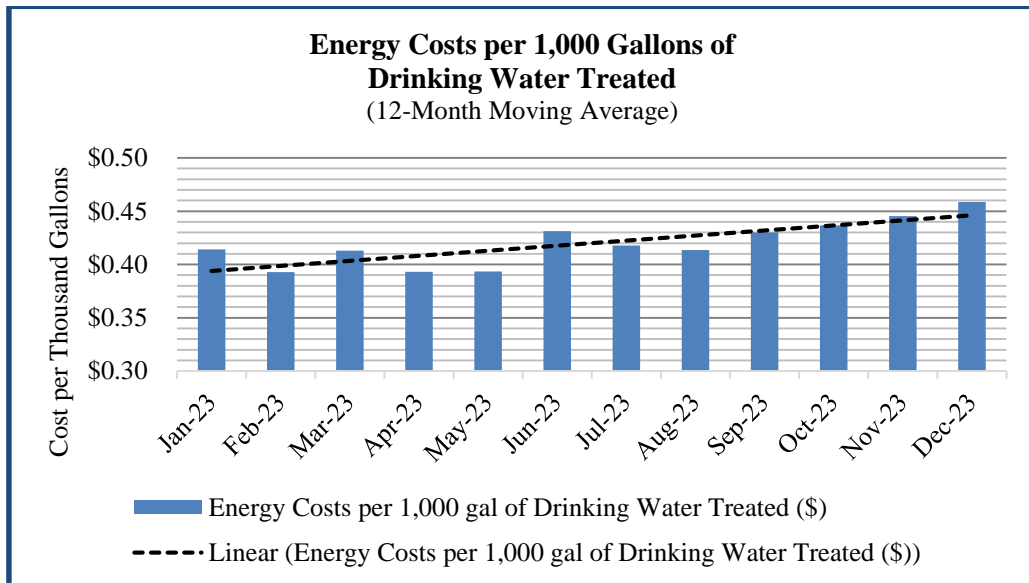
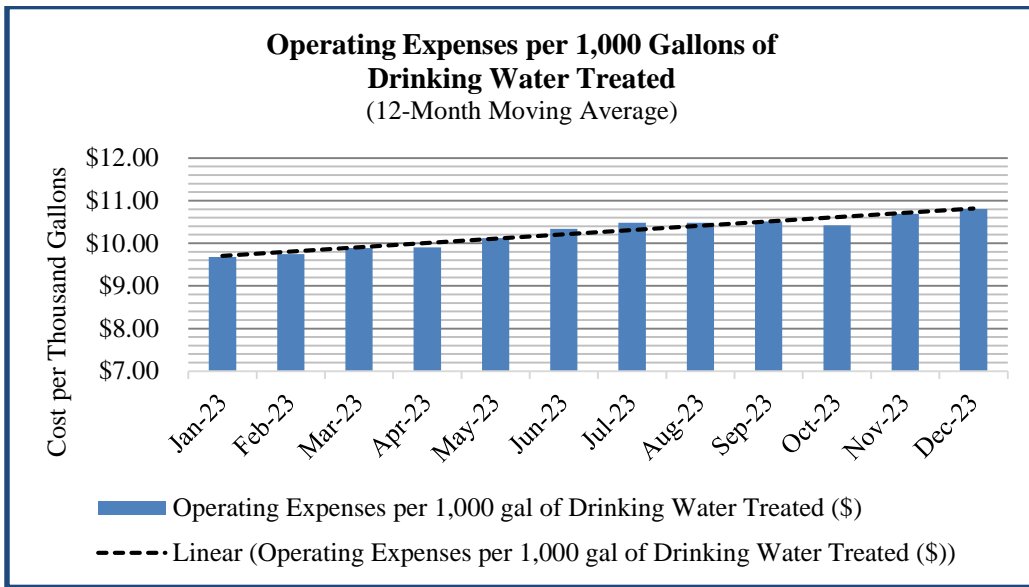
Accrual basis net income	\$7,274,101
Depreciation, interest, other post-employment benefits expenses	5,965,397

Modified accrual basis net income	\$13,239,498
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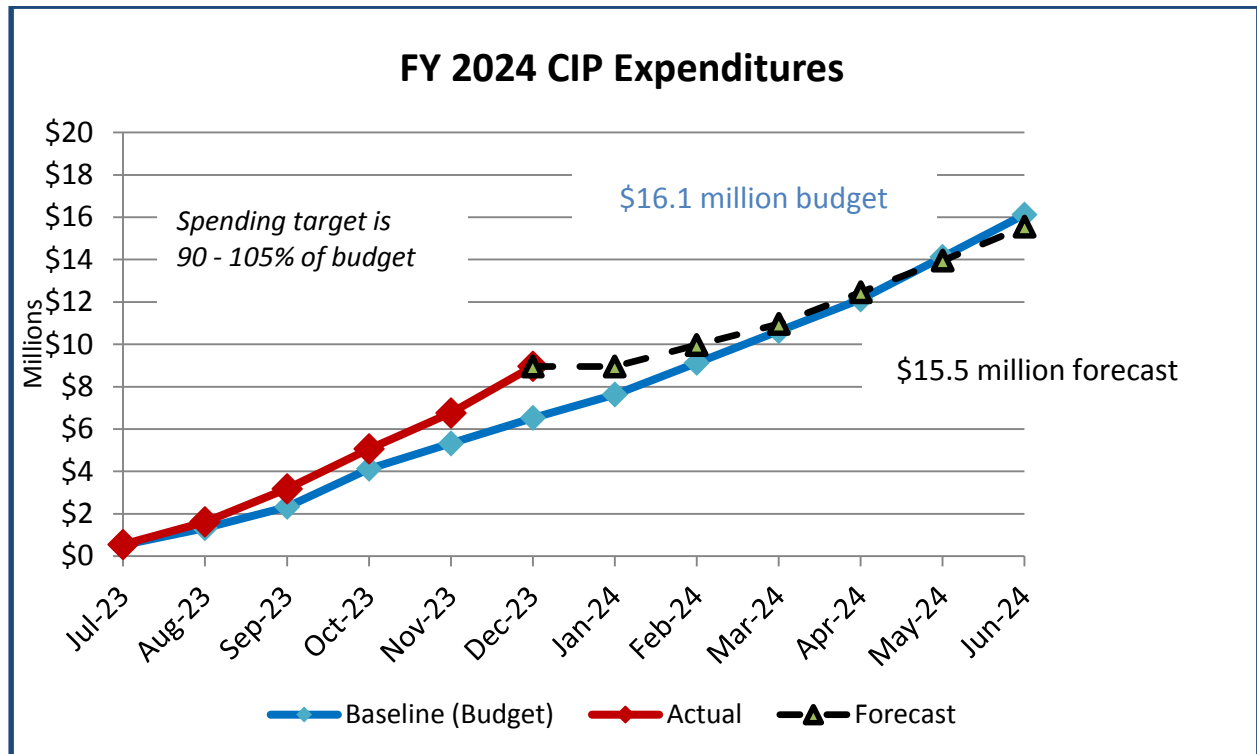
Orange Water and Sewer Authority
Income Statement
For the Six-month Period Ended December 31, 2023
(unaudited)

	Actual through December 31, 2023	Budget through December 31, 2023	Variance (effect on net change in Fund Balance)	Percent Variance
Operating Revenue				
Water	\$13,022,503	\$11,883,766	\$1,138,737	9.6%
Wastewater	11,450,523	11,140,376	310,147	2.8
Reclaimed water	242,545	273,978	(31,433)	(11.5)
Service initiation fees	13,440	7,362	6,078	82.6
Other	122,773	115,008	7,765	6.8
Refunds and allowances	(120,979)	(67,008)	(53,971)	(80.5)
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Total Operating Revenue	24,730,805	23,353,482	1,377,323	5.9
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Non-Operating Income (Expense)				
System development fees	1,716,076	515,652	1,200,424	232.8
Interest and other non-operating income	525,898	355,500	170,398	47.9
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Total Non-Operating Income	2,241,974	871,152	1,370,822	157.4
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Total Income	26,972,779	24,224,634	2,748,145	11.3
	<hr/>	<hr/>	<hr/>	<hr/>
Operating Expense				
General and administrative	4,855,665	5,104,425	248,760	4.9
Water supply and treatment	3,405,608	3,733,475	327,867	8.8
Water distribution	1,626,330	1,993,302	366,972	18.4
Wastewater treatment and biosolids recycling	2,920,274	3,093,179	172,905	5.6
Wastewater collection	925,404	946,493	21,089	2.2
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expense	13,733,281	14,870,874	1,137,593	7.6
	<hr/>	<hr/>	<hr/>	<hr/>
Net Income (modified accrual)	13,239,498	9,353,760	3,885,738	41.5
	<hr/>	<hr/>	<hr/>	<hr/>
Debt service	3,871,496	3,941,569	70,073	1.8
	<hr/>	<hr/>	<hr/>	<hr/>
Net income less debt service	9,368,002	5,412,191	3,955,811	73.1
	<hr/>	<hr/>	<hr/>	<hr/>
CIP expenditures	8,959,542	6,524,000	(2,435,542)	(37.3)
Capital equipment expenditures	532,343	1,706,635	1,174,292	68.8
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(\$123,883)	(\$2,818,444)	\$2,694,561	
	=====	=====	=====	

Orange Water and Sewer Authority
Select Financial Data
For the Six-month Period Ended December 31, 2023

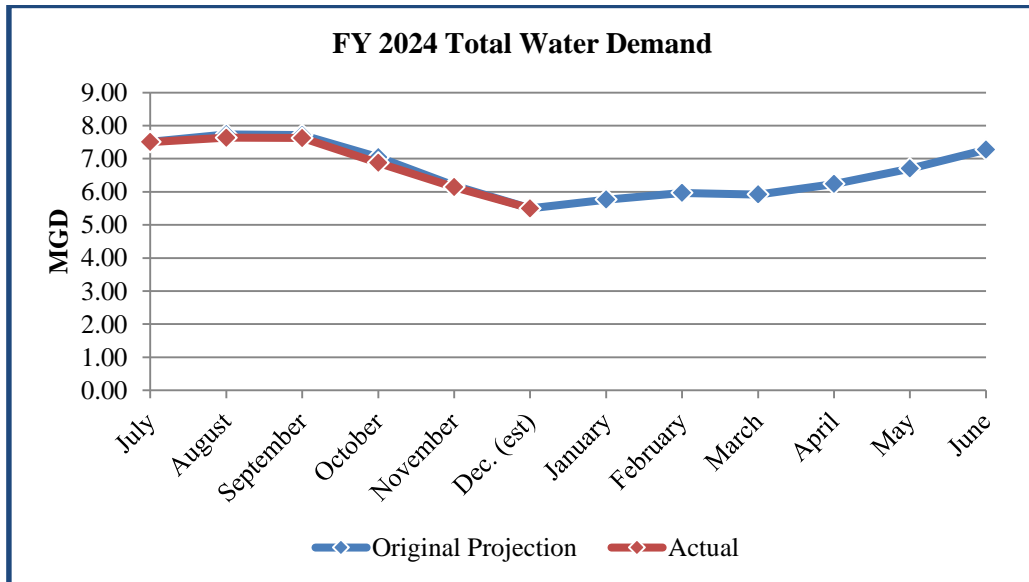


Orange Water and Sewer Authority
Select Financial Data
For the Six-month Period Ended December 31, 2023

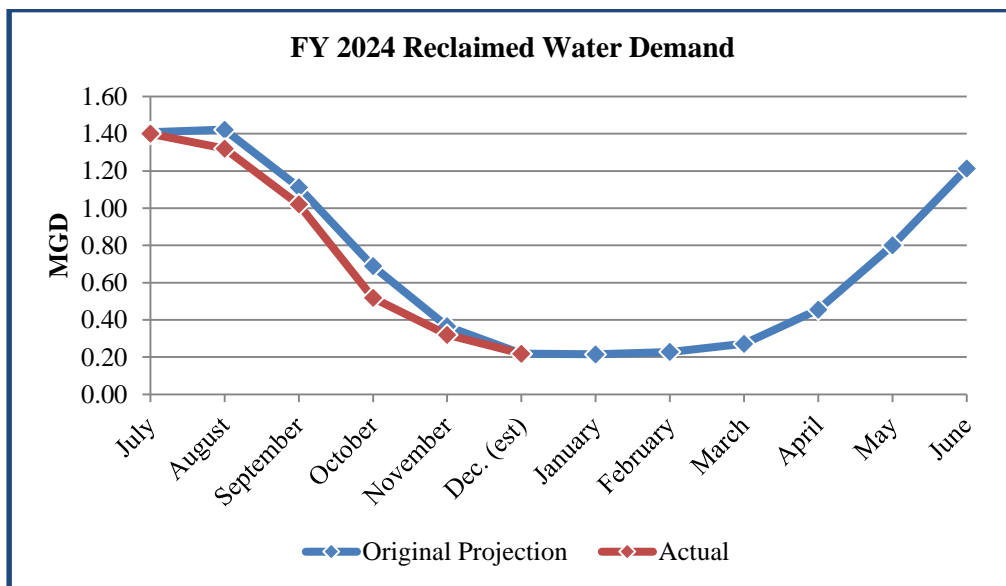
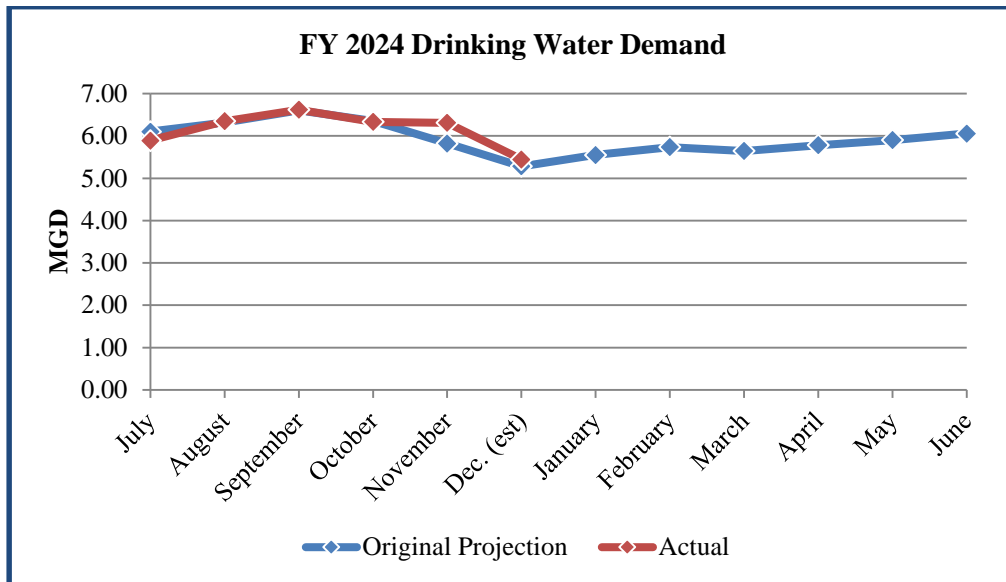


Orange Water and Sewer Authority
Select Financial Data
For the Six-month Period Ended December 31, 2023

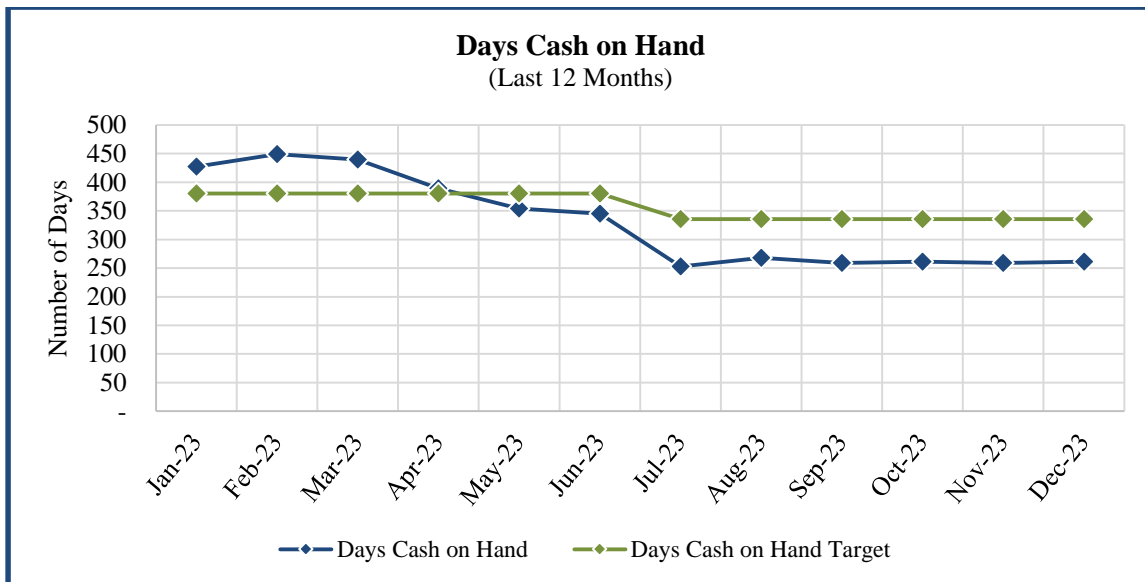
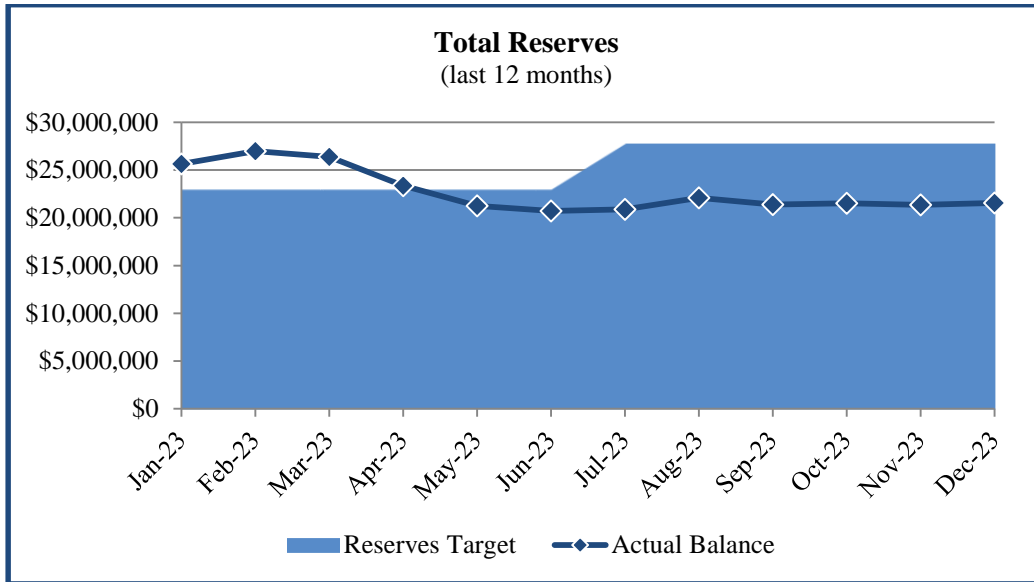
<u>FY 2024 Water Sales Projection (Average Day)</u>						
	Original Projections		Actual Water Sales		Revised Projections	
	DW	RCW	DW	RCW	DW	RCW
July	6.10	1.41	5.89	1.40	5.89	1.40
August	6.32	1.42	6.35	1.32	6.35	1.32
September	6.61	1.11	6.62	1.02	6.62	1.02
October	6.36	0.69	6.33	0.52	6.33	0.52
November	5.82	0.37	6.31	0.32	6.31	0.32
December	5.28	0.22	5.44	0.22	5.28	0.22
January	5.55	0.21			5.55	0.21
February	5.74	0.23			5.74	0.23
March	5.65	0.27			5.65	0.27
April	5.78	0.46			5.78	0.46
May	5.90	0.80			5.90	0.80
June	6.06	1.21			6.06	1.21
Average	5.93	0.70	6.16	0.80	5.95	0.67
DW = Drinking Water						
RCW = Reclaimed Water			Estimates in red			



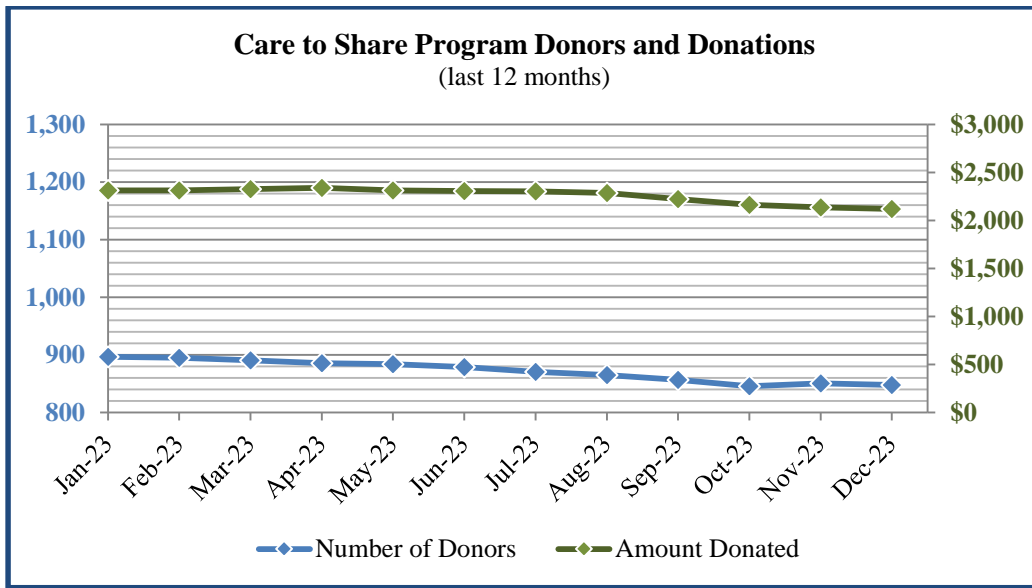
**Orange Water and Sewer Authority
Select Financial Data
For the Six-month Period Ended December 31, 2023**



Orange Water and Sewer Authority
Select Financial Data
For the Six-month Period Ended December 31, 2023



Orange Water and Sewer Authority
Select Financial Data
For the Six-month Period Ended December 31, 2023



Orange Water and Sewer Authority
Financial Management Policy Report Card
For the Six-month Period Ended December 31, 2023

Measurement	Objective	FY23 Results	FY24 Goal	FY24 Results
Working Capital Reserves	Greater of four months Operating Expenses or 20% of succeeding three years CIP	\$13.1M	\$19.7M	\$13.6M
Capital Improvements Reserve	2% of Net Capital Assets (Funding \$400,000 per year until reach goal of approximately \$6M)	\$5.6M	\$5.8M	\$5.8M
Rate/Revenue Stabilization Reserve	5% of annual Water and Sewer Revenue	\$2.0M	\$2.1M	\$2.1M
Debt Burden to Asset Value	Total Debt not more than 50% of Total Assets	28%	≤ 50%	27%
Sufficiency of Revenues above Debt Requirements ³	Annual Debt Service no more than 35% of Gross Revenue	21%	≤ 35%	22%
Cash Financing of Capital ¹	Annual revenues and reserves provide at least 30% of CIP funding	30%	≥ 30%	49%
Debt Service Coverage Ratio ³	Annual Net Income not less than two times Annual Debt Service	2.1	1.8	1.8
Service Affordability Ratio ²	Average annual OWASA bill not more than 1.5% of area median household income	1.38%	1.50%	1.47%

M = million

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

² FY 2024 calculation based on median household income of \$81,752 (weighted average of 2022 median household income of Carrboro and Chapel Hill) and average monthly household water use of 4,000 gallons.

³ Calculation based on the FY 2024 Annual Budget until full-year results are available.

Consent Agenda Item 3:

Resolution Establishing Collaborative Delivery Criteria

Purpose:

This memorandum recommends the OWASA Board of Directors approve the criteria for selecting when a collaborative delivery method may be appropriate.

Background:

North Carolina G.S. 143-128.1A(b) requires a governmental entity to establish in writing criteria for determining the circumstances under which the design-build project delivery method is appropriate before using design-build for a construction project. The statute states that the criteria must address the following, at a minimum: project definition, time constraints, project quality, project management, inclusion of minority, women owned, and small businesses in the project, and be used to determine the advantages of the different delivery methods.

Background on the different project delivery methods was presented to the Board during the January 8, 2024 [Collaborative Delivery Information Report](#).

As part of the ongoing work with Jacobs Engineering Group (Jacobs), the consultant selected to assist with document development and training related to collaborative delivery, staff will be evaluating projects budgeted for upcoming years that would be good candidates for progressive design build (PDB) or construction manager at risk (CMAR). As previously reported, staff envisions that only a limited subset of CIP projects will be considered for further evaluation as a collaborative delivery project. Once the candidate projects are selected, staff will utilize a scoring system to determine the most advantageous project delivery method (PDB, CMAR, or traditional design-bid-build) for each project. The proposed nine project delivery evaluation criteria are shown in Table 1, below.

Table 1: Project Delivery Evaluation Criteria

	Criteria	Description <i>(italicized text refers to NCGS 143-128.1A(b) requirements)</i>
A	Procurement efficiency	Efficiency is reflective of procurement duration and staff level of effort, such as interviewing. <i>(NCGS 143-128.1A.b.1. Project Definition)</i>
B	Owner ease and ability to impact project	Owner's ability to impact construction through constructability reviews. Ability for the project team to fully understand, consider and implement innovation (such as new technology) to the project with respect to performance, quality, schedule, costs, and risks. <i>(NCGS 143-128.1A.b.4. Project Management)</i>
C	Owner ability to select best value designer and/or contractor	Owner's ability to select the best value designer and/or contractor (independent of teaming arrangements) based on qualifications, approach, and pricing elements. <i>(NCGS 143-128.1A.b.4. Project Management)</i>

D	Prioritization of cost over quality	Low bid in nature and in order to be selected, lowest price (and possibly less qualified) subs will be considered. <i>(NCGS 143-128.1A.b.3. Project Quality)</i>
E	Performance guarantee	Ability for the delivery team to establish a performance guarantee for project deliverables. <i>(NCGS 143-128.1A.b.3. Project Quality)</i>
F	Ability to make a value-based selection for MWBE subcontracts	Can allow the selection of subcontractors to consider value of MWBE. <i>(NCGS 143-128.1A.b.5 Inclusion of MWBE)</i>
G	Collaborative schedule management	Allows for the ability to balance schedule requirements and overall project costs. Goal is to optimize schedule and cost for overall best value. <i>(NCGS 143-128.1A.b.2. Time Constraints)</i>
H	Owner ability to establish schedule	Owner establishes the schedule, with designer without input from Contractor. May impact project costs if schedule is too aggressive. <i>(NCGS 143-128.1A.b.2. Time Constraints)</i>
I	Cost certainty	Ability for the delivery team to accurately develop a project budget prior to project price execution. Following agreed to project price, a change order can typically only be issued per Owner driven change in scope or change in condition as allowed by the contract terms and conditions. Ability to collaborate, manage and mitigate risks pertaining to equipment or weather delays, labor shortages, etc.

From their inherent characteristics, each of the three project delivery methods can be given a relative score for each of these criteria; e.g., traditional design-bid-build delivery would score considerably higher on (D) 'Prioritization of cost over quality' than PDB or CMAR. Working with Jacobs, staff has developed these non-project specific scores. Conversely, the relative importance or weight of each criteria will be evaluated according to project-specific drivers, goals, and objectives; e.g., a particular treatment facility project may benefit more from the ability to establish a performance guarantee (E) than it would from the ability for OWASA to establish schedule requirements (H).

Staff will utilize a spreadsheet tool to determine, through a pairwise rating process and knowledge of a project's characteristics, appropriate weighting for each of the criteria on a project-by-project basis. The tool utilizes this project-specific weighting, along with the pre-set scoring of the nine criteria for the three different delivery methods, to provide a standardized method to determine the relative benefit of each delivery method. An example of the output from this process is provided in Attachment 1. The criteria and process outlined above are similar to those used by other agencies that have elected to utilize collaborative project delivery approaches.

Action Needed:

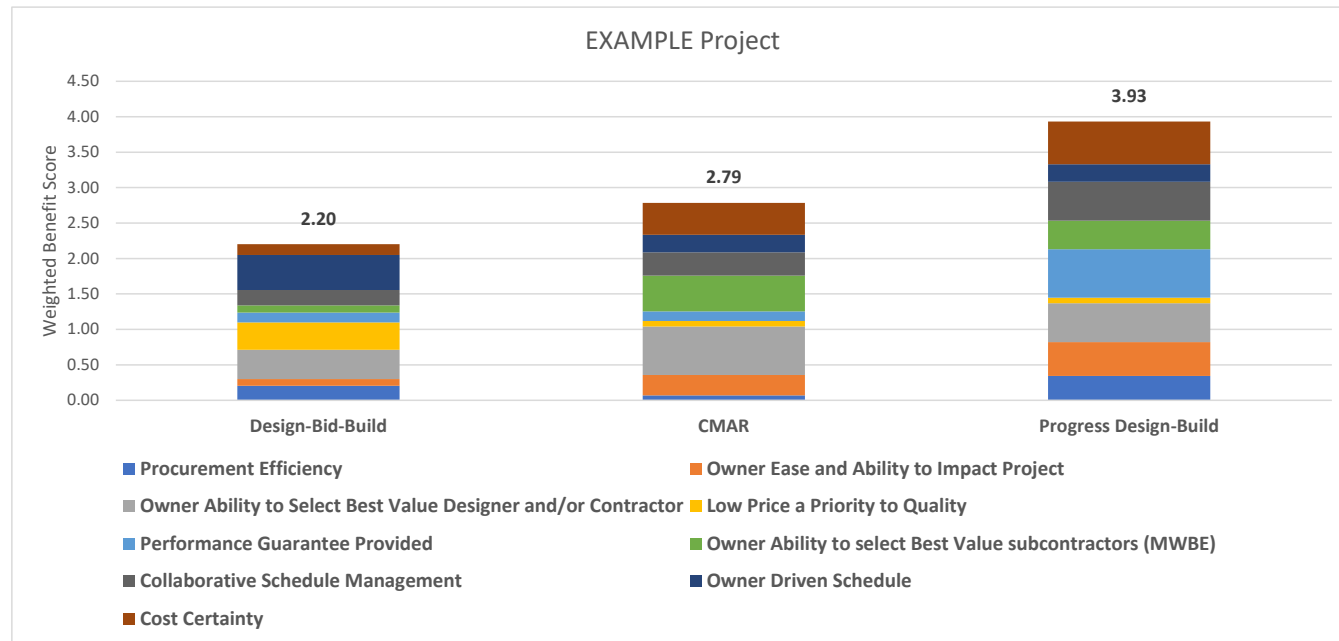
Approve attached Resolution allowing OWASA to utilize the collaborative delivery criteria presented in Table 1.

Information:

- Example Output from Project Delivery Decision Tool
- Resolution Establishing Collaborative Delivery Criteria

ATTACHMENT 1: Project Delivery Decision Tool, Example Output

Criteria		Project Delivery Alternatives - Raw Scores <i>Preset Scores - Non-Project Specific (1 to 5, 5 is best value)</i>			Criteria Weighting <i>Project-Specific, Generated by Pairwise Comparison</i>	Project Delivery Alternatives - Weighted Benefit Scores <i>Output - Product of Raw Score and Weighting (1 to 5, 5 is best value)</i>		
		Design-Bid-Build	CMAR	Progress Design-Build		Design-Bid-Build	CMAR	Progress Design-Build
A	Procurement Efficiency	3	1	5	6.85%	0.21	0.07	0.34
B	Owner Ease and Ability to Impact Project	1	3	5	9.59%	0.10	0.29	0.48
C	Owner Ability to Select Best Value Designer and/or Contractor	3	5	4	13.70%	0.41	0.68	0.55
D	Low Price a Priority to Quality	5	1	1	7.76%	0.39	0.08	0.08
E	Performance Guarantee Provided	1	1	5	13.70%	0.14	0.14	0.68
F	Owner Ability to select Best Value subcontractors (MWBE)	1	5	4	10.05%	0.10	0.50	0.40
G	Collaborative Schedule Management	2	3	5	10.96%	0.22	0.33	0.55
H	Owner Driven Schedule	4	2	2	12.33%	0.49	0.25	0.25
I	Cost Certainty	1	3	4	15.07%	0.15	0.45	0.60
Totals		21	24	35	100.00%	2.20	2.79	3.93



Resolution Establishing Collaborative Delivery Criteria

Whereas, North Carolina G.S. 143-128.1A(b) requires a governmental entity to establish in writing criteria for determining the circumstances under which the design-build method is appropriate before using design-build for a construction project; and

Whereas, the criteria should address project definition, time constraints, project quality, project management, inclusion of minority owned, women owned, and small businesses in the project, and be used to determine the advantages of the different delivery methods; and

Whereas, the Board has received and reviewed information on design-build and collaborative delivery methods, and has determined that the criteria listed in Table 1 in the February 8, 2024 Agenda Report will provide a framework for effectively evaluating the benefits of using design-build for future construction projects:

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors establishes the criteria specified in Table 1 in the February 8, 2024 Agenda Report for determining the circumstances under which the use of design-build collaborative delivery is appropriate for a construction project.

Adopted this 8th day of February, 2024.

Bruce Boehm, Chair

ATTEST:

Elmira Mangum, PhD, Secretary

Consent Item 4:

Resolution Awarding a Construction Contract for the Morgan Creek Interceptor Replacement Phase I Project

Purpose:

This memorandum recommends that the OWASA Board award a construction contract to Park Construction of North Carolina, Inc. (Park) for the construction of the Morgan Creek Interceptor Replacement Phase I Project (Project).

Background:

The Morgan Creek interceptor extends along the southern parts of Carrboro and Chapel Hill, generally running adjacent to Morgan Creek and parallel to and south of North Carolina Highway 54 and Fordham Boulevard. The interceptor is a main trunk line for the collection system, conveying almost 50% of OWASA's wastewater to the treatment facility. A section of the Morgan Creek Interceptor near the eastern ends of Bartram Drive and Kings Mill Road, installed in 1971, was identified as a Project in OWASA's 2020 Sanitary Sewer Master Plan as a high priority for upsizing due to future capacity limitations. The Project, which is located on property owned by the University of North Carolina at Chapel Hill (UNC) and managed by the UNC Botanical Gardens, consists of upsizing approximately 2,000 linear feet of 24-inch gravity sewer to 36-inch and installing 19 manholes and one sewer crossing (refer to Attachment 1).

In 2022, McKim and Creed was selected to complete the Morgan Creek Interceptor replacement design. As part of project design for an environmentally sensitive area, numerous stakeholder meetings were held with staff from UNC, the Town of Chapel Hill, and the North Carolina Botanical Garden. Input from these key stakeholders ensured that the design that protected important cultural and environmental priorities for the Town and University while still meeting the needs of OWASA. Design was completed in December 2023.

Advertising and Bidding:

The project was publicly advertised on December 22, 2023. Four bids were received by the January 23, 2024 deadline. Park was the low, responsive and responsible bidder for the project with a bid of \$2,541,512.00. A copy of the certified bid tabulation is attached with the Engineer's recommendation to award (Attachment 1), and the results are summarized below:

Hamlet Associates, Inc.	\$4,294,308.80
Park Construction of NC	\$2,541,512.00
Moffat Pipe, Inc.	\$2,644,342.40
J.F. Wilkerson Construction Co., Inc.	\$3,051,690.85
<i>Engineer's Estimate</i>	<i>\$5,100,000.00</i>

February 8, 2024

All four bids received came in below the engineer's estimate of \$5,100,000. Park was identified as the apparent low bidder. This bid is more than \$2.5 million below the engineer's estimate. Given the relatively narrow range in the total amounts of the three lowest bids, the price offered by the apparent low bidder represents the market conditions and ensures a competitive price. Additional details are provided below in the bid analysis and recommendation section.

Minority and Women Business Enterprise (MWBE) Participation:

OWASA's Minority Business Participation Outreach Plan and Guidelines include all of the statutory requirements from the State of North Carolina, and specify a 10% goal for participation by minority businesses. In keeping with standard practice, OWASA staff took several actions to solicit minority participation in this contract, including advertising the Request for Qualifications in the Greater Diversity News, the North Carolina Institute of Minority Economic Development, OWASA's website, and plan rooms, and requiring bidders to follow "good faith" efforts to solicit participation by minority subcontractors. The apparent low bidder (Park) met requirements good faith efforts and has included MWBE participation of \$274,912 (10.81% of the total bid amount). Wallace Mechanical Supply (a black-owned business) and Calamar Supply; (a female-owned company) comprise the MWBE participation for this project.

Bid Analysis and Recommendation:

Based on the four bids received for the project, and the narrow range of the three lower bids, staff is satisfied that the proposed contract amount represents a competitive price for this work. Staff notes that the fourth contractor is a new bidder to OWASA.

Park has demonstrated sufficient qualifications in past project performance, personnel qualifications/experience, reference checks, and all other rated categories. OWASA staff also determined that Park's safety performance, relevant project experience, bonding capacity, and other non-rated categories met our requirements.

McKim and Creed's recommendation that the construction contract for this project be awarded to Park is attached along with the certified bid tabulation (Attachment 1). OWASA staff strongly concurs with this recommendation and requests the Board's adoption of the attached resolution (Attachment 2) awarding the construction contract to Park.

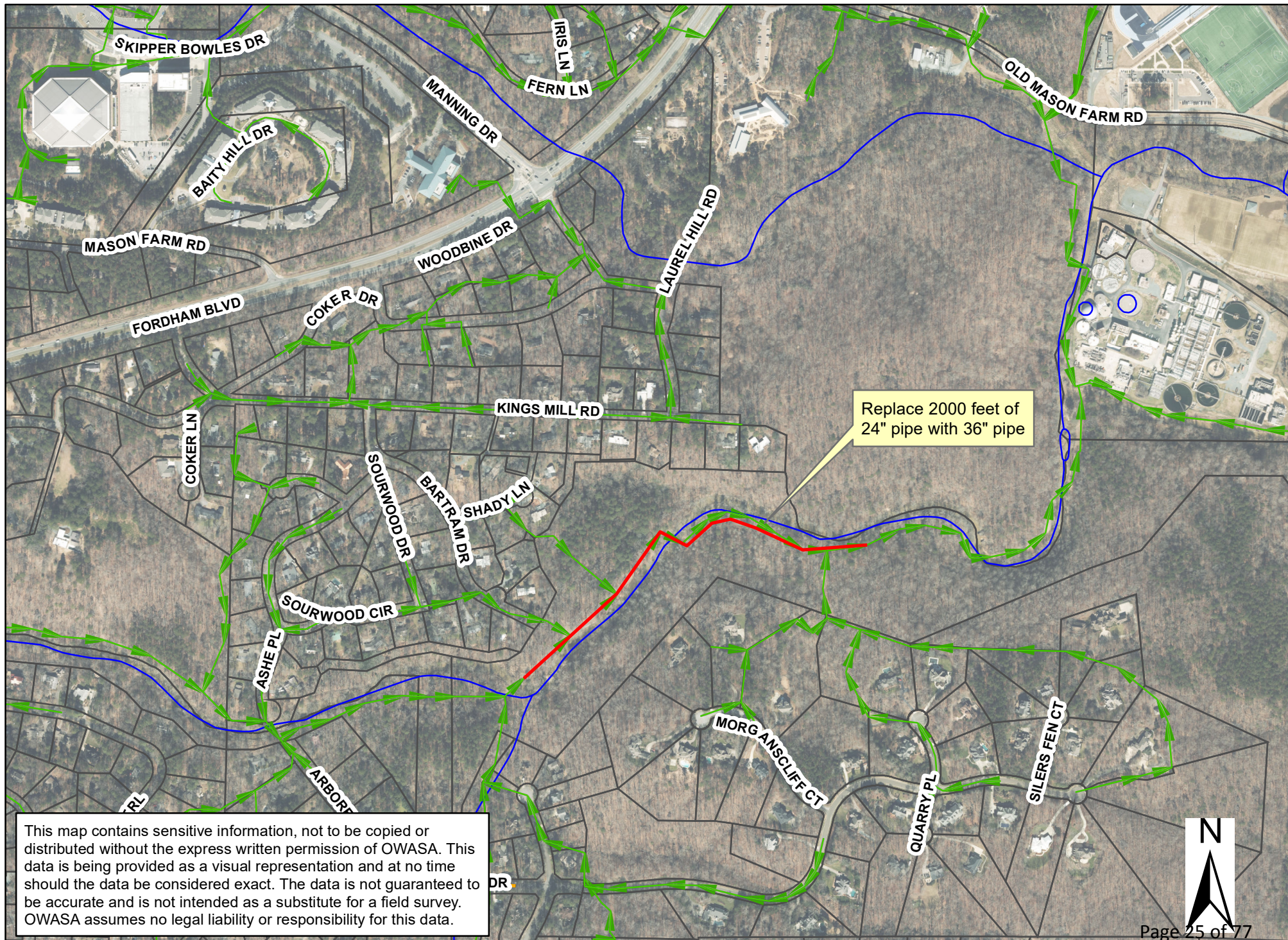
Action:

Approve the Resolution awarding the construction contract to Park.

Information:

1. Project Location Map
2. Engineer's Recommendation for Award and Certified Bid Tabulation
3. Resolution Awarding a Construction Contract for the Morgan Creek Interceptor Replacement Phase I Project

Attachment 1 Project Location Map





ENGINEERS

SURVEYORS

PLANNERS

January 25, 2024

M&C 01519-0058 (54)

Mr. Andre Miller, PE, MSci.
Utilities Engineer
Orange Water & Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

RE: Morgan Creek Interceptor Replacement – Phase I
Recommendation of Award of Construction Contract

Dear Mr. Miller:

On Tuesday, January 23, 2024, at 3:30pm, the Orange Water and Sewer Authority (OWASA) received bids for the Morgan Creek Interceptor Replacement – Phase I project. Four (4) bids were received, and the bids were opened by the Engineer and read aloud. The advertisement and bidding procedures were consistent with governing statutory requirements, to the best of our knowledge. Please refer to the attached bid summary tabulation and detailed bid tabulation for the bids received. The referenced bids have been reviewed by the Engineer, and Park Construction of North Carolina, Inc. (NC License #61200) is the apparent low bidder, with a bid submitted in the base bid amount of \$2,346,602.00. The bid submitted by Park Construction of North Carolina, Inc. also includes Unit Price Alternate Bid Item No. 1 in the amount of \$5,329.00 and Unit Price Alternate Bid Item No. 2 in the amount of \$189,581.00. The following represents the potential award amounts based on the bid submitted by Park Construction of North Carolina, Inc.

4300 Edwards Mill Rd.

Suite 200

Raleigh, NC 27612

919.233.8091

www.mckimcreed.com

- Total Base Bid: \$2,346,602.00
- Total Base Bid and Unit Price Alternate No. 1: \$2,351,931.00
- Total Base Bid and Unit Price Alternate No. 2: \$2,536,183.00
- Total Base Bid, Unit Price Alternate No. 1, and Unit Price Alternate No. 2: \$2,541,512.00

Any combination of award of the base bid or base bid and alternate bids results in Park Construction of North Carolina, Inc. being the apparent low bidder. Park Construction of North Carolina, Inc. is properly licensed and experienced in the type of construction involved, as indicated by the information supplied with the bid. Based on the Engineer's review of the bids, we recommend award of the project to the lowest responsible, responsive bidder, Park Construction of North Carolina, Inc. The amount of award of the construction contract will depend on selection of the alternate bid items by OWASA. It is understood OWASA intends to award the base bid and Unit Price Alternate No. 2, resulting in a total award amount of \$2,536,183.00.

Please accept this letter as the formal recommendation of award of construction contract to Park Construction of North Carolina, Inc. This recommendation of award is subject to acceptance of the submitted bid by OWASA.

Enclosed you will find the following documents:

- Certified Bid Summary Tabulation
- Certified Detailed Bid Tabulation
- Park Construction of North Carolina, Inc. Bid Package
- Park Construction of North Carolina, Inc. Bid Bond

Per the requirements of the bidding documents, Park Construction of North Carolina, Inc. has been requested to provide the following post-bid documentation:

- Non-Collusion Affidavit of Subcontractors
- Affidavit C – Portion of Work to be Performed by Minority Firms or Affidavit D – Good Faith Efforts

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

Sincerely,

McKIM & CREED, INC.

Jacob Bowes, PE
Construction Administrator

Enclosures

BID TABULATION
ORANGE WATER AND SEWER AUTHORITY
MORGAN CREEK INTERCEPTOR REPLACEMENT PHASE I
BID DATE: JANUARY 23, 2024 @ 3:30 PM
MC PROJECT NO. 01519-0058 / OWASA CIP NO. 276-59

BIDDER	LICENSE NO.	BID BOND	BASE BID	ALT-1	ALT-2
Park Construction of NC, Inc.	61200	✓	\$2,346,602.00	\$5,329.00	\$189,581.00
Moffat Pipe, Inc.	54906	✓	\$2,514,742.00	-\$6,299.60	\$135,900.00
J.F. Wilkerson Construction Co., Inc.	4499	✓	\$2,735,267.57	\$0.00	\$0.00
Hamlett Associates, Inc.	9628	✓	\$4,294,308.00	\$83,600.00	\$1,337,000.00

Highlighted cell is correct as shown

Certified as Correct



Jacob E. Bowes
 Jacob E. Bowes, PE
 Construction Administrator
 McKim & Creed, Inc.

1/25/24
 Date

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE MORGAN CREEK
INTERCEPTOR REPLACEMENT PHASE I PROJECT**

WHEREAS, the Board of Directors has determined that there is a need to increase the size of part of the Morgan Creek Sewer Interceptor Replacement Phase I; and

WHEREAS, plans and specifications for the construction of this project have been prepared by McKim and Creed; and

WHEREAS, advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA on December 22, 2023; and

WHEREAS, on January 23, 2024, four bids were received for the project; and

WHEREAS, Park Construction of North Carolina, Inc. has been determined to be the low responsive, responsible bidder for the project; and

WHEREAS, on June 8, 2023 the Board approved a resolution authorizing funds for Capital Improvement Projects, including funds for this project:

NOW, THEREFORE, BE IT RESOLVED:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Park Construction of North Carolina, Inc., the low responsive, responsible bidder for the construction of the Morgan Creek Interceptor Replacement Project, in accordance with the approved plans and specifications, in the amount of \$2,541,512.00, subject to such change orders as may apply.

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

Adopted this 8th day of February 2024.

Bruce Boehm, Chair

ATTEST:

Elmira Mangum, PhD, Secretary

Consent Item 5:

Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant (WTP) Clearwell Interim Repairs Project

Purpose:

This memorandum recommends that the OWASA Board of Directors award a construction contract to Carolina Management Team, Inc. (CMT) for the construction of the Jones Ferry Road WTP Clearwell Interim Repairs Project.

Background:

The Jones Ferry Road Water Treatment Plant has a 1.5 million gallon clearwell that was constructed in 1948 and provides disinfection and storage for treated water before it enters the distribution system. In 2020, Hazen and Sawyer (Hazen) completed a structural condition assessment, which identified and located multiple cracks and fractures indicating structural damage on the roof and above the water level. These findings were expected due to the age of the structure. In 2023, Hazen performed a follow-up structural condition assessment that discovered the appearance of new cracks and an increased rate of deterioration of previous cracks identified in 2020.

The following pictures show the typical cracks and corroded rebar on the clearwell roof underside.



To address the clearwell concerns identified in the past inspections, Hazen recommended structural repairs. The Jones Ferry Road WTP Clearwell Interim Repairs Project will include concrete repairs above and below the water line while the clearwell remains in service.

Advertising and Bidding:

Hazen completed the design drawings and specifications for the repairs in December 2023, and provided a rough estimate of between \$1.5 and \$2.0 million for the work. Due to the uniqueness of the repair scope and the expedited nature of the design and construction, a more precise estimate was infeasible. The project was publicly advertised on December 22, 2023. Three sealed bids were received on January 19, 2024. A copy of the certified bid tabulation is attached with the Engineer's recommendation to award (Attachment 1), and the results are summarized below:

Enhanced Protective Industrial Coatings (EPIC)	\$334,355
Carolina Management Team (CMT)	\$845,000
WxProofing	\$1,600,445
<i>Engineer's Estimate</i>	<i>\$1,500,000 – 2,000,000</i>

EPIC was initially identified as the apparent low bidder. However, during a detailed review of each of the sealed bids submitted, Hazen determined that EPIC's bid was non-responsive and that the lowest responsive and responsible bidder was CMT with a bid of \$845,000. This bid is \$655,000 below the engineer's rough estimate, and represents a fair and reasonable price for the work. Additional details are provided below in the bid analysis and recommendation section.

Minority and Women Business Enterprise (MWBE) Participation:

OWASA's Minority Business Participation Outreach Plan and Guidelines include all of the statutory requirements from the State of North Carolina, and specify a 10% goal for participation by minority businesses. In keeping with standard practice, OWASA staff took several actions to solicit minority participation in this contract, including advertising the Request for Qualifications in the Greater Diversity News, the North Carolina Institute of Minority Economic Development, OWASA's website, and plan rooms, and requiring bidders to follow "good faith" efforts to solicit participation by minority subcontractors. The low responsive and responsible bidder (CMT) met these solicitation requirements for good faith efforts, and furthermore is registered as a woman-owned business. CMT is performing almost 90% of the work.

Bid Analysis and Recommendation:

Based on the bid prices received, EPIC was initially found to be the apparent low bidder. Upon review of the bid package from EPIC, Hazen determined that EPIC did not include

the underwater scope of work among other pertinent documentation to be considered a responsive bid. Therefore, Hazen considered EPIC as non-responsive.

Hazen reviewed bid package of the next lowest bidder (CMT) and determined them to be the lowest responsive and responsible bidder. Staff is satisfied that the proposed contract amount represents a competitive price for this work.

CMT's ability to successfully complete the work was thoroughly evaluated during the bid evaluation process including personnel qualifications/experience, reference checks, safety performance and bonding capacity. Additionally, OWASA has had favorable experiences with CMT on previous treatment facility coatings projects.

Hazen's recommendation that the construction contract for this project be awarded to CMT is attached along with the certified bid tabulation (Attachment 1). OWASA staff strongly concurs with this recommendation and requests the Board's adoption of the attached resolution (Attachment 2) awarding the construction contract to CMT.

Action:

Approve the Resolution awarding the construction contract to CMT.

Information:

1. Engineer's Recommendation for Award and Certified Bid Tabulation
2. Resolution Awarding a Construction Contract for the Morgan Creek Interceptor Replacement Phase I Project



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

January 24, 2024

Mr. Andre Miller, P.E., MSci.
Utilities Engineer
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

**Re: Recommendation for Award
Jones Ferry Road WTP – Clearwell Interim Repairs
OWASA CIP No. 272-55
Hazen # 32258-018**

Dear Mr. Miller:

We have evaluated the bids received for the Jones Ferry Road Water Treatment Clearwell Interim Repairs Project. This project advertised on December 22, 2023 and three sealed bids were received on January 19, 2024. A copy of the certified bid tabulation is also attached.

Upon review of the bid package from the low bidder, EPIC, it was found to not include the underwater scope of work among other pertinent documentation to be considered a responsive bid. Hazen spoke with the point of contact with EPIC, Rodolfo Rios, and he confirmed their intention was to not act as the General Contractor for the project. Therefore, we recommend EPIC's bid be considered non-responsive and be thrown out.

The next lowest bidder is Carolina Management Team, CMT. We have had favorable experiences with CMT on previous projects. Their Bid Package is complete and contains all the required information. Hazen recommends that OWASA proceed with awarding CMT with the project for the lump sum amount of \$845,000.00. We will process formal notification of award documentation at your direction. Should you have any questions or require additional information do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink that reads "Ian Yancey". The signature is written in a cursive, flowing style.

Ian Yancey, P.E.
Senior Principal Engineer

Enclosure

cc: Francis Buser, P.E.
Adam Miller, P.E.

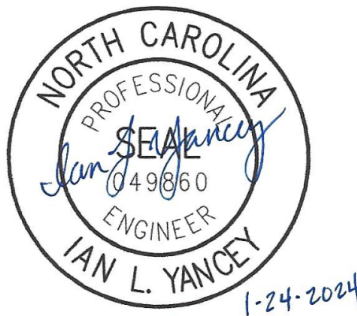
**BID TABULATION
JONES FERRY ROAD WATER TREATMENT PLANT
CLEARWELL INTERIM REPAIRS
SINGLE PRIME CONTRACT**

BID DATE - FRIDAY, JANUARY 19, 2024 @ 2:00 P.M.

CONTRACTOR	NC LICENSE NO.	BID SECURITY	RECEIPT OF ADDENDUM 1-2	TOTAL BASE BID AMOUNT FOR ALL WORK IN CONTRCT DOCUMENTS
Enhanced Protective Industrial Coatings (EPIC)	-	Yes	Yes	\$334,355.00
Carolina Management Team (CMT)	67579	Yes	Yes	\$845,000.00
WxProofing, Division of WxTite	83433-0	Yes	Yes	\$1,600,445.00

CERTIFICATION

The Bids tabulated herein were opened and read aloud at 2:00 p.m. on the 19th day of January 2024 at the OWASA Administrative Offices Community Room at 400 Jones Ferry Road, Carrboro, North Carolina. The tabulation is correct in that it contains the Bid prices as presented on the original Bid Form of each Bidder based upon the Bidder's sum of the extended amounts for each Lump Sum Bid Item as required by Section 00 40 00.



Hazen and Sawyer
4011 WestChase Blvd.
Raleigh, NC 27607
919-833-7152
Ian Yancey, PE
Senior Principal Engineer

RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE JONES FERRY ROAD WATER TREATMENT PLANT CLEARWELL INTERIM REPAIRS PROJECT

WHEREAS, the Board has determined that there is a need to repair the existing clearwell at the Jones Ferry Road Water Treatment Plant; and

WHEREAS, plans and specifications for the construction of this project have been prepared by Hazen and Sawyer, P.C.; and

WHEREAS, advertisement for the project was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA on December 22, 2023; and

WHEREAS, on January 19, 2024, three contractors formally submitted construction bids for the project; and

WHEREAS, Carolina Management Team has been determined to be the low responsive, responsible bidder for the project; and

WHEREAS, on June 8, 2023 the Board approved a resolution authorizing funds for Capital Improvement Projects, including funds for this project:

NOW, THEREFORE, BE IT RESOLVED:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Carolina Management Team, the low responsive, responsible bidder for construction of the Jones Ferry Road WTP Clearwell Interim Repairs (272-55) Project, in accordance with the approved plans and specifications, in the amount of \$845,000.00, subject to such change orders as may apply.

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

Adopted this 8th day of February 2024.

Bruce Boehm, Chair

ATTEST:

Elmira Mangum, PhD, Secretary

Consent Item 6:

Orange Water and Sewer Authority
Meeting of the Board of Directors
January 11, 2024

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, January 11, 2024, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Bruce Boehm (Chair), Melody (Mel) Kramer (Vice Chair), Todd BenDor, Jody Eimers, Pedro Garcia, Kyle Onda, and Kim Piracci. Board Members absent: Elmira Mangum (Secretary), and Susana Dancy.

OWASA staff present: Mary Darr, Monica Dodson, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Robin Jacobs (Epting and Hackney), Andre Miller, Andrea Orbich, Todd Taylor, Stephen Winters, and Richard Wyatt.

Public present: Michelle Mayes (Project Manager - Jacobs Engineering Group).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving and Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute the Contract. (Motion by Jody Eimers, second by Todd BenDor and the Motion was unanimously approved.)
2. Jody Eimers made a motion to approve the Minutes of the December 14, 2023 OWASA Board of Directors meeting; second by Todd BenDor and Motion was unanimously approved.
3. Jody Eimers made a Motion to approve the Minutes of the December 14, 2023, Closed Session of the Board of Directors for the purpose of discussing confidential personnel information; second by Todd BenDor and the Motion was unanimously approved.

* * * * *

Announcements

Chair Boehm asked if any Board Member knew of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time. None were disclosed.

Chair Boehm said Jody Eimers and Kim Piracci (Orange County Appointees) will provide OWASA's annual update to the Orange County Board of County Commissioners on February 20, 2024.

Petitions and Requests

Chair Boehm asked for petitions and requests from the public, Board and staff; none were provided.

Consent Item One: Quarterly Report on Attendance at Board and Other Meetings

The Board accepted this as an information item.

Consent Item Two: Resolution Approving Audit Firm Contract

Jody Eimers made a Motion to approve the Resolution Approving and Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute the Contract; second by Todd BenDor and the resolution was unanimously approved. Please see Motion 1.

Consent Item Three: Minutes

Jody Eimers made a Motion to approve the Minutes of the December 14, 2023, Meeting of the Board of Directors; second by Todd BenDor and the Motion was unanimously approved. Please see Motion 2.

Consent Item Four: Minutes

Jody Eimers made a Motion to approve the Minutes of the December 14, 2023, Closed Session of the Board of Directors for the purpose of discussing confidential personnel information; second by Todd BenDor and the Motion was unanimously approved. Please see Motion 3.

Discussion Item One: Fiscal Year 2025 Budget Calendar and Assumptions and Review of OWASA's Financial Management Policy

The Board received and provided feedback on the proposed Fiscal Year 2025 budget calendar, assumptions, and review of the OWASA's Financial Management Policy. The Board requested: updates on the costs of the PFAS and Western Intake Partnership projects; an analysis of the sufficiency of drought surcharges during an extended drought; and any insight the bond rating agencies can provide regarding how OWASA's reserves impact our bond ratings.

Information and Reports Item One: Collaborative Delivery Presentation

The Board received information and discussed project delivery methods that staff may have the option to employ on future Capital Improvement Program projects.

Information and Reports Item Two: Clearwell Project Update

The Board received information about the need for a new clearwell at the Water Treatment Plant which was revealed during the design phase of the clearwell rehabilitation capital improvement project.

Information and Reports Item Three: Review Board Work Schedule

Jody Eimers shared her opinion regarding the Climate Action Plan which is part of the Strategic Plan that climate change and land use change are important and that she hopes there will be considerable attention paid to the impact of climate change on the quantity and quality of source water as part of our infrastructure due to development.

Chair Boehm suggested and Ms. Eimers agreed that she would provide specific written concepts so the Board can discuss her concepts in more detail.

Todd BenDor suggested staff promote OWASA's drinking water in light of a widely distributed news article on microplastics in bottled drinking water.

Summary of Board Meeting Items:

Todd Taylor provided the following staff action items:

- Provide Western Intake Partnership and PFAS cost differential in the draft Fiscal Year 2025 Budget discussions,
- Add extended drought impacts on reserves and revenue to rate structure consultant scope,
- Follow-up on reserve level recommendations from rating agencies, and
- Provide information on microplastics in drinking water.

There was no further discussion to come before the Board and Chair Boehm adjourned the meeting at 7:22 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachment

Discussion and Action Item 1:

Decision on Whether to Complete a Board of Directors Self-Assessment

Purpose:

The purpose of the Self-Assessment is to gather feedback about the current effectiveness of the Board and to stimulate Board members' thoughts about what might be done to strengthen individual performance as a Board member and the Board as a whole.

Discussion:

- Does the Board see value in conducting a self-assessment this year?
- If so, what is the ideal timeframe, considering that Board membership will change in the coming months. Is the ideal timeframe before membership changes, shortly after changes, or several months after changes?
- Does the Board see value in using the survey tool similar to the draft provided?
- When discussing survey results, would the Board prefer to employ a facilitator? Would Board members prefer to maintain anonymity for survey responses?

Action:

Decision on whether to schedule a Board Self-Assessment this year and if so, what tool(s) we should use, if any, and if we should employ a facilitator.

Information:

- Draft 2024 OWASA Board Self-Assessment Survey

February 8, 2024

OWASA Board Self-Assessment Survey

February 2024

Purpose:

This self-assessment is intended to both gather feedback about the current effectiveness of the OWASA Board and to stimulate your thoughts about what might be done to strengthen our individual performance as Board members and the Board as a whole.

Completing the survey:

Type on this document – it should accept your responses with no need for additional formatting. Please respond with your completed questionnaire to Andy Orbich at: AOrbich@owasa.org

Comments:

Add any comments you wish in the space provided. ALL comments will be shared as written in a collective report, but comments will NOT be attributed to particular Board members. The space provided below for comments will expand automatically if you type more than the space will accommodate.

The Summary:

A summary of the report of this self-assessment will include three parts:

- (1) The total number of responses received from the Board. Please participate!
- (2) A numeric account of the ranking for each question (three board members strongly agreed, two were neutral, one disagreed, etc.), and;
- (3) The collection of comments made for each question.

The names of respondents will not be reported. The comments will not be attributed to the respondents who made them.

1. I am satisfied with the structure and frequency of regular Board meetings.				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Comments on Question #1:				
2. I am prepared for meetings, and have read and thought about materials in advance of meetings.				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Comments on Question #2:				

OWASA Board Self-Assessment Survey

February 2024

3. Board members are respectful of other Board members when expressing differences of opinion.				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Comments on Question #3:				
4. I feel empowered to disagree with the Board but once the Board has reached a decision I abide by the wishes of the Board.				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Comments on Question #4:				
5. I agree that the Board “speaks with one voice” when providing direction and feedback to the Executive Director and General Counsel, as indicated by a majority vote of the Board.				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Comments on Question #5:				
6. The Board hears and considers the views of all Board members, the Executive Director, staff and General Counsel in making policy decisions about OWASA's goals and objectives.				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Comments on Question #6:				

OWASA Board Self-Assessment Survey
February 2024

7. With what about the Board am I most satisfied? How could the Board improve? Comments on Question #7:

Please add any other comments below.

DRAFT

Information and Reports Item 1:

Operating Department Managers Fiscal Year 2025 Budget Planning Presentation

Purpose:

To provide the Board of Directors an opportunity to hear from the managers of the Operating departments (Water Supply and Treatment, Distribution and Collection, Wastewater Treatment and Biosolids Recycling) and discuss a few opportunities and challenges we are planning for as we prepare Fiscal Year (FY) 2025 budget requests.

Background:

Since 2020, as part of the budget development process and in advance of formal budget discussions, the Operating department managers have presented information on their department's goals and examples of opportunities and challenges they will be addressing in their budget requests. They also provide an update on a previous year's initiative. The information is intended to provide the Board of Directors insight into the implications rate decisions may have on OWASA's operations. The Board requested the managers continue this practice as part of the annual budget process.

At the February 8, 2024, Board meeting, the managers will provide a brief overview of each department's goals, provide a status update of a FY 2024 initiative, and share a few challenges and opportunities for FY 2025. The draft FY 2025 budget for all OWASA departments will be presented to the Board at the March 14, 2024, Board Meeting.

Presentation Overview:

Water Supply and Treatment

- FY 2024 Update – Progress on Computerized Maintenance Management System (CMMS) and Supervisory Control and Data Acquisition (SCADA) Software and Equipment Upgrades
 - As part of the FY 2023 budget, the Board approved replacing our CMMS. We will provide an update on our exciting progress on this multi-year project and next steps.
 - The purpose of the SCADA Project is to improve the reliability and operations of our SCADA system at the Jones Ferry Road Water Treatment Plant (WTP) by replacing obsolete equipment, upgrading our plant controls, and improving data accessibility and management. We will provide a brief update on our progress and a look ahead.
- FY 2025 Opportunity/Challenge – Preparing for Several Large, Simultaneous Capital Improvement Projects

February 8, 2024

- The Water Supply and Treatment team is embarking on several high-impact capital improvement projects at the same time at the Jones Ferry Road WTP. These projects include Electrical Distribution Improvements, New Clearwell and Finished Water Pump Station, and PFAS Treatment Improvements. We will present how we are preparing our team for the challenges ahead.

Water Distribution and Wastewater Collection

- FY 2024 Update – Collection System Preventative Maintenance Program Optimization
 - Our Preventative Maintenance crew, in collaboration with the Engineering and Planning department, has worked to optimize our wastewater collection system preventative maintenance program in an effort to prevent sewer backups and overflows. We will provide an update on how sewer inspection information gathered by our team is utilized to develop an up-to-date, risk-based rehabilitation program as part of our Asset Management Program.
- FY 2025 Opportunity/Challenge - US Environmental Protection Agency Lead and Copper Rule Revisions (LCRR) Implementation – Service Line Inventory and Disturbances
 - One of the LCRR's requirements is for water systems to prepare a service line inventory of both utility and private side materials by October 16, 2024. We will present information on our service line material verification program to minimize unknown service line materials; our work to develop and/or revise standard operating procedures and train staff for LCRR compliance when certain categories of service lines are disturbed; and our plans to inform our customers through communication and outreach.

Wastewater Treatment and Biosolids Recycling

- FY 2024 Update - Solids Fermenter Rehabilitation and Optimization
 - This project improved the mixing system in the solids fermentation tank (i.e., fermenter) at the Mason Farm Wastewater Treatment Plant (WWTP). Staff optimized the fermenter's operation in FY 2024. We will provide an update on the operation and maintenance benefits we've seen including more consistent rotary drum thickener operation, reduced grease buildup in downstream equipment lowering the risk of damage to pipes and pumps, and reduced maintenance staff hours performing preventative and corrective maintenance. Fermented solids also produce a beneficial byproduct that supplements purchased chemicals, reducing some chemical cost within the treatment process.
- FY 2024 Update – Apprenticeship Program
 - OWASA implemented an Apprenticeship program aimed at providing individuals with high-quality career skills that can be utilized in the water and wastewater industry. We will present information on the program's first year.

- FY 2025 Opportunity/Challenge - WWTP Master Plan Near-Term Activities
 - The Master Plan identified near and long-term improvement projects that will ensure the Mason Farm WWTP continues to meet regulations and be efficient and reliable for the next 50 years. We will provide information on our FY 2025 plans to start an ammonia-based aeration control pilot and perform a carbon study.

Action Requested:

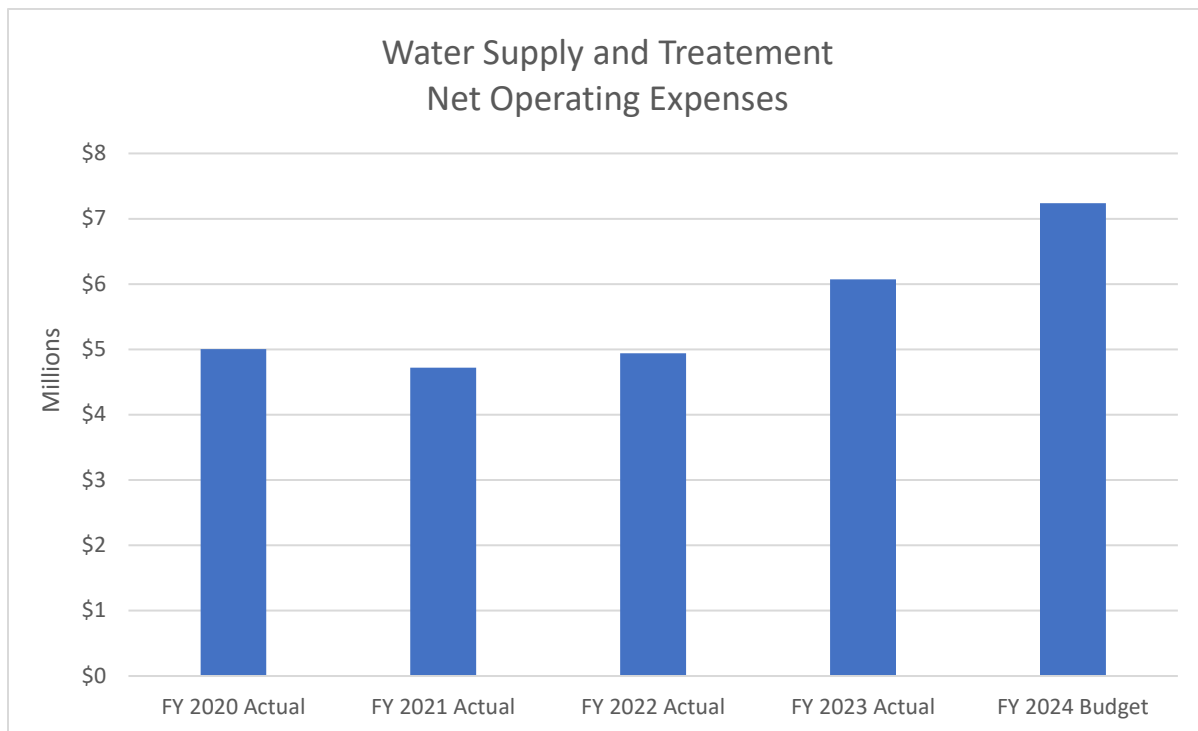
Staff requests that the Board ask questions and provide feedback that will help staff prepare for subsequent budget discussions.

Information:

- FY 2020-2024 Budget Summary Information for Operating Departments

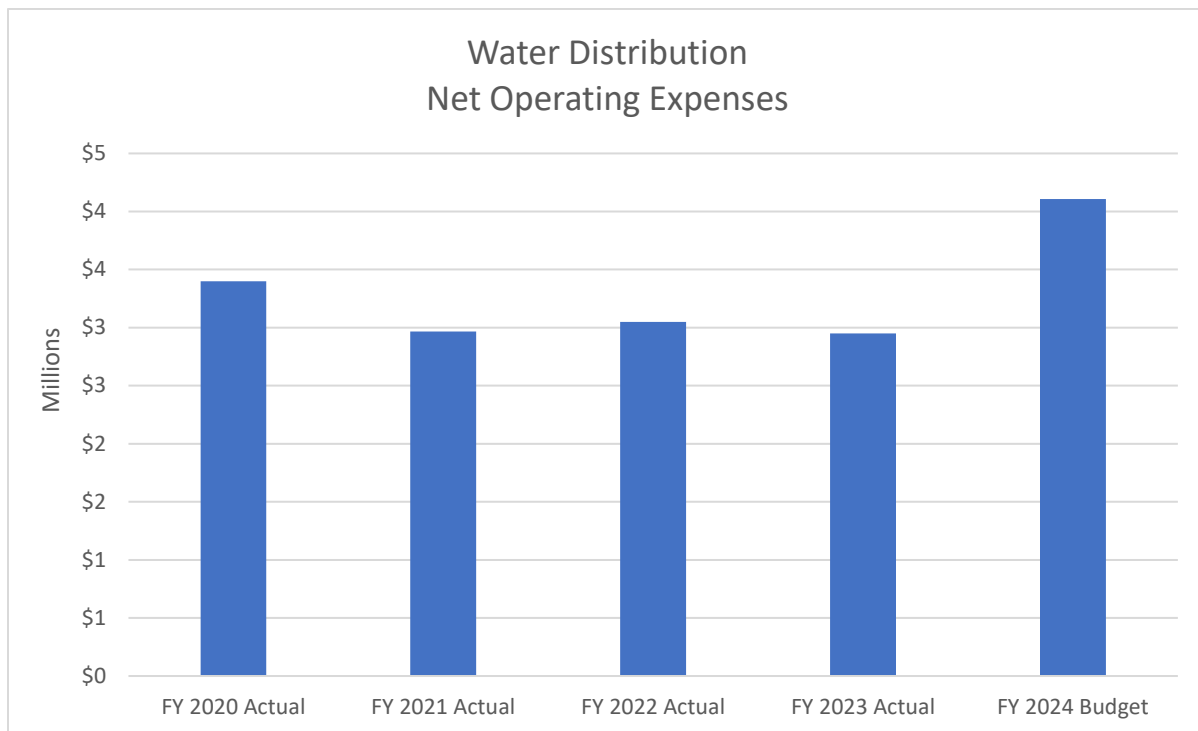
**Orange Water and Sewer Authority
Water Supply and Treatment Department
Historical Operating Expenses**

Expense	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget
Salaries	1,406,878	1,395,259	1,420,219	1,524,596	1,755,152
Payroll taxes and benefits	601,851	650,084	584,198	625,901	744,782
Utilities	423,158	283,204	295,368	392,968	318,427
Materials and Supplies	179,623	139,528	159,137	194,669	220,458
Chemicals	1,288,512	1,345,999	1,419,843	2,250,880	2,706,988
Maintenance	943,172	713,580	865,997	861,758	1,235,648
Professional Services	76,202	88,318	96,291	85,427	102,345
Communications	1,279	542	484	438	1,000
Printing and Reproduction	-	-	-	-	-
Education and Development	4,480	4,125	5,009	15,637	18,490
Other	77,275	97,153	95,973	120,579	132,510
Construction Credits	-	-	-	-	-
Net Operating Expenses	5,002,430	4,717,792	4,942,519	6,072,853	7,235,800
Percent change from prior year	-1%	-6%	5%	23%	19%
Number of personnel (funded)	23	23	23	23	23



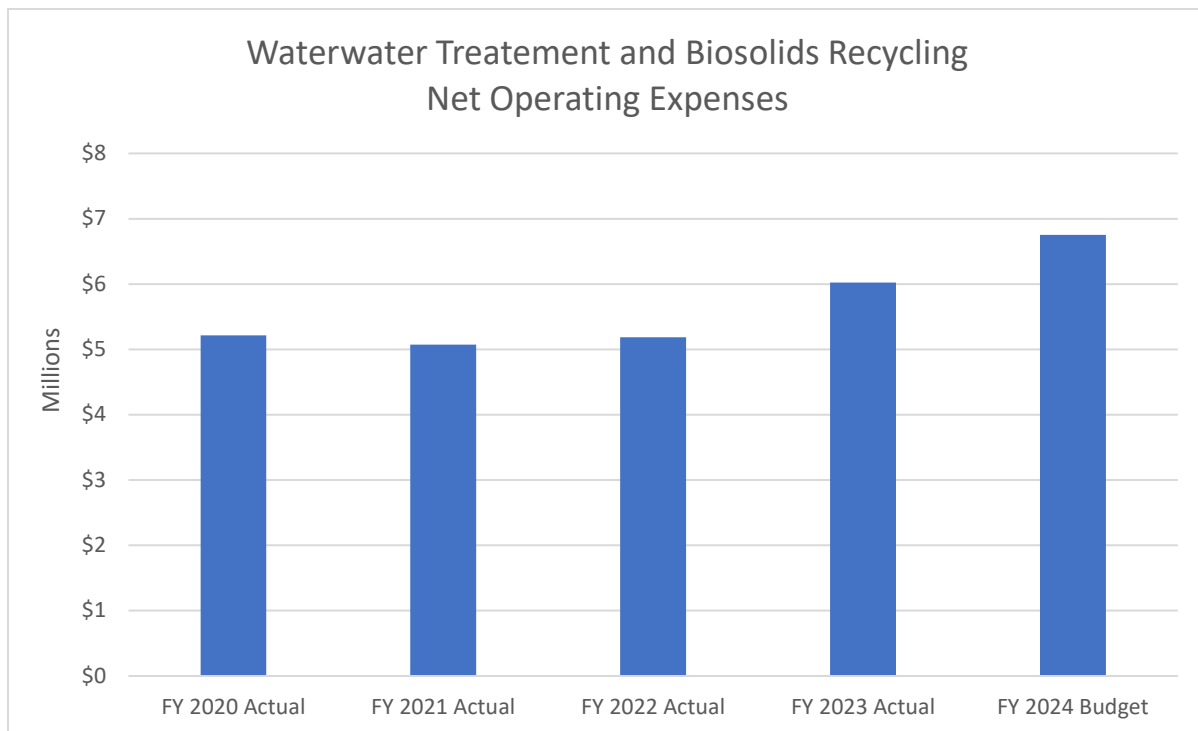
**Orange Water and Sewer Authority
Water Distribution Department
Historical Operating Expenses**

Expense	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget
Salaries	1,649,228	1,635,937	1,725,464	1,716,221	2,147,917
Payroll taxes and benefits	788,176	743,445	721,659	768,084	984,203
Utilities	210,258	155,929	145,506	166,771	220,852
Materials and Supplies	95,158	89,431	119,429	166,398	131,189
Chemicals	-	-	-	-	-
Maintenance	686,565	476,483	519,148	548,211	776,700
Professional Services	8,541	8,525	5,075	7,405	6,678
Communications	3,170	3,828	3,018	1,478	2,500
Printing and Reproduction	274	-	49	-	1,500
Education and Development	4,693	7,611	7,347	9,342	20,200
Other	9,720	3,359	5,152	8,466	3,500
Construction Credits	(56,040)	(157,677)	(201,498)	(441,511)	(187,000)
Net Operating Expenses	3,399,743	2,966,871	3,050,349	2,950,865	4,108,239
Percent change from prior year	1%	-13%	3%	-3%	39%
Number of personnel (funded)	33	33	33	33	33



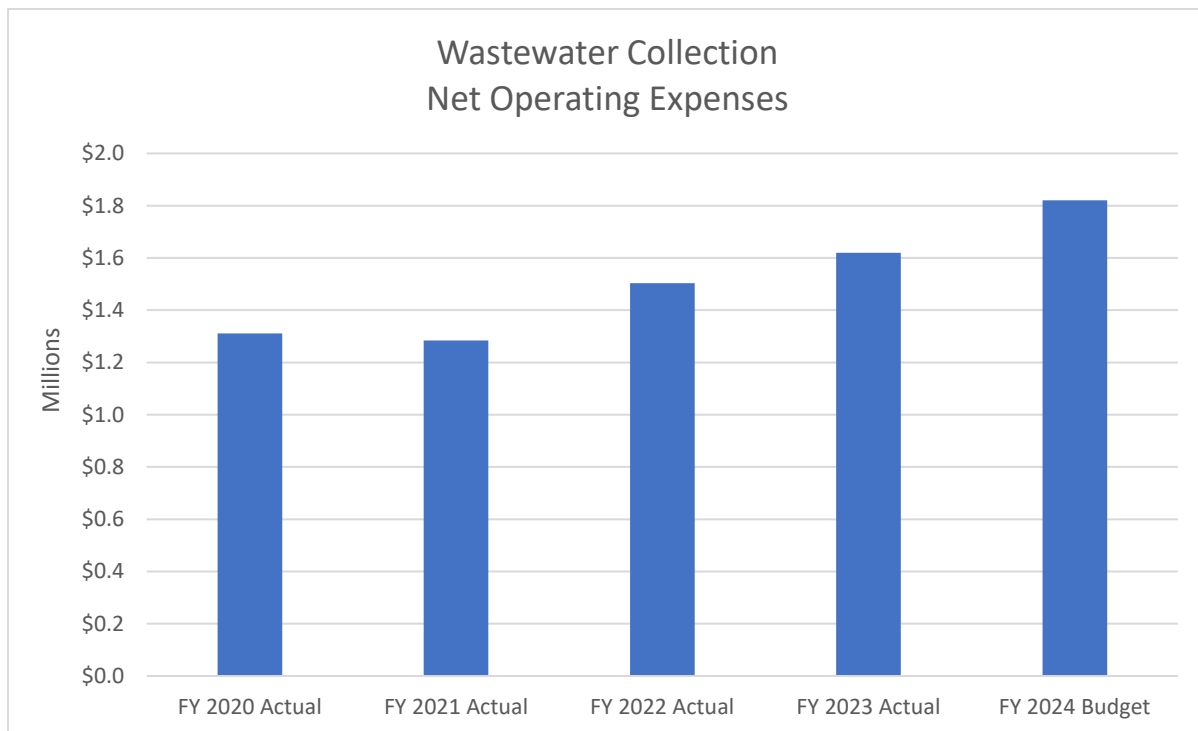
Orange Water and Sewer Authority
Wastewater Treatment and Biosolids Recycling Department
Historical Operating Expenses

Expense	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget
Salaries	1,516,402	1,653,858	1,678,872	1,696,722	1,764,040
Payroll taxes and benefits	606,725	655,530	613,621	681,374	707,077
Utilities	722,068	616,140	554,078	712,672	728,058
Materials and Supplies	219,875	228,396	325,507	307,711	299,895
Chemicals	894,688	728,095	943,864	1,377,855	1,601,665
Maintenance	1,047,066	997,831	900,223	1,050,107	1,398,420
Professional Services	101,832	83,800	65,418	95,942	97,011
Communications	7,054	960	636	589	440
Printing and Reproduction	-	-	-	-	-
Education and Development	27,759	4,853	23,588	27,958	57,575
Other	73,436	103,249	80,493	72,917	99,225
Construction Credits	-	-	-		
Net Operating Expenses	5,216,905	5,072,712	5,186,300	6,023,847	6,753,406
Percent change from prior year	-6%	-3%	2%	16%	12%
Number of personnel (funded)	22	23	23	23	23



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

Expense	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget
Salaries	520,341	542,546	546,659	659,287	761,943
Payroll taxes and benefits	253,881	232,886	263,784	301,759	375,728
Utilities	121,711	107,897	108,100	112,538	139,842
Materials and Supplies	26,201	26,101	47,513	64,187	69,511
Chemicals	134,921	231,302	230,939	154,795	175,000
Maintenance	246,193	157,205	307,111	309,959	261,150
Professional Services	8,113	7,903	6,206	8,681	6,678
Communications	342	148	408	344	500
Printing and Reproduction	-	-	21	-	500
Education and Development	3,182	9,302	3,011	12,183	24,200
Other	2,782	2,633	2,427	4,504	5,500
Construction Credits	(6,885)	(34,379)	(13,081)	(8,898)	
Net Operating Expenses	1,310,782	1,283,544	1,503,098	1,619,339	1,820,552
Percent change from prior year	19%	-2%	17%	8%	12%
Number of personnel (funded)	11	11	11	12	13



Information and Reports Item 2:

Strategic Plan Update

Purpose:

To provide a high-level summary of progress on execution of OWASA's Strategic Plan.

Background:

On September 8, 2022, the OWASA Board of Directors approved the current Strategic Plan. The Plan is the result of an expansive and inclusive review of the most pressing opportunities for achieving a collectively defined vision for the organization.

Action:

Board comments and feedback.

Information:

- Strategic Plan Update – February 2024

February 8, 2024



Strategic Plan 2024 Update



2024 Strategic Plan Update

Introduction

The purpose of this document is to provide a high-level summary of progress on the execution of OWASA's Strategic Plan.

Background

On September 8, 2022, the OWASA Board of Directors approved [the current Strategic Plan](#). The Plan is the result of an expansive and inclusive review of the most pressing opportunities for achieving a collectively defined vision for the organization. Each of the 15 strategies identified in the plan were prioritized over many other opportunities because they help us best achieve the vision and advance the mission that were refined and updated in the strategic planning process.



VISION

To be our community's trusted partner for clean water and environmental protection.


























MISSION

Our dedicated Team delivers valuable water and sewer services that are essential to our community's health, environment, and economy through the stewardship of infrastructure and natural resources.

Over the last year, OWASA staff have worked together to execute the initial implementation plans for each of the 15 strategic initiatives put forward in the Strategic Plan. The table on page 3 provides an overview of the implementation schedule and resource needs for each of the initiatives over the initial five and a half years. The following pages include a summary that provides more detailed updates for each initiative.

It's important to keep in-mind that implementation of the Strategic Plan is considered in the context of operating the day-to-day functions of the OWASA, including addressing PFAS and reducing the potential for lead and copper exposure through drinking water.

	Implementation Schedule						Resources	
	FY23	FY24	FY25	FY26	FY27	FY28	Level of Effort	Financial Resources ¹
Develop a recruitment strategy for entry-level and high-turnover positions							 	\$
Conduct and implement a Pay and Classification Study							 	\$ \$ \$ (ongoing)
Develop and institute an Employee Development Plan							 	\$ \$ (ongoing)
Identify affected disadvantaged/underserved households not connected to OWASA's services and pursue outside funding to connect							N/A	N/A
Evaluate and update Care to Share program								\$
Implement most viable Jordan Lake alternative							 	\$ \$ \$ \$
Develop Climate Action Plan							 	\$ \$
Develop and pursue Capital Project Delivery Optimization Plan							 	\$
Assess and update Asset Management Plan							 	\$ \$
Execute Supervisory Control and Data Acquisition (SCADA) Master Plan							 	\$ \$ \$ (ongoing)
Establish and implement Capital Investment Strategy								\$
Develop and institute a Continuous Emergency Preparedness Model							 	\$ (ongoing)
Assess risk on collection and wastewater system and implement high priority risk mitigation actions for entire system								\$ \$ \$ \$
Develop and implement regular community survey								\$ (to design and execute survey; repeated every three years)
Integrate online bill and water use portals								\$ \$ \$

¹ Does not include the cost of additional personnel

Overview of Strategic Initiative Summaries

Strategic Initiatives and Goals: These are the goals and initiatives adopted in the final version of the Strategic Plan.

SMART Metrics: These are the outcome metrics that will be measured and reported to demonstrate the impact of the initiative. These metrics are not yet calculated but will be in the next strategic plan update.

Implementation Schedule: This section provides a high-level summary of when we will begin the initiative and when we will move from planning to implementation stages. The planning stages are denoted by patterned cells; implementation in varying degrees are denoted by cell shading. The darker the cell, the more fully implemented the initiative. The implementation schedule is explained in more detail in the following narrative. For some initiatives, developing the plan is the initiative so completing the plan is the implementation.

Narrative: This text provides a summary of the work that has been done to-date on a specific initiative and an overview of the work ahead.

Projected Resources: This section provides a high-level summary of the resources required to implement each initiative as currently planned. Resources are broken apart by level of staff effort and financial resources. Please note that the cost associated with the level of staff effort is not factored into the financial resources. The projected resources are summarized using the following icons:

Level of Staff Effort:



Can be implemented by a current employee/position as Project Manager and a manageable amount of coordination and support from other existing staff



Can be implemented by a current employee/position as Project Manager with a significant amount of coordination and support from other existing staff



Will require the creation of an additional position to execute as planned (Cost associated with additional staff is not factored into the financial resources.)

Financial Resources: If not noted, these financial resources will be one-time expenses, associated with launching an initiative (e.g., engaging a consultant). If an expense will be on-going, it is noted as such.



Initiative will cost tens of thousands of dollars



Initiative will cost hundreds of thousands of dollars





Initiative will cost millions of dollars



Initiative will cost tens of millions of dollars

Employee Recruitment, Retention, and Development

Initiative: Develop a recruitment strategy for entry-level and high-turnover positions			Goal: Increase the number of applicants for entry-level and/or high-turnover positions			
SMART Metric: % change in number of applications for targeted positions						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
The initial work began with identifying target positions. Staff annualized attrition information from a five (5) year period and determined that the Utility Mechanic I/II (now Utility Technician), Treatment Plant Operator, and Utilities Engineer had the highest turnover rate or were historically hard to fill. Once identified, meetings were held with departmental hiring supervisors, managers, and directors to assist in developing recruitment efforts. Since February 2023 the following has occurred.						
<ul style="list-style-type: none">• Retitled Utility Mechanic to Utility Technician to better align roles and responsibilities; new title is consistent with like positions with peer utilities. The title change, position reclassification/increase in salary ranges from July 2023, and the recent benefit enhancements seem to be making a positive impact. In FY2023, one Utility Mechanic recruitment was open to receive applications for 7 straight months, 39 people applied. The most recent Utility Technician recruitment was open for 4 weeks and 30 people applied.• Historically, Utilities Engineer (UE) vacancies have been hard to fill. Staff reviewed OWASA’s needs which resulted in two of the four UE positions being reclassified to a Project Manager. This reclassification significantly increased the number of applications. For example, an 8-month recruitment in 2022 – 2023 for the UE brought in 25 applications. The two recent Project Manager recruitments, 3 - 4 week opening, received a total of 78 applications.• Hired the first Apprentice for the Wastewater Treatment Plant in April 2023, this individual completed schooling and passed the operators exam. When a full-time operator position was made available, this position was filled by the Apprentice. Today, we have Apprentice incumbents at both treatment plants.• Engineering staff developed an Internship Program. We plan to announce this opportunity in February 2024, making it available this Spring.• HR Staff is working to review the effectiveness of our current recruitment strategies while developing new tactics/novel strategies.• Began using employment signage at the entrances for OWASA facilities and added magnetic decals to OWASA vehicles.• Focused on building pipelines for future OWASA employees by attending Career Fairs, connecting with local school counselors and teachers, attending community events, hosting operator certification classes onsite, etc.						
We will continue the implementation and evaluation of novel recruitment strategies with the expectation to ramp up efforts in FY26. We anticipate that some strategies will require financial resources.						
Projected Resources:						
Level of Effort			Financial Needs			
						
Near-Term Board Engagement: We will report on the strategies and their impact in the next Strategic Plan update.						

Champion: Director of Human Resources and Safety

Co-Champion: General Manager of Operations



Treatment Plant Operator Apprentices

From Left to Right:
Janet Frost, former Apprentice, now Wastewater Treatment Plant Operator; Louis Robinson, Water Treatment Plant Apprentice; Roberto Luna, Wastewater Treatment Plant Apprentice

Initiative: Conduct and implement a Pay and Classification Study

Goal: Achieve and maintain competitive compensation and benefits

SMART Metric: Favorable attrition rates

	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						

In FY23, we completed a Pay and Classification Study utilizing a multi-step process to evaluate OWASA's current structure for classification and compensation:

- Phase I – Review of job descriptions, job ratings, compensation schedule, and benefits; Updated job valuations based on 15 compensable factors and updated job descriptions.
- Phase II – External market pay and benefits comparison.
- Phase III – Analyzed results and provided recommendations.

Findings from the Pay and Classification Study justified the following position adjustments/reclassifications:

- Utility Mechanic positions were retitled to Utility Technicians to better align with the nature of the skill sets required to perform the work and be more consistent with peer organizations.
- 22 positions were reclassified to higher salary grades; 1 position was reclassified to a lower salary grade.
- The Strategic Initiatives Manager position was reclassified to the Director of Administration. This position is responsible for leading a restructured Administration Department that would include responsibilities for Communications, Customer Service, and the Customer Assistance Program (Care to Share).
- The Accounting Technician I and II position were combined into an Accounting Technician position title.
- The Clerk/Cashier position was eliminated.

Generally, OWASA's employee benefits were competitive with our peer organizations. Here are a few notable observations:



- Due to employees' prudent use of their benefits, the cost share structure of the employee health insurance premiums are more affordable than our peers.
- Dental insurance premiums are above market rates and coverage is below what is offered by our peers.
- Vision insurance premiums and coverage are below market.
- At the time of the study, the deferred compensation employer contribution (3.5%) was on the low end of what our peers provide.

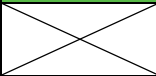










Twelve salary survey comparisons were used for the comparative which included local and regional salary information. Overall, OWASA's pay ranges were about 3.7% below market averages and wage costs were expected to increase about 4.2% in calendar year 2023 resulting in an approximately 7.9% gap. Pay increases and range movements effective July 2023, addressed these findings.

An important part of the Study's success was hearing from employees throughout the process. Several new benefits or changes to existing benefits were suggested by employees. The following are changes already addressed.

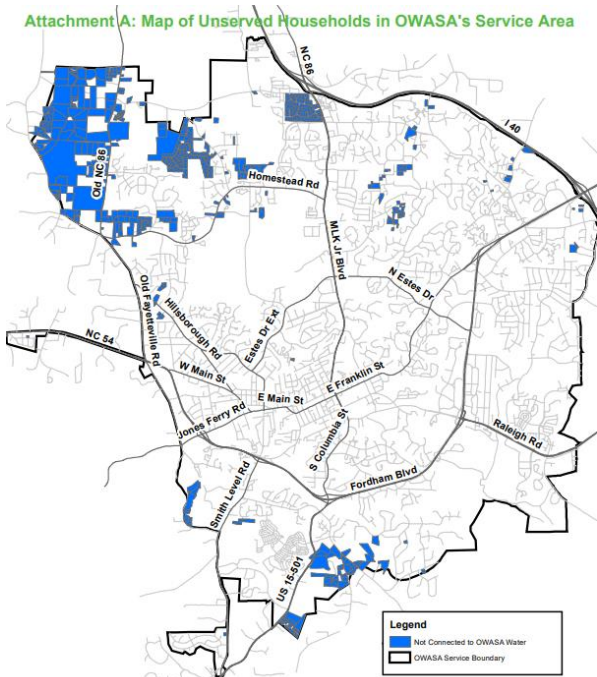
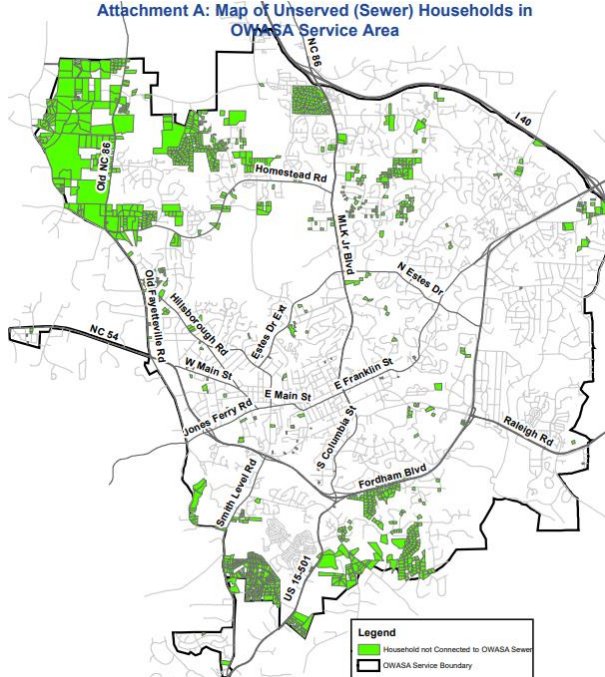
- Increased the 457 ER contribution from 3.5% to 5%
- Increased the annual safety shoe reimbursement from \$150 to \$200
- Updated the On-Call pay
 - Increased from 8 hours to 12 hours of pay for the week on on-call duty
 - Added 4 hours of on-call pay for employees that are recalled but not on-call
- NEW: Added Recovery Leave
 - Recovery leave is paid leave intended to provide employees rest (recovery) time when recalled within eight hours of their next regular shift.
- NEW: Accepting sick leave from previous Local Government or State employer
- NEW: Added annual Commercial Driver's License incentive
- NEW: Added \$100 reimbursement for eye protection

More time is needed to fully measure impacts of the attrition rates; in the interim there were 14 employee voluntary resignations in FY23 (of the 14, 3 elected to return and were rehired). In the first half of FY24, there have been 2 employee resignations.

Projected Resources:	
Level of Effort	Financial Needs
	 (ongoing)
Near-Term Board Engagement: We will report on the strategies and their impact in the next Strategic Plan update. Expect to schedule next Pay and Classification Study in FY2027.	
Champion: Director of Human Resources and Safety	Co-Champion: General Manager of Operations

Initiative: Develop and institute an Employee Development Plan				Goal: Ensure staff are prepared, informed, and engaged to lead OWASA into the future			
SMART Metric: % of trainings and programs offered							
	FY23	FY24	FY25		FY26	FY27	FY28
Implementation Schedule							
We will begin by developing guiding principles and objectives for OWASA’s Workforce Development Program with an OWASA Team Working Group. We anticipate that this Working Group will also develop a Request for Proposal for consultant direction which may include a Workforce Development Coordinator. We expect to begin Phase 1 of the Workforce Development Plan in the latter half of FY25 and to execute later phases of the Plan in FY26 and beyond.							
Projected Resources:							
Level of Effort				Financial Needs			
 				  (ongoing)			
Near-Term Board Engagement: Once developed, we will bring the Employee Development Guiding Principles to the Board.							
Champion: Director of Human Resources and Safety				Co-Champion: General Manager of Operations			

Equitable Services

Initiative: Identify affected disadvantaged/underserved households not connected to OWASA’s services and pursue outside funding to connect			Goal: Decrease number of disadvantaged/underserved households not connected to OWASA’s services			
SMART Metric: Number of disadvantaged/underserved households not connected to OWASA’s services						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
The inclusion of this initiative within this strategic priority coincided with the notice by the North Carolina Division of Water Infrastructure (DWI) of the availability of \$191.3 million in American Rescue Plan Act (ARPA) grant funding for “At-Risk” utilities. While the area served by OWASA is not categorized as distressed or “at-risk”, we understood that for this ARPA program DWI would consider extending grant funding to connect existing households identified to be disadvantaged or underserved to public water and sewer. This distinction opened up the potential for funding not typically applicable to OWASA.						
In the summer and fall of 2022, OWASA worked to complete several steps to inform the preparation of a grant application, including defining and categorizing the properties not currently served, obtaining information on demographics, and developing outreach methods that would characterize challenges with well and/or septic systems. In preparing for these proposals, OWASA staff identified that there are about 550 households that are not connected to water service and about 1,200 households in OWASA’s service area that are not connected to sewer service.						
Attachment A: Map of Unserved Households in OWASA’s Service Area			Attachment A: Map of Unserved (Sewer) Households in OWASA Service Area			
						
Staff worked with various departments of local governments to help develop the grant proposal preparation, including Orange County (wells, septic, and soils information), and the Towns of						

Carrboro and Chapel Hill to understand the areas and proxy information to define disadvantaged and underserved communities.

In September 2022, OWASA submitted two proposals to DWI for ARPA grant funding to extend and connect “at-risk” households to public water and sewer service, respectively. An inherent complication of the proposals was the fact that the actual scope of the specific projects would only be defined in future steps once funding for the project was secured: the grants, if approved by DWI, would initiate a process to identify which of the households are low-income and interested in connecting to public water and/or sewer service. Based on conceptual plans developed by staff for service connections, in conjunction with proxy information for income, the grant proposals identified that we might connect up to 39 low-income families to public water service and up to 88 low-income families to public sewer service for the requested funds (\$3 million for each application).

The Fall 2022 ARPA application round was highly competitive, with 144 applications representing over \$800 million in project costs submitted for the At-Risk category. In February 2023, we learned that only 15 of these projects were approved, and that OWASA’s two proposals scored relatively low, both due to the lack of project definition and the unclear benefit (i.e., the interest of the households in connecting to public water and/or sewer would need to be determined in future steps.)

Based on staff’s discussions with local program administrators, these two inherent project characteristics in conjunction with the relatively high construction cost per benefit (in comparison to other types of projects), also serve to complicate the consolidated approach to pursuing this initiative through funding streams such as the annual Community Development Block Grants (CDBG) process.

Given that without outside funding OWASA cannot pursue these connections, the low scoring achieved by the ARPA grant applications, as well as the low viability of a similar project application prepared for other funding sources, staff proposes to sunset this initiative. However, the effort to prepare the ARPA grant applications yielded notable benefits going forward: information about unserved parcels as well as conceptual approaches and cost estimates of potential connection projects (i.e., main extensions with networked layout, other project characteristics, etc.) are available to staff within our Geographic Information System and can be used during development review considerations, where the pursuit of the orderly development of OWASA’s water and sewer infrastructure might refer to these conceptual data for connecting underserved households when determining requirements for projects under our review.

Projected Resources:	
Level of Effort	Financial Needs
N/A	N/A
Near-Term Board Engagement: N/A	
Champion: Executive Director	Co-Champion: Director of Engineering and Planning

Initiative: Evaluate and update Care to Share Program			Goal: Increase adequacy and accessibility of customer assistance funding			
SMART Metrics: Funding support available versus need; Number of customers with past due bills						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
OWASA engaged the University of North Carolina Environmental Finance Center (EFC) to conduct a review and summary of water bill assistance programs from across the country, a local direct						

assistance gap analysis, and a calculation of the local need for water bill assistance. This research was useful in exploring how to modify the Care to Share Program to serve the need in the community. Unfortunately, the more interesting programs identified by the study are not feasible in North Carolina under the current legal framework OWASA operates. The map below is an excerpt from this report.

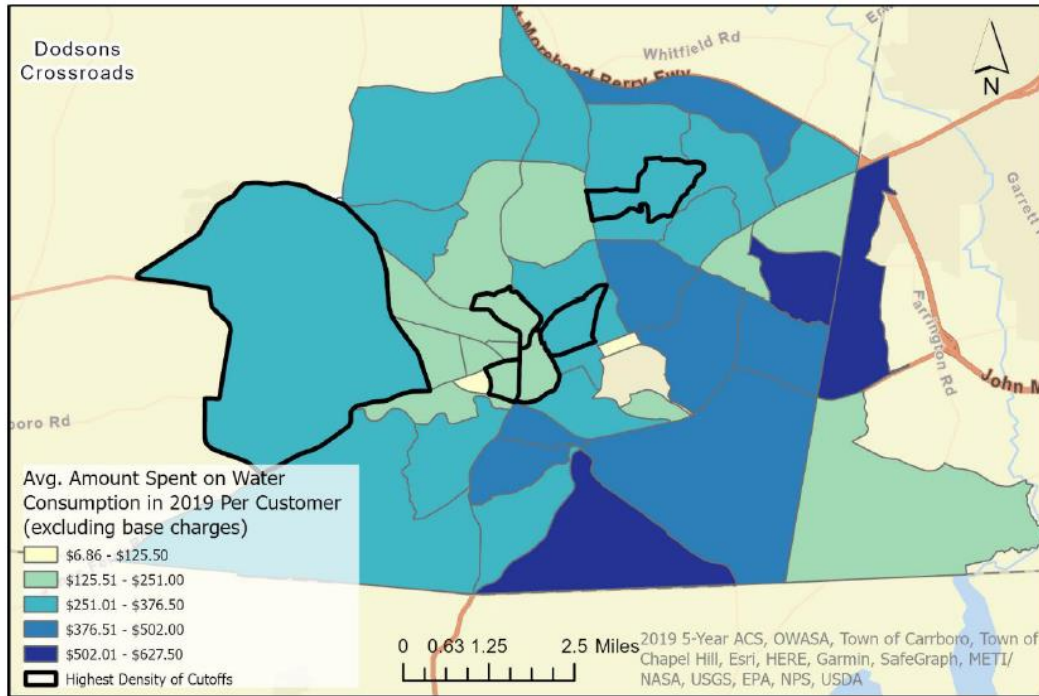


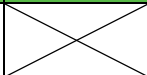



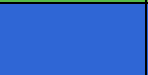
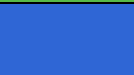






Figure 18: Average amount spent per OWASA customer for each block group (total spent on consumption/number of customers) in 2019 on water consumption, excluding base charges. This includes multi-family, townhome, and single-family residential customers. Bold outlined block groups had the highest density of cutoffs in 2019 (count of cutoffs/count of customers).

After considering alternatives, staff has determined the best path forward is to bring management of the program in-house, and after developing program parameters and an implementation plan, we will present the Board with proposed options.

Projected Resources:	
Level of Effort	Financial Needs
	
Near-Term Board Engagement: In calendar year 2024, we plan to consult with the Board on options for updating the Care to Share program with Staff recommendations on how to pursue the ideal option.	
Champion: Director of Administration	Co-Champion: Director of Finance

Climate and Land Use Change Adaptation

Initiative: Implement most viable Jordan Lake alternative			Goal: Increase drought resilience			
SMART Metric: Model predicts that, after the new intake and treatment facility are in operation (approximately 2031), OWASA will not enter Stage 2 Water Shortages (or greater) based on 2070 projected demands and historic weather patterns						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
<p>Our 2023 update of OWASA’s Long Range Water Supply Plan found that the most viable option for accessing our Jordan Lake water supply allocation to augment our water supply is to partner with the Western Intake Partnership (WIP: City of Durham, Town of Pittsboro, Chatham County, and OWASA) on construction of a raw water intake and finished water transmission pipelines to be designed and constructed in conjunction with a new regional water treatment facility on the west side of Jordan Lake. Over the past year, staff has been pursuing this initiative along several fronts:</p> <ul style="list-style-type: none">• Staff has been working as part of WIP to develop an interlocal agreement (ILA) that will define OWASA’s level and cost of involvement in the project, including initial design and construction as well as future operation. OWASA’s General Counsel attends meetings with staff to provide input to the ILA and review updates.• Staff and General Counsel have also been working with the City of Durham, who is lead Partner for the WIP and will operate the proposed facilities, on an Agreement to sell OWASA’s land in Chatham County for the WIP facilities. We want to ensure that any Land Agreement provides OWASA with access to its Jordan Lake allocation as that was the purpose of the land purchase in 1989. We anticipate bringing the draft ILA and Land Agreement to the Board of Directors for consideration in Spring 2024.• Several OWASA staff have been involved in the preliminary design of and public engagement on the western intake, treatment plant, and transmission line projects, which are being completed (and will be constructed) separately. The preliminary engineering report for the intake and transmission line work (i.e., the projects we are considering participating in) is expected to be completed in early 2024, while the treatment plant preliminary design will be complete later in 2024. The Partners plan to begin final design in FY25 and be completed in FY27. Construction will begin in early FY28 with the goal for the facilities being operational in 2031. This schedule has been set by the WIP and is subject to change.						
Projected Resources:						
Level of Effort			Financial Needs			
						
Near-Term Board Engagement: We anticipate bringing the draft ILA and Land Agreement to the Board of Directors for consideration in Spring 2024.						
Champion: Planning and Development Manager			Co-Champion: Director of Engineering and Planning			



Initiative: Develop Climate Action Plan			Goal: Prepare for organizational impacts of climate and land use change			
SMART Metric: Reduce risk to climate change by identifying our largest climate change risks and developing an action plan to reduce those risks						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
In Spring 2023, OWASA collaborated with Cadmus, a sub-contractor of EPA, in the use of EPA’s Climate Resilience Evaluation and Awareness Tool (CREAT) in a facilitated exercise free-of-charge. CREAT enables utilities to assess their climate-related risks and informs decision-making through comparison of monetized adaptation options. We evaluated flooding risk at our Mason Farm WWTP in this facilitated exercise and provided a copy of the report to the Board of Directors on September 14, 2023. Our goal for this facilitated exercise was to become familiar with the CREAT tool and determine how it may inform our climate action planning process. The first module of the CREAT tool estimates potential changes in precipitation and temperature based on the global climate change models incorporated into the tool under various climate scenarios. Later modules monetize the potential benefits of potential adaptation measures and compares those against the cost of the infrastructure. This information could be coupled with localized information, such as modeling of flood impacts, to inform decision making regarding potential adaptive measures.						
Staff has drafted a Request for Qualifications (RFQ) to engage with a consultant to develop a comprehensive Climate Action Plan for OWASA. We plan to issue the RFQ in FY25 with a CAP being completed in FY26. The CAP will build on regional climate planning efforts and currently available information from OWASA, identify OWASA’s highest climate change risks, and include an action plan to address those risks. Those actions will extend into FY28 and beyond.						
Projected Resources:						
Level of Effort			Financial Needs			
						
Near-Term Board Engagement: The Board will review the draft scope of work for the Climate Action Plan in 2024 before the RFQ is issued.						
Champion: Planning and Development Manager			Co-Champion: Executive Director			

Service Reliability and Resiliency

Initiative: Develop and pursue Capital Project Delivery Optimization Plan			Goal: Increase capital project execution			
SMART Metric: % of CIP budget spent annually; % of CIP projects meeting scheduled target completion						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
OWASA had identified several initial, near-term action items to advance capital project execution through a series of internal workshops. Highest priorities for action items included: alternate/collaborative delivery, on-call consulting services, temporary project management staffing, creation of project manager positions, streamlining paperwork, project scope checklists, improving coordination with Town permitting, continuing contractor outreach, and continuing to utilize the Omnia Partnership (a national public procurement collaborative). A snapshot of the Project Delivery Optimization Plan was completed in December 2024 to baseline progress, and at that time all but two of the initial action items were either on-track from their expected timeline or already completed, as shown in the table below:						
Strategy	Goal		Timeline		Status	
Alternate/Collaborative Delivery	Ready to utilize alternate/collaborative delivery		End of FY24		On track	
	Identify upcoming CIP projects that would be good fit for collaborative delivery		End of FY24		On track	
On-Call Consulting Services and Surveying Services	Complete contracts with on-call providers		November 2023		Complete	
	Track the time from task order to kickoff and compare to conventional RFQ		End of FY24		On track	
Temporary Project Management Staffing	Plan for additional staff augmentation budget every year to support additional needs		FY25 budget planning cycle		No action yet	
Creation of Project Manager Positions	Hire Project Manager #1 and have that staff member start on projects		October 2023		On track	
	Hire Project Manager #2 and have that staff member start on projects		January 2024		On track	
Project Scope Checklists	Draft checklist to be developed		November 2023		Complete	
	Checklist finalized		End of FY24		On track	
Improving Coordination with Towns	Hold one meeting with Town of Carrboro about improving permitting process for engineered projects with inspection		End of FY24		Complete	
	Hold one meeting with Town of Chapel Hill about the TRT process		End of FY24		No action yet	
Progress on the strategies above will continue to be reported to the Board in the monthly updates. One of the most impactful of the strategies listed above – the utilization of on call consulting services – has shown immediate benefits in expediting project delivery times for applicable projects, and staff will track and report on this schedule savings in future reports. Some strategies may not immediately show project delivery optimization but will provide tools to allow for more streamlined project management or other efficiencies while they are in development.						





In addition to the near-term action items, staff also identified longer term action items that could advance project delivery. These longer-term action items include improving permitting process with other permitting agencies, project prioritization, implementing new technology, utilizing on-call contractors, and providing additional administrative support staff. These strategies will be further evaluated and have not yet been started.






Staff has utilized support from a consultant for the near-term initiative related to alternate/collaborative delivery which has increased the financial needs of this strategic initiative over the past Fiscal Year. Additional budgetary resources may be needed to support future temporary project management staffing.

Projected Resources:	
Level of Effort	Financial Needs
	
Near-Term Board Engagement: Board approval is required to establish the criteria under which collaborative delivery may be used. Staff is presenting these criteria for approval at the February 2024 Board meeting.	
Champion: Engineering Manager – Capital Projects	Co-Champion: Director of Engineering and Planning

Initiative: Assess and update Asset Management Program			Goal: Reduce downtime of critical infrastructure and equipment			
SMART Metric: Risk-based scoring and prioritization is utilized for each asset class						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
The comprehensive evaluation of our existing asset management program will inform the roadmap for multi-year enhancement of this ongoing program. The focus of the assessment will include:						
<ul style="list-style-type: none">• maturity evaluation and benchmarking• refinement of organizational levels of service (LOS) and key performance indicators (KPIs)• shift from an asset level to an enterprise level risk mapping, and• CIP prioritization optimization.						
Elements of this multi-year plan that were active during the past year include:						
<ol style="list-style-type: none">1. Evaluation and selection of the Computerized Maintenance Monitoring System (CMMS) for vertical assets (e.g., treatment plants, pump stations). Implementation of this CMMS will occur during FY24 – 25.2. Procurement of Aquanuity asset management software for horizontal assets (i.e., distribution and collection systems), and configuration of distribution system prioritization model within the Aquanuity framework.3. Engagement of an engineering consultant to assess and update the risk model for collection system assets.4. Restructuring of the former Maintenance Coordinator position to report to the Asset Manager as Asset Management Analyst5. Restructuring of the GIS Coordinator position to report to the Asset Manager						

Several key milestones within #1-3 above to be completed in FY24-25, including implementing new CMMS for vertical assets (including asset level risk establishment), updating the collection system risk model, and updating the distribution system model are necessary foundational elements prior to developing enterprise level risk mapping; this latter step is expected to occur in FY26-27, will require consulting assistance, and will be coordinated with the development of the Capital Investment Strategy.

Projected Resources:	
Level of Effort	Financial Needs
 	 
Near-Term Board Engagement: A request for a second Asset Management Analyst position focusing on horizontal assets may be made in FY25 budget process.	
Champion: Asset Manager	Co-Champion: Director of Engineering and Planning

Initiative: Execute SCADA Master Plan			Goal: Improve the collection and use of real-time data to inform and drive decision-making			
SMART Metric: On time Execution of the SCADA Master Plan Tasks						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
<p>Work is underway on all aspects of the SCADA Master Plan including staffing and budget development for the SCADA Program, plant hardware replacements and software improvements. The new SCADA Manager will continue to execute projects within the capital improvements program and develop proposals and contracts for ongoing SCADA maintenance and support. The following table shows the status of execution of the Plan and the percent complete of currently active elements of the plan. The tasks listed are the items scheduled in the SCADA Master Plan as active in years 1 and 2. Note that the disaster recovery plan is not currently active but will begin in the next 12-month period.</p> <ul style="list-style-type: none">• <i>Task 1 Organizational Improvements</i> – Provide staffing and training.• <i>Task 2 System Network Improvements</i> – Hardware and Cybersecurity Network Improvements to increase system resiliency.• <i>Task 3 Control System Policies and Standards</i> – Develop graphical standards, database standards and policies for SCADA related activities.• <i>Task 4 –Disaster Recovery</i> – Development of disaster recovery plans scheduled to begin in FY25, currently not active• <i>Task 5 – Plant PLC Improvements</i> – Replacement of Obsolete PLC’s at the plants and remote sites.• <i>Task 6 – Monitoring Improvements</i> – Build smart automation and monitoring functions, currently not active• <i>Task 7 – Network Access Improvements</i> – Provide more secure, reliable internal plant communications and improved access options for business users.• <i>Task 8 – Control System Maintenance</i> – Instrument documentation, assessment and building in house capacity for system maintenance						
Projected Resources:						
Level of Effort			Financial Needs			
 			   (ongoing)			





OWASA SCADA Manager Simon Lobdell inspects system at Jones Ferry Water Treatment Plant

Near-Term Board Engagement: Requests for the WTP SCADA added in the FY25 budget process are underway. In future years, staff will work with the Board on determining the appropriate staffing plan, operations and maintenance costs to sustainably manage our SCADA system.

Champion: SCADA Manager

Co-Champion: Engineering Manager - Capital Projects

Initiative: Establish and implement Capital Investment Strategy			Goal: Establish and pursue capital investment goals			
SMART Metric: Development of specific annual or multi-year infrastructure renewal and replacement rates per asset class; development of appropriate feedback/improvement process						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
The Capital Investment Strategy will provide the long-range vision of capital spending, utilizing a risk-driven approach to measure the OWASA target levels of service. Through a series of internal discussions and consultations with utilities with well-developed strategic asset management plans, the connection between this initiative and several of the tasks in the “Assess and Update Asset Management Program” were clarified. In particular, implementing new CMMS for vertical assets (including asset level risk establishment), updating the collection system risk model, updating the distribution system model, and further establishing level of service across various asset classes will be prerequisites to developing the Capital Investment Strategy. For the remaining fiscal year and into FY25, we will work as a Team to refine objectives and scope of this strategic initiative, as well as a list of consultant qualifications that are needed for this initiative. In FY27, we plan to identify and engage a consultant to work with our team to re-establish level of service criteria and to develop a Capital Investment Strategy. We plan to begin implementation of this initiative in FY28.						
Projected Resources:						
Level of Effort			Financial Needs			
						
Near-Term Board Engagement: We will report back to the Board on our planning efforts in next year’s Strategic Plan update.						
Champion: Director of Engineering and Planning			Co-Champion: Director of Finance			

Emergency Management and Cybersecurity



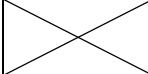




Initiative: Develop and institute a Continuous Emergency Preparedness Model			Goal: Ensure staff are prepared and ready for emergencies of all types			
SMART Metric: # of recurring action items from tabletop/functional exercise After Action Reviews (goal = 0); % of exercises completed by assigned staff						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
We completed the assessment of all documented emergency related plans including recommendations for updates, edits, corrective actions and noted emergency preparedness facility and equipment needs. We also provided online, in-person and offsite training options to all OWASA employees. We reviewed current program for drills/exercises and identified the need for a Multi-Year Training and Exercise Plan (MYTEP) to be developed.						
The MYTEP implementation and items documented in the assessment will be addressed in the remainder of FY24 through FY28.						
Projected Resources:						
Level of Effort			Financial Needs			
			 (ongoing)			
Near-Term Board Engagement: We will report back to the Board on our efforts in next year’s Strategic Plan update.						
Champion: Safety and Risk Manager			Co-Champion: General Manager of Operations			







Photo from Dam Emergency Action Plan Tabletop Exercise in November 2023.

Initiative: Assess risk on collection and wastewater system and implement high priority risk mitigation actions for entire system			Goal: Reduce risk exposure			
SMART Metric: Prioritized list of risk mitigation items based on ROI						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
<p>We have begun implementing high priority risk mitigation action items identified in the America’s Water Infrastructure Act (AWIA) process completed by a consultant in FY21 on the water and distribution systems. In FY24, we evaluated staff workload to conduct a risk assessment of the collection, wastewater, and reclaimed water systems in house that parallels the analysis completed for the water and distribution systems. Due to the retirement of one of the two OWASA employees trained to perform this analysis and the workload of the other employee, staff will request funding in FY25 to utilize a consultant to perform this assessment. The goal will be to align the analysis to develop a comprehensive risk mitigation plan in FY27.</p> <p>The top row of the cells above represents the ongoing implementation of the AWIA recommendations for the water and distribution systems. The bottom row represents the collection and wastewater treatment systems. In FY27, these efforts will be combined.</p>						
Projected Resources:						
Level of Effort			Financial Needs			
						
Near-Term Board Engagement: We will report back to the Board on our efforts in next year’s Strategic Plan update.						
Champion: General Manager of Operations			Co-Champion: Director of Engineering and Planning			


Community Engagement

Initiative: Develop and implement regular community survey			Goal: Increase the quality and use of community feedback			
SMART Metric: Statistically valid survey conducted, and responsive action plan developed by July 2024						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
We have identified a consultant that will help design and execute a community survey, which will be implemented and analyzed in the latter half of FY25. The consultant, ETC, has submitted an estimate and scope of work for review. Champions will lead an OWASA focus group across departments to identify topical priorities for the survey. This survey can be repeated in FY28 and will provide insight into the impact of our efforts and a foundation for the next Strategic Plan.						
Projected Resources:						
Level of Effort			Financial Needs			
			 <i>(to design and execute survey; repeated every three years)</i>			
Near-Term Board Engagement: We will include funds for the survey consultant in the FY25 budget. Once the survey is developed, we will circulate it to the Board. In the summer of 2025, we will share the survey results with the Board, along with the action items prompted by the results.						
Champion: Public Information Officer			Co-Champion: Customer Service Manager			

Initiative: Integrate online billing and water use portals			Goal: Streamline customer account experience			
SMART Metric: Phase 1 – Implement new Customer Information System. Phase 2 – Implement Customer Engagement System which will integrate billing and water use portals.						
	FY23	FY24	FY25	FY26	FY27	FY28
Implementation Schedule						
The Customer Information System that was selected to replace the current system does not currently offer an online billing platform which fully meets OWASA’s requirements (leak alerts). However, it is expected that within the next two to three years, their offering will include a complete engagement portal that will embed OWASA’s current online billing portal and replace OWASA’s water use, leak alert and customer engagement portal.						
Implementation of the new Customer Information System is completed. We went live with the new system on January 29, 2024.						
Projected Resources:						
Level of Effort			Financial Needs			
			  			
Near-Term Board Engagement: We will update the Board on the timing of the new portal in the next Strategic Plan update.						
Champion: Director of Administration			Co-Champion: Director of IT			

The billing system transition aligned with an update of customer bills, simpler customer account numbers, and billing in units smaller than thousand gallons. An example of this bill is presented below.

Page 1 of 1



**Orange Water
and Sewer
Authority**

400 Jones Ferry Road | Carrboro, NC 27510

Phone #: (919) 537-4343
 Email: customerinquiries@owasa.org
 Website: www.owasa.org

Mailing Address


Account Information

Primary Account Holder
 Account Number
 Service Address

Usage Profile

Previous Year	Previous Month	Current Month
6,000	3,000	8,584

■ Previous Year ■ Current Year



Billing Summary

Bill Date	01/30/2024
Due Date	02/26/2024
Previous Bill	\$82.15
Total Payments	-\$82.15
New Bill	\$191.67

Total Amount Due \$191.67

Meter Reading

Meter #:	Read Dates:	Usage (GAL):	Days Read:
1700118287	12/19/2023 - 01/25/2024	8,584	37

New Charges

Rate

Usage (GAL)

Total

Water Service Charge	Block 1	2,000	\$20.90
Consumption Charge	Block 2	3,000	\$7.48
Consumption Charge	Block 3	3,584	\$27.24
Consumption Charge			\$39.93
Sewer Service Charge			\$17.06
Sewer Discharge	Block 1	8,584	\$79.06
Total New Charges			\$191.67

Message Board

New Bill: We upgraded our billing system to make customer information easier to understand. Your account number has been simplified; we are billing in smaller units.


In March, your drinking water may taste or smell like chlorine due to a temporary change in our treatment process. This practice will not affect the safety of your water. Tips on how to improve the taste and odor of your water are posted on owasa.org.


Please return bottom portion along with your payment. Checks should be made payable to Orange Water and Sewer Authority.

Bill Date: 01/30/2024
 Due Date: 02/26/2024
 Account Number:
 Service Address:

Due Date	Past Due Charges	New Charges	Balance Due
02/26/2024	\$0.00	\$191.67	\$191.67


Amount Enclosed: \$ _____





CARE to SHARE Program: You can help families experiencing financial hardship pay their water bill. Contributing is easy--please call 919-537-4343 or email customerinquiries@owasa.org to sign up to make a difference in the lives of your neighbors.

ORANGE WATER AND SEWER AUTHORITY
 P.O. Box 735433
 Dallas, TX 75373-5433



Information and Reports Item 3:

Review Board Work Schedule

Purpose:

- A. Request(s) by Board Members, General Counsel and Staff
- B. Review draft Board Meeting Agenda for March 14, 2024
- C. Review 12 Month Board Meeting Schedule
- D. Pending Key Staff Action Items

Information:

- Draft March 14, 2024 Board Meeting Agenda
- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items

February 8, 2024



ORANGE WATER AND SEWER AUTHORITY
Meeting of the OWASA Board of Directors

Thursday, March 14, 2024, 9:00 p.m.

OWASA Community Room, 400 Jones Ferry Road, Carrboro

Pages

A. Announcements

1. Conflict of Interest (Bruce Boehm)
2. Meeting Updates
 - Update on the February 20, 2024 OWASA Annual Update to the Orange County Board of Commissioners (Jody Eimers)

B. Petitions and Requests

C. Consent

1. Resolution Setting the Date of May 9, 2024 for a Public Hearing on OWASA's Fiscal Year 2025 Budget (Stephen Winters)
2. Resolution Setting the Date of May 9, 2024 for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges (Stephen Winters)
3. TENTATIVE - Resolution Awarding a Construction Contract for Gravity Sewer Rehabilitation Package 12 (Vishnu Gangadharan)
4. TENTATIVE - Resolution Awarding a Construction Contract for Gravity Sewer Rehabilitation Package 13 (Vishnu Gangadharan)
5. Minutes of the February 8, 2024 Meeting of the Board of Directors (AndreaOrbich)

D. Discussion and Action

E. Discussion

1. Draft Fiscal Year 2025 Budget and Rate Adjustment (Stephen Winters)

F. Information and Reports

1. Review Board Work Schedule (Bruce Boehm/Todd Taylor)

G. Summary of Board Meeting Items

H. Adjournment

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's

agenda, or by comments on 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.

DRAFT

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 2, 2024)

Meeting Date	Agenda Items		Committee Meetings & Other Board Items
February 8 2024	CIP Semiannual Report Q2 Financial Report Collaborative Delivery Criteria Resolution Award Morgan Creek Interceptor Phase 1 Construction Contract Award Clearwell Interim Repairs Contract Department Managers FY 25 Budget Planning Presentation Strategic Plan Update Plan BOD Self-Assessment	() () () () ()	Annual Update to BOCC (2-20-2024)
March 14 2024	Set Date for Public Hearings on FY 25 Budget & Rates FY 25 Draft Budget and Rate Adjustment (Tentative) Award GSR Package 12 Construction Contract (Tentative) Award GSR Package 13 Construction Contract	() () 	
April 11 2024	Quarterly Report on Attendance at BOD Meetings Draft FY 25 Budget and Authorize Staff to Publish FY 25 Budget and Rate Information (Tentative) Resolution to Approve an WSMPBA Amendment BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions & term discussion) Plan BOD Self-Assessment CS – Prepare ED & GC Annual Performance Review	() () () () ()	
May 9 2024	Public Hearings – FY 25 Budget and Rates Q3 Financial Report Approve Employee Insurance Renewals Review Scope of Climate Action Plan CS – ED & GC Annual Performance Review	() () () ()	Annual Update to CTC (TBD)
June 13 2024	ED Compensation Approve GC Engagement Approve FY 25 Budget and Rates Resolution Honoring the Service of Jody Eimers Election of Officers	() () () ()	
July 11 2024	Quarterly Report on Attendance at BOD Meetings Review Proposed ED Work Plan	() ()	Welcome new Board Members
August 8 2024	TBD		
September 12 2024	Preliminary 12 Month Financial Report CIP Semiannual Report Disposal of Surplus Personal Property EEO/Affirmative Action Report & D&I Update	() () () ()	
October 10 2024	Annual Meeting of the Board – Annual Report and Financial Audit Quarterly Report on Attendance at BOD Meetings Operating Trends Report CS - Cybersecurity Update	() () () ()	
November 14 2024	Q1 Financial Report CS – Prepare for ED & GC Interim Performance Review	() ()	
December 12 2024	Update on PFAS CS – ED & GC Interim Performance Review	()	

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 2, 2024)

Meeting Date	Agenda Items		Committee Meetings & Other Board Items
January 9 2025	Quarterly Report on Attendance at BOD Meetings Approve Audit Firm Contract FY 26 Budget Calendar and Assumptions and review of OWASA's Financial Management Policy	() () ()	

The 12 Month Board Meeting Schedule shows priority efforts the Board and staff plan to consider during the next twelve months. The schedule also shows annual updates to the Board which will be distributed on the consent agenda. This schedule does not show all the items the Board may consider in a meeting. The 12 Month Board Meeting Schedule will be reviewed and updated by the Board each month.

The OWASA Board determines which topics it wants to explore as a full Board and which topics it wants to assign to Board committees or committee chairs for further analysis and development of recommendations. Board also determines priorities and desired timeframes for addressing topics. Committee meetings will be updated on the schedule routinely.

Abbreviations Used in Draft Schedule:

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

Pending Key Staff Action Items from Board Meetings

No.	Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
1.	1-11-2024	Provide possible Western Intake Partnership and PFAS cost differential for Fiscal Year 2025 Budget.	3-14-2024	Gangadharan/ Winters	
2.	1-11-2024	Add extended drought impacts on reserves and revenue to rate structure consultant scope.	TBD	Winters	
3.	1-11-2024	Follow-up on reserve level recommendations from rating agencies via email.	N/A	Winters	
4.	1-11-2024	Provide information on microplastics in drinking water on website and via social media.	N/A	Tiger	Complete – emailed on 1-19-2024
5.	12-14-2023	Survey NC water and sewer authorities for information on the provision of General Counsel services including standby arrangements.	TBD	Epting/Taylor/ Orbich	
6.	7-13-2023	Review Scope of Climate Action Plan with the Board.	5-9-2024	Gangadharan	Tentatively scheduled for 2024