

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MARCH 28, 2013

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, March 28, 2013 at 7:00 PM in the Council Chambers at the Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard, Chapel Hill, North Carolina.

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

OWASA staff present: Ed Kerwin; John Greene; Mason Crum; Mary Darr; Patrick Davis; Greg Feller; Heidi Lamay; Andrea Orbich; Kevin Ray; Kelly Satterfield; Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

Others present: Daria Barazandeh; and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill.

There being a quorum present, Vice Chair John Young called the meeting to order. He stated that Chair Alan Rimer would be a few minutes late.

* * * * *

MOTIONS ACTED UPON

1. Terri Buckner made a motion to approve the February 28, 2013 Minutes of the Board of Directors with an amendment as follows on page 3 regarding the announcement on the Quarry Tour and Orange County Farm and Forestland Workshop:

Will Raymond thanked OWASA staff and Roger Ramey and Steve Whitt of Martin Marietta for arranging a tour at the American Stone Quarry on January 31, 2013. Mr. Raymond also expressed appreciation to Rich Shaw of Orange County Lands Legacy; Jake Pressley and Justin Bennett of the North Carolina Forest Service; Bo Howes of the Triangle Land Conservancy; Tina Sturdivant of the U.S. Department of Agriculture Farm Service Agency; Kelly Douglas of the Wildlife Resources Commission; and Gail Hughes at Orange County Soil and Water Conservation District for sponsoring a workshop held on January 29, 2013 titled "Landowner Options for Farm and Forestland Conservation."

The motion was seconded by Michael Hughes, and unanimously approved.

2. Terri Buckner made a motion to approve the February 28, 2013 Closed Session Minutes of the Board of Directors for the Purpose of Discussing a Personnel Matter; the motion was seconded by Michael Hughes, and unanimously approved.

3. Will Raymond made a motion that the Board convene in a Closed Session for the Purpose of Discussing a Personnel Matter; second by Gordon Merklein and unanimously approved.

* * * * *

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

John Young 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. None were disclosed.

BOARD WORK SESSION

Mr. Young said the April 11, 2013 OWASA Board of Directors' meeting is cancelled. In its place, the Board will hold a Strategic Planning Work Session on April 11, 2013 at the Mason Farm Wastewater Treatment Plant (WWTP) at 5:30 PM in the WWTP Conference Room. The meeting will begin with a tour of the plant and is open to the public.

CHAPEL HILL OWASA COMMITTEE MEETING

Mr. Young said that Chapel Hill Town Council's OWASA Committee and the Chapel Hill Appointees to the OWASA Board will meet on Thursday, April 18, 2013 at 8:00 AM in the OWASA Boardroom to discuss items of mutual interest.

COMMITTEE MEETINGS

Mr. Young noted that the Finance Committee met prior to the Board meeting to review the first draft of Fiscal Year 2014 budgets and rate adjustment analysis which will be discussed later in tonight's agenda.

Terri Buckner said the Natural Resources and Technical Systems (NRTS) Committee will meet on Tuesday, April 16, 2013 at 5:00 PM in OWASA's Boardroom to continue discussing NRTS planning topics.

OWASA BOARD MEMBER EMAIL

Terri Buckner expressed appreciation to staff regarding the update to the Board's e-mail including an increase in mailbox size and improved archiving.

ITEM TWO: PETITIONS AND REQUESTS

Daria Barazandeh, Chapel Hill resident, requested that the Board's Natural Resources and Technical Systems Committee read Dr. Paul Connett's book (*The Case Against Fluoride, How Hazardous Waste Ended Up in Our Drinking Water and the Bad Science and Powerful Politics That Keep it There*) which she said represents his position on the fluoridation of drinking water and then meet to discuss the book.

The Board agreed and Terri Buckner, Chair of the NRTS Committee, said that the Committee would be polled for a meeting date and time on this topic and then inform Ms. Barazandeh of same.

At 7:10 PM, Alan Rimer, Board Chair, arrived at the meeting.

Michael Hughes requested that the Board have a conversation prior to the construction of an access road and creek crossing at OWASA's 500-acre Mitigation Tract north of the Cane Creek Reservoir.

After discussion, the Board agreed that the NRTS Committee will add this topic to the Committee's April 16, 2013 agenda and that Mr. Hughes will provide staff his specific concerns and information prior to the meeting. Staff will delay the bid opening for the project constructing an access road and creek crossing at OWASA's Mitigation Tract until after the April 16th NRTS Committee meeting.

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

ITEM THREE: MINUTES

Terri Buckner made a motion to approve the February 28, 2013 Minutes of the Board of Directors with an amendment as follows on page 3 regarding the announcement on the Quarry Tour and Orange County Farm and Forestland Workshop:

Will Raymond thanked OWASA staff and Roger Ramey and Steve Whitt of Martin Marietta for arranging a tour at the American Stone Quarry on January 31, 2013. Mr. Raymond also expressed appreciation to Rick Shaw of Orange County Lands Legacy; Jake Pressley and Justin Bennett of the North Carolina Forest Service; Bo Howes of the Triangle Land Conservancy; Tina Sturdivant of the U.S. Department of Agriculture Farm Service Agency; Kelly Douglas of the Wildlife Resources Commission; and Gail Hughes at Orange County Soil and Water Conservation District for sponsoring a work shop held on January 29, 2013 titled "Landowner Options for Farm and Forestland Conservation."

The motion was seconded by Michael Hughes, and unanimously approved. Please see Motion No. 1 above.

Terri Buckner made a motion to approve the February 28, 2013 Closed Session Minutes of the Board of Directors for the Purpose of Discussing a Personnel Matter; the motion was seconded by Michael Hughes, and unanimously approved. Please see Motion No. 2 above.

ITEM FOUR: UPDATE ON ASSET MANAGEMENT

Mary Darr, OWASA's Operations Engineer, provided an update on the development of the Asset Management Program for OWASA's aboveground facilities including treatment plants, pump stations, operations facility, storage tanks, etc.

ITEM FIVE: DISCUSSION OF FISCAL YEAR 2014 BUDGET PROCESS

The Board received a report on the preliminary draft of the budget for Fiscal Year (FY) 2014. Based on current projections of FY 2014 revenue and expenditures, staff believes no increase in monthly water, sewer and reclaimed water rates will be necessary. Another Finance Committee meeting will be held to continue discussion of the draft budget for FY 2014 and a public hearing is scheduled for May 23, 2013 at 7:00 PM at the Chapel Hill Town Hall to receive comments on OWASA's proposed FY 2014 budget, capital program and rates.

ITEM SIX: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ACTION ITEMS FROM THE BOARD MEETING AND NOTE SIGNIFICANT ITEMS FOR DISCUSSION AND/OR ACTION EXPECTED AT THE NEXT BOARD MEETING

Ed Kerwin summarized the meeting with the following items:

- The April 11, 2013 OWASA Board of Directors' meeting is cancelled and the Board will hold a Strategic Planning Work Session on April 11, 2013 at the Mason Farm Wastewater Treatment Plant (WWTP) at 5:30 PM in the WWTP Conference Room. The meeting will begin with a tour of the plant.
- Staff will follow up with Michael Hughes regarding information he's is requesting on the access road and creek crossing at OWASA's 500-acre Mitigation Tract to prepare for the April 16th Natural Resources and Technical Systems Committee meeting.
- Within the next few weeks, staff will schedule the next Finance Committee to continue discussion of OWASA's proposed budget for Fiscal Year 2014.

ITEM SEVEN: CLOSED SESSION

Will Raymond made a motion that the Board convene in a Closed Session for the purpose of discussing a personnel matter; second by Gordon Merklein and unanimously approved. Please see Motion No. 3 above.

Orange Water and Sewer Authority

March 28, 2013

Page 5

There being no further business to come before the Board, the meeting was adjourned at 8:35 PM.