

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JANUARY 25, 2007

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular Business Meeting on Thursday, January 25, 2007, at 7:00 P.M., in Council Chambers at Chapel Hill Town Hall.

Directors present: Michael A. (Mac) Clarke, Chair; Randy Kabrick, P.E., Vice Chair; Fred Battle; Marge Anders Limbert; Penny Rich; Laura Sandvik; and William R. Stott, III. Directors absent: Milton S. Heath, Jr.; and Gordon Merklein, Secretary.

OWASA staff: Ed Kerwin, John Greene, Gwen Burston, Mason Crum, Patrick Davis, Greg Feller, Ed Holland, Andrea Orbich, Kevin Ray and Paula Thomas; and Robert Epting, Esquire, Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; and Chris Moran, Director, Inter Faith Council.

There being a quorum present, Chair Mac Clarke called the meeting to order.

MOTIONS ACTED UPON

1. Marge Anders Limbert moved to adopt the minutes of the December 14, 2006, Meeting of the Board of Directors. The motion was seconded by Penny Rich, and carried by unanimous vote.

2. Fred Battle made a motion that the Board convene in a closed session for the purpose of discussing land acquisition. The motion was seconded by William Stott and carried by unanimous vote.

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Mac Clarke said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time. There were none.

COMMITTEE MEETINGS

Penny Rich said the Ad Hoc Art Committee will meet on Thursday, February 8, 2007, at 6:00 P.M. in the OWASA Boardroom to discuss next steps for the atrium art project.

Randy Kabrick said the Natural Resources/Technical System Committee met and reviewed an outline of the draft long-term biosolids plan prepared by staff; progress is being made.

LEADERSHIP ADVISORY COMMITTEE

Randy Kabrick said the Leadership Advisory Committee (LAC) for Carolina North met on January 18, 2007 and will provide the Final Report to University Chancellor James Moeser in the coming weeks.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC, THE BOARD AND STAFF

Mac Clarke asked for petitions and requests from the public, the Board and staff. There were none.

ITEM THREE: PROGRESS REPORT ON NORTH CAROLINA CLEAN WATER MANAGEMENT TRUST FUND GRANTS

The Board received the progress report on North Carolina Clean Water Management Trust Fund (CWMTF) grants as an information item and thanked Ed Holland for his work.

Randy Kabrick noted that there was a recent study by the Legislature to consider combining the CWMTF with the Ecological Enhancement Program.

ITEM FOUR: MERIT PAY DISTRIBUTION REPORT

The Board received the merit pay distribution report as an information item.

ITEM FIVE: VISION CARE PLAN PROGRAM

The Board received the vision care plan program as an information item.

ITEM SIX: SEMI-ANNUAL CONTRACTOR AND CONSULTANT PERFORMANCE REPORT

The Board received the semi-annual Contractor and Consultant Performance Report as an information item.

ITEM SEVEN: MINUTES

Marge Anders Limbert moved to adopt the minutes of the December 14, 2006, Meeting of the Board of Directors. The motion was seconded by Penny Rich, and carried by unanimous vote. Please see Motion No. 1 above.

ITEM EIGHT: PROPOSED REFINEMENTS TO THE ORANGE WATER AND SEWER AUTHORITY (OWASA) POLICY FOR ADJUSTMENT OF CUSTOMER ACCOUNTS FOR EMERGENCY SITUATIONS INVOLVING LOSS OF METERED WATER

Kevin Ray provided a summary on the staff proposed refinements to OWASA's Policy for Adjustment of Customers Account for Emergency Situations Involving Loss of Metered Water (Emergency Water Loss).

Marge Anders Limbert asked what percent of adjustments are over \$3,000 and whether the owner or renter pays for OWASA service to non-owner occupied locations. She said that if the renter pays the water bill, the proposed policy does not have incentives for the owner to correct water loss problems.

Mr. Ray said he does not have the number of adjustments over \$3,000 but would provide that information to the Board.

Randy Kabrick said that OWASA owns the water system to the meter and that after the meter, the customer is responsible for paying the bill. He said he does not think the proposal is a good policy.

Fred Battle said that because an owner can be out of town and have a water pipe break due to cold weather or the like, there should be an exception for this type of instance.

Ms. Limbert suggested looking at other utilities' policies.

Ed Kerwin said that this issue is a policy matter for the Board, but that staff believes a policy like the proposal, or similar to it, is desirable. The Customer Service staff deals with people everyday who are truly deserving of a water loss adjustment, but we want discourage customers who have taken advantage of the present policy.

Penny Rich said she would not want to support irrigation type of adjustments.

Mr. Kabrick suggested OWASA offer free inspection of homes for potential water loss as part of promoting water conservation.

The Board agreed that staff would revise the policy for consideration at a future Board meeting to include: a lower maximum dollar limit for adjustments; to remove the language for unexplained water loss; to eliminate adjustments for irrigation systems; and to limit the adjustment for readily visible fixtures to one month.

ITEM NINE: CONCEPTUAL DRAFT STATEMENT OF OWASA'S SUSTAINABILITY GOAL AND OBJECTIVES AND PROPOSED ADMINISTRATIVE GUIDE FOR SUSTAINABLE PURCHASING AND CONTRACTING

Patrick Davis and Paula Thomas provided the Board a brief review of a conceptual draft Statement of OWASA's Sustainability Goal and Objectives and a proposed Administrative Guide for Sustainable Purchasing and Contracting.

Marge Anders Limbert thanked staff for their work on this exceptional report and provided three comments. Under *Social Performance, Our Employees*, it is suggested to add the word "diverse" to highly talented and skilled; *Economic Performance*, regarding pricing our services based on cost of services taking in to account life cycle costs, adding "and resource protection costs"; and finally, *The Challenge of Balancing Objectives*, add another bullet on the order of "incorporate true cost principles in our rate schedules."

Randy Kabrick said he appreciated the summary of OWASA's sustainability initiatives and OWASA's progress with the initiatives, and that it is important to consider the goals and objectives for each initiative. Mr. Kabrick also suggested staff consider pre-qualifying vendors or contractors.

The Board agreed that Ms. Thomas would electronically send the Conceptual Draft Statement of OWASA's Sustainability Goal and Objectives to the Board and each Board Member's comments would then be sent to Ms. Thomas with copies to all Board Members. When all comments have been received, this information will be provided the Board at a future meeting.

ITEM TEN: MARKETING AND FUNDRAISING FOR THE TASTE OF HOPE CUSTOMER ASSISTANCE PROGRAM

Penny Rich briefly summarized the marketing and fundraising for the Taste of Hope Customer Assistance Program to the Board.

Mr. Chris Moran, the Inter-Faith Council's Executive Director, thanked the Board for establishing the Taste of Hope program for the community. Mr. Moran encouraged the Board to continue the marketing and fundraising of this program. In 2006, the Inter-Faith Council reached about 2,000 households, but there are many more homes that need help. Mr. Moran stated that he and his staff are willing to go in the community to encourage donor participation in the Taste of Hope program.

Marge Anders Limbert suggested that the OWASA Board invite members of the Orange County Board of Commissioners, Carrboro Board of Aldermen and the Chapel Hill Town Council who are OWASA customers to sign up as donors and then issue press release stating what they have done and encourage other OWASA customers to enroll in the program.

Laura Sandvik suggested that OWASA have a check box on the bill that they can simply check and sign to enroll as donors

William Stott suggested adding Taste of Hope as a sustainability initiative under social performance.

The Board agreed to refer the marketing of Taste of Hope program to the Board's Ad Hoc Community Outreach Committee for discussion and consideration.

ITEM ELEVEN: DRAFT STATEMENT OF STRATEGIC ISSUES AND POLICIES AND DRAFT PLANNING ASSUMPTIONS AND BACKGROUND INFORMATION DOCUMENT FOR THE FY 2007-2008 BUDGET

The Board received an update on the Draft Statement of Strategic Issues and Policies and Draft Planning Assumptions and Background Information Document for the FY 2007-2008 budget as an information item.

ITEM TWELVE: VERBAL UPDATE ON THE CHAPEL HILL TOWN COUNCIL MEETING ON JANUARY 22, 2007, REGARDING ODOR ELIMINATION AT THE MASON FARM WASTEWATER TREATMENT PLANT (WWTP)

Mac Clarke told the Board that he and Ed Kerwin attended the Chapel Hill Town Council meeting on January 22, 2007. Mr. Clarke said he summarized OWASA's letter to Mr. Roger Stancil, Chapel Hill Town Manager, regarding OWASA's Odor Elimination Goal to the Council. Mr. Clarke said that Mr. Gary Richman, of the Highland Woods neighborhood, agreed with OWASA's proposal, that the Council was appreciative of the efforts of OWASA and the citizens at arriving at the preliminary parameters, and that the definition of odor elimination is a work in progress. OWASA was requested to update the Council by April 30 regarding the progress on the definition.

ITEM THIRTEEN: CLOSED SESSION

Fred Battle moved that the Board go into a Closed Session for the purpose of discussing land acquisition. The motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 2 above.

There being no further business to come before the Board, the meeting was adjourned at 8:45 P.M.

ORANGE WATER AND SEWER AUTHORITY

CLOSED SESSION OF THE BOARD OF DIRECTORS

JANUARY 25, 2007

The Board of Directors of Orange Water and Sewer Authority met in Closed Session on Thursday, January 25, 2007 following the regularly scheduled meeting of Board of Directors meeting in the First Floor Conference Room at Chapel Hill Town Hall.

Directors present: Michael A. (Mac) Clarke, Chair; Randolph M. Kabrick, P.E., Vice Chair; Fred Battle; Marge Anders Limbers; Penny Rich; Laura Sandvik; and William Stott. Directors absent: Gordon Merklein, Secretary; and Milton Heath Jr.

Others present: Ed Kerwin, John Greene, Mason Crum, Ed Holland, and Kevin Ray Orange Water and Sewer Authority; Robert Epting Esquire, Epting and Hackney.

ITEM ONE

The Board of Directors met in Closed Session for the purpose of discussion and to give direction to Counsel regarding negotiations to acquire a conservation easement.

ITEM TWO

The Board of Directors continued in Closed Session for the purpose of discussing negotiations with the County to acquire a conservation easement.

No action was taken.