

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

AUGUST 22, 2013

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, August 22, 2013, at 7:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Ed Kerwin; John Greene; Stuart Carson; Patrick Davis; Greg Feller; Stephanie Glasgow; Heidi Lamay; Andrea Orbich; Stephen Winters; Robert Epting, Esq., Epting and Hackney.

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

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

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MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled, Resolution of Appreciation for Gordon Merklein for his service on the Board of Directors of the Orange Water and Sewer Authority. (Resolution so titled, attached hereto, and made a part of these minutes. Motion by Amy Witsil, second by Will Raymond and unanimously approved.)

2. Amy Witsil made a motion to approve the Minutes of the May 23, 2013 Board meeting; second by Will Raymond and unanimously approved.

3. Amy Witsil made a motion to approve the Minutes of the June 13, 2013 Board meeting; second by Will Raymond and unanimously approved.

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled, Resolution Authorizing the Executive Director to Enter into an Agreement for the Transfer of Water Main by Orange Water and Sewer Authority to the Town of Hillsborough. (Resolution so titled, attached hereto, and made a part of these minutes. Motion by Michael Hughes, second by Stephen Dear and unanimously approved.)

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

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

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

HEATHER PAYNE

Alan Rimer said that Heather Payne, Chapel Hill appointee to the OWASA Board, took her oath of office (attached) on July 11, 2013.

BOARD MEETING AND WORK SESSION

Alan Rimer said that the Board's September 12, 2013 meeting has been canceled; instead the Board will hold a Strategic Planning Work Session at 5:30 PM in the OWASA Boardroom on September 12, 2013.

STANDING COMMITTEE OF THE BOARD OF DIRECTORS

Alan Rimer announced the following Chairs and members of the Standing Committees of the Board of Directors:

Finance Committee:

John Young, Chair
Terri Buckner
Michael Hughes
Heather Payne
Amy Witsil

Human Resources Committee:

Will Raymond, Chair
Michael Hughes
Dana Raborn
John Young

Natural Resources and Technical Systems Committee:

Terri Buckner, Chair	Dana Raborn
Steve Dear	Will Raymond
Michael Hughes	Amy Witsil
Heather Payne	John Young

Outreach Committee:

Steve Dear, Chair

Terri Buckner

Dana Raborn

Will Raymond

NATURAL RESOURCES AND TECHNICAL SYSTEMS COMMITTEE

Terri Buckner said that Natural Resources and Technical Systems (NRTS) Committee met on July 30, 2013 and received a staff report on OWASA's current automatic meter reading program. The report included information on the advantages/disadvantages of automatic meter reading and the cost for accelerating the program to provide improved meter reading capabilities and customer access to consumption data. The NRTS Committee requested staff provide additional information on the cost to implement a pilot advanced metering infrastructure (AMI) project around the main campus area and to provide a summary of any potential data concerning impacts on water conservation as a result of providing near real-time consumption data to customers through an AMI system. Ms. Buckner said the next NRTS Committee meeting will be September 11, 2013 at 5:30 PM in the OWASA Boardroom to discuss renewable energy.

INTER-AGENCY TASTE OF HOPE WORKING GROUP

Terri Buckner said the Inter-agency Taste of Hope Working Group has met twice and is making progress; additional information will be available soon.

EXECUTIVE COMMITTEE MEETING

Alan Rimer said the Executive Committee met on August 19, 2013 to discuss general topics related to the Board's business during this fiscal year.

JOHN GREENE'S RETIREMENT CELEBRATION

Ed Kerwin announced John Greene's retirement celebration will be held on Thursday, September 19, 2013 from Noon until 2:00 PM in OWASA Operations Center Training Room.

ITEM TWO: PETITIONS AND REQUESTS

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

John Young petitioned the Board's Human Resources (HR) Committee and staff for further study of merit-based compensation. Mr. Young requested additional information and recommendations relative to appropriate size of this year's pool for salary increases and possibilities for increasing the mix of performance-based components. The Board received and referred this petition to the HR Committee.

Will Raymond requested that staff provide an end of the season report on recreational activity at the lakes. Staff will follow up.

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

ITEM THREE: QUARTERLY REPORT ON ATTENDANCE AT COMMITTEE AND BOARD MEETINGS

The Board received this report as an information item.

ITEM FOUR: ANNUAL REPORT ON DISPOSAL OF SURPLUS PERSONAL PROPERTY

The Board received this report as an information item.

ITEM FIVE: ANNUAL REPORT ON EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION

The Board received this report as an information item.

ITEM SIX: ANNUAL REPORT ON TASTE OF HOPE CUSTOMER ASSISTANCE PROGRAM

The Board received this report as an information item.

ITEM SEVEN: RESOLUTION OF APPRECIATION FOR GORDON MERKLEIN FOR HIS SERVICE ON THE BOARD OF DIRECTORS OF THE ORANGE WATER AND SEWER AUTHORITY

Amy Witsil made a motion to approve the resolution; second by Will Raymond, and unanimously approved. Please see Motion No. 1 above.

ITEM EIGHT: MINUTES

Amy Witsil made a motion to approve the May 23, 2013 Minutes of the Board of Directors; second by Will Raymond, and unanimously approved. Please see Motion No. 2 above.

Amy Witsil made a motion to approve the June 13, 2013 Minutes of the Board of Directors; second by Will Raymond, and unanimously approved. Please see Motion No. 3 above.

ITEM NINE: AGREEMENT FOR THE TRANSFER OF AN OWASA WATER LINE TO THE TOWN OF HILLSBOROUGH

John Greene provided an overview of the hydraulic analysis, benefits to OWASA and conditions for transferring, to the Town of Hillsborough, a three mile segment of the water line along Old NC 86 between Davis Road and Exchange Park Lane.

Michael Hughes made a motion to approve the Resolution Authorizing the Executive Director to Enter into an Agreement for the Transfer of Water Main by Orange Water and Sewer Authority to the Town of Hillsborough; second by Stephen Dear and unanimously approved. Please see Motion No. 4 above.

The Board agreed that staff would communicate to the County and Town Managers information regarding the approved agreement with the Town of Hillsborough.

ITEM TEN: PRELIMINARY FINANCIAL REPORT FOR 12 MONTH PERIOD ENDING JUNE 30, 2013

The Board requested additional information regarding Service Availability Fees and capital improvement project cost budgeting and forecasting.

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

Ed Kerwin summarized the meeting as follows:

- The September 12, 2013 Board meeting is canceled and instead the Board will hold a Strategic Planning Work Session beginning at 5:30 PM in OWASA's Boardroom.
- The September 26, 2013 Board Meeting will be the Board's Annual Meeting.
- The Human Resources Committee and staff will respond to John Young's petition.
- Staff will provide a response to Will Raymond's request for an end of the season report on recreational activity at the lakes.
- Staff will communicate to the County and Town Managers information regarding the approved agreement with the Town of Hillsborough.
- Staff will provide additional information regarding Service Availability Fees and a presentation regarding capital improvement project cost forecasting at a future Board meeting.
- Staff will provide alternatives for videotaping the second Board meeting each month.

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ITEM TWELVE: 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 Terri Buckner and unanimously approved. Please see Motion No. 5 above.

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

Attachments

**RESOLUTION OF APPRECIATION FOR GORDON MERKLEIN
FOR HIS SERVICE ON THE BOARD OF DIRECTORS OF THE
ORANGE WATER AND SEWER AUTHORITY**

WHEREAS, Gordon Merklein was appointed by the Town of Chapel Hill to serve as a Member of the Board of Directors of Orange Water and Sewer Authority (OWASA); and

WHEREAS, Mr. Merklein served diligently from December 15, 2005 to June 30, 2013 as a Member of the Board of Directors of Orange Water and Sewer Authority; and

WHEREAS, Mr. Merklein was Chair of the OWASA Board from July 1, 2010 to June 30, 2012 after serving as the Board's Vice Chair from September 27, 2007 to June 30, 2010; and he Chaired and was a member of the Finance and Human Resources Committees; and he Chaired and served on the following ad hoc committees: Art, Community Outreach and Property; and

WHEREAS, Mr. Merklein gave freely of his time, energy and talents in serving the community and OWASA customers with unselfish dedication and compassionate concern; and

WHEREAS, Mr. Merklein was a strong proponent for meeting needs of customers and employees in all of OWASA's services and projects, and he brought to the Board a strong combination of corporate leadership skills, experience and knowledge;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of the Orange Water and Sewer Authority, acting through its Board Members (Alan Rimer, John Young, Terri Buckner, Stephen Dear, Michael Hughes, Heather Payne, Dana Raborn, Will Raymond and Amy Witsil), hereby expresses to Gordon Merklein the Board's sincere appreciation and deep gratitude for his faithful service, able leadership and stewardship; and the Board wishes for Mr. Merklein and his family much happiness in the years ahead.

2. That this resolution be spread upon the Minutes of the Board meeting on the 22nd day of August, 2013; that a copy of this resolution be transmitted to the Town of Chapel Hill; and that with proper exposition, a copy of this resolution be presented to Mr. Merklein.

Adopted this 22nd day of August, 2013.

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT FOR THE TRANSFER OF WATER MAIN BY ORANGE WATER AND SEWER AUTHORITY TO THE TOWN OF HILLSBOROUGH

WHEREAS, Orange Water and Sewer Authority (OWASA) constructed a 16-inch water main along Old NC 86 from Carrboro to the Town of Hillsborough in 1978; and

WHEREAS, the 16-inch water line has been used since its installation for the transfer of water to and from the OWASA and Hillsborough water systems in times of water shortage emergencies; and

WHEREAS, in 2009, the Town of Hillsborough expressed interest in acquiring an approximate three mile segment of the 16-inch water line installed along Old NC 86 near Hillsborough from the existing meter vault on Exchange Park Lane to Davis Road; and

WHEREAS, on February 23, 2012, the OWASA Board of Directors authorized the OWASA staff to work with the Town of Hillsborough on the potential transfer of the water line; and

WHEREAS, an Agreement for the transfer of the water line from OWASA to the Town of Hillsborough has been developed and in consideration for the water line transfer the Town of Hillsborough will conduct a hydraulic analysis of the water systems; design and construct a new metering vault; obtain property for the construction of a permanent or temporary water booster station; install water quality flushing point(s); and decommission the existing OWASA booster pump station near Hillsborough; and

WHEREAS, a hydraulic analysis of the OWASA and Hillsborough water system interconnection has been completed and such analysis indicates that the water line transfer would not affect OWASA's ability to obtain water from Hillsborough in times of water shortage emergencies; and

WHEREAS, the transfer of the three mile segment of the 16-inch water line along Old NC 86 to the Town of Hillsborough offers several advantages to OWASA in terms of lower operating cost and maintenance of water quality:

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of Orange Water and Sewer Authority hereby determines that the sale, exchange or other disposition of a portion of its 16-inch water line located along Old NC 86, by the transfer thereof to the Town of Hillsborough, North Carolina, would not materially adversely affect the operating efficiency of the Water and Sewer System and would not materially reduce Net Receipts (as each such term is defined in the Amended and Restated Bond Order adopted by the Orange Water and Sewer Authority on September 13, 2001).

Resolution Authorizing Transfer of Water

Main to the Town of Hillsborough

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2. That the Board of Directors of Orange Water and Sewer Authority authorizes the Executive Director, subject to prior approval of legal counsel, to enter into an agreement with the Town of Hillsborough for the transfer of an approximate three mile segment of the 16-inch water line installed along Old NC 86 near Hillsborough from the existing meter vault on Exchange Park Lane to Davis Road.

Adopted this 22nd day of August, 2013.