

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JANUARY 23, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, January 23, 2014, at 7:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Ed Kerwin; Denise Battle; Ryan Byars; Stuart Carson; Patrick Davis; Greg Feller; Denise Battle; Andrea Orbich; Dan Przybyl; Kevin Ray; Kelly Satterfield; Todd Taylor; Stephen Winters; Robin Lackey, Esq., Epting and Hackney.

Others present: Ben Poulson, Associate Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Chapel Hill residents Alan Tom and Esther Miller; and Joe Bulkley, Community Sports News.

There being a quorum present, Vice Chair John Young called the meeting to order.

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MOTIONS ACTED UPON

1. Will Raymond made a motion to approve the Minutes of the December 12, 2013 Board meeting; second by Dana Raborn and unanimously approved.
2. Will Raymond made a motion to approve the Minutes of the December 12, 2013 Closed Session of the Board of Directors; second by Dana Raborn and unanimously approved.
3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled Resolution Modifying User Fees and Schedules for Recreational Use of Lakes. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner; second by Alan Rimer; the resolution passed with a vote of five to four with Steve Dear, Michael Hughes, Heather Payne and John Young opposed.)

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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. There were none.

CHANGE TO THE AGENDA

Without objection, John Young announced that an item, public distribution of OWASA's Draft Strategic Plan for Fiscal Years 2014-2017, will be added to the end of tonight's agenda.

OWASA ORIENTATION

John Young announced that an OWASA orientation will be held for the two new Chapel Hill Town Council Members, Maria Palmer and George Cianciolo, on January 28, 2014 at 4:00 PM in the OWASA Boardroom.

OWASA ANNUAL PRESENTATION TO THE COUNTY COMMISSIONERS

John Young announced that Alan Rimer will provide OWASA's annual presentation to the Orange County Board of Commissioners on Tuesday, February 4, 2014 at 7:00 PM in the Department of Social Services Building in Hillsborough.

COMMITTEE MEETING UPDATES

Terri Buckner said that the Natural Resources and Technical Systems (NRTS) Committee met on January 8, 2014 to discuss recreation at University Lake and Cane Creek Reservoir and receive an update on the Long-Range Water Supply Plan. The NRTS Committee recommended adding Friday recreation hours at University Lake on a limited basis and purchasing 12 kayaks with Fiscal Year 2014 funds for the 2014 recreation season; this information will be discussed in more detail later in the Board meeting. Ms. Buckner said that the Committee did not discuss the update to the Long-Range Water Supply Plan but will do so at the next NRTS Committee meeting on Wednesday, February 5, 2014 at 5:30 PM in the OWASA Boardroom. Ms. Buckner also requested that if Board Members have questions regarding the Long-Range Water Supply Plan to e-mail them to Ruth Rouse by Friday, January 28, 2014.

John Young said that the Finance Committee met prior to tonight's Board Meeting to review and discuss the Financial Report for the period ended December 31, 2013 which will be discussed later in the agenda. The Committee also discussed selecting an audit firm and this matter will be discussed at the Board's February 13, 2014 meeting. Staff provided a presentation regarding the tools and processes to identify and prioritize capital improvement projects. Mr. Young said the Committee's next meeting is scheduled for February 13, 2014 at 5:30 PM in the OWASA Boardroom.

Steve Dear said that the Community Engagement Committee met on January 21, 2014 to begin discussing what to recommend to the Board regarding the Strategic Plan initiatives for engaging the community. The Committee reaffirmed its affordability theme and discussed designing a pilot program to engage the community/target groups with information about how to reduce OWASA bills. Mr. Dear said that the Committee agreed that staff will propose a plan(s) of action for the Committee's consideration, identify initiatives in the Draft Strategic Plan that will require community engagement, and research affordability outreach programs of other water

utilities. The next Community Engagement Committee meeting is scheduled for March 4, 2014 at 5:15 PM in the OWASA Boardroom.

HUMAN RESOURCES (HR) COMMITTEE

Will Raymond said he e-mailed the Board a proposed six-month schedule for the HR Committee and that Doodle polls will be sent soon to schedule Committee meetings. Mr. Raymond reminded the Board that there will be a closed session following the Board's February 13, 2014 meeting regarding the review process.

DENISE BATTLE

Stephen Winters introduced Denise Battle, OWASA's new Customer Service Manager.

ITEM TWO: PETITIONS AND REQUESTS

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

The Board thanked Ms. Miller for her petition and reminded all in attendance that the Board will stay abreast of scientific developments, changes in best management practices, and accepted public health practices and recommendations regarding drinking water fluoridation.

Michael Hughes requested that staff's Semiannual Status Report for Various Capital Improvement Projects including the Semiannual Report on Communications Plans for Capital Projects be given to one of the Board's committees for a more in-depth conversation.

The Board agreed that Mr. Hughes' request be given to the Board's Natural Resources and Technical Systems Committee for discussion at a future meeting.

John Young asked for petitions and requests from staff; there were none.

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

The Board received this report as an information item.

ITEM FOUR: SEMIANNUAL STATUS REPORT FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS INCLUDING THE SEMIANNUAL REPORT ON COMMUNICATION PLANS FOR CAPITAL PROJECTS

The Board received this report as an information item.

ITEM FIVE: MINUTES

Will Raymond made a motion to approve the Minutes of the December 12, 2013 Meeting of the Board of Directors; second by Dana Raborn and unanimously approved. Please see Motion No. 1 above.

Will Raymond made a motion to approve the Minutes of the December 12, 2013 Closed Session of the Board of Directors; second by Dana Raborn and unanimously approved. Please see Motion No. 2 above.

Alan Rimer arrived at 7:30 PM and chaired the remainder of the Board meeting.

ITEM SIX: PROPOSED CHANGES TO THE 2014 LAKE RECREATION SEASON

Todd Taylor provided a brief report noting staff's recommendation as follows: purchase 12 open-top, single occupant kayaks at a cost of about \$7,200; half-day rental fees for the kayak will be \$15 for Orange County residents and \$20 for out-of-county residents (lake user fees would be charged in addition to the rental fee); and to maintain the current schedule at University Lake.

Mr. Alan Tom suggested the Board consider the following action items: reconsider how recreation expenditures are calculated and identify the real monetary cost of adding a recreation day at one of the lakes; re-examine the history of the creation of Cane Creek Reservoir to better understand the obligation for recreation that OWASA accepted when it negotiated the Federal 404 permit; add recreation to OWASA's mission statement; eliminate the "free days" for recreation to make up for lost revenue; aggressively publicize the availability of recreation at OWASA's lakes; and consider a brief public comment period at Board committee meetings.

Dana Raborn requested staff respond to Mr. Tom's comments regarding recreation expenditures.

Mr. Taylor said that staff based the recreation costs on a 13-hour work day including a full-time employee.

Terri Buckner asked whether OWASA hires part-time assistance during the summer and said that if so, Mr. Tom's calculations do not reflect the part-time staff.

Mr. Taylor said yes.

John Young agreed with staff's calculations for recreation costs at the lakes and feels the correct model for recovering costs of recreation is to seek funding from governing partners.

Heather Payne said she believes that the true cost of recreation is higher than what Mr. Tom presented.

Will Raymond said that he would like the cost to be re-evaluated and that lake recreation should be more aggressively promoted. In the future, Mr. Raymond would like the Board to reconsider OWASA's commitment to recreation.

Alan Rimer said that in the past, Orange County was asked to partner in recreation at the lakes but the answer was no due to budget limits. Mr. Rimer said that partnering with local governments might help boost attendance at the lakes by publishing OWASA's lake recreation in their periodicals and he requested staff to follow up on same.

Terri Buckner made a motion to adopt a Resolution Modifying User Fees and Schedules for Recreational Use of Lakes setting the schedule for University Lake to be open on Fridays for the months of April, May, June, July and August; the motion was seconded by Alan Rimer and the Resolution passed with a vote of five to four with Steve Dear, Michael Hughes, Heather Payne and John Young opposed. (Please see Motion No. 3 above.)

The Board requested that the staff respond to Mr. Tom's comments at the next Natural Resources and Technical Systems Committee meeting.

Terri Buckner was excused from the Board meeting at 8:05 PM.

ITEM SEVEN: DISCUSSION OF CUSTOMER BILLING AND FINANCIAL MANAGEMENT SYSTEM

The Board received this report as an information item. Staff requested the Board's review and feedback on various scenario based demonstrations regarding customer experiences via e-mail; the Board agreed.

ITEM EIGHT: FINANCIAL REPORT FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2013

The Board received this report as an information item.

ITEM NINE: DRAFT STRATEGIC PLAN FOR FISCAL YEARS (FY) 2014-2017

Alan Rimer asked for the Board's concurrence to release the Draft Strategic Plan for FY 2014-2017 to the public and local governments for comments and to place it on the Board's February 13th agenda.

Will Raymond said that at this time, he is not comfortable releasing the Draft Strategic Plan.

A majority of the Board agreed to release the Draft Strategic Plan for FY 2014-2017 and add it to the Board's February 13, 2014 agenda.

ITEM TEN: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ACTION ITEMS FROM THE BOARD MEETING AND NOTE SIGNIFICANT

ITEMS FOR DISCUSSION AND/OR ACTION EXPECTED AT THE NEXT BOARD MEETING

Ed Kerwin summarized the meeting as follows:

- Staff will send out Doodle polls to schedule Human Resources Committee meetings.
- The Natural Resources and Technical Systems (NRTS) Committee will review and discuss staff's Semiannual Status Report for Various Capital Improvement Projects.
- Staff will provide the NRTS Committee a response to Mr. Alan Tom's comments regarding recreation at OWASA's lakes.
- Staff will follow up with local governments to help boost attendance at the lakes by publishing OWASA's lake recreation information in their periodicals.
- Staff will e-mail the Board various scenario based demonstrations regarding customer experiences for review and feedback.
- The February 13, 2014 Board meeting will include:
 - o Awarding a construction contract for the South Estes Drive Water Main Replacement Project;
 - o Finance Committee's recommendation to award an audit contract;
 - o Discussion and public feedback on Draft Strategic Plan for Fiscal Years 2014-2017; and
 - o 2013 Annual Lake Recreation Report.

There being no further business to come before the Board, the meeting was adjourned at 8:57 P.M.

**RESOLUTION MODIFYING USER FEES AND SCHEDULES
FOR RECREATIONAL USE OF LAKES**

WHEREAS, Orange Water and Sewer Authority is authorized to operate recreation facilities at University Lake and Cane Creek Reservoir and Recreation Facility, and

WHEREAS, the Board of Directors has approved the purchase of kayaks for University Lake and Cane Creek Reservoir and Recreation Facility; and

WHEREAS, the Board of Directors has approved modifying the schedule for University Lake:

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of the Orange Water and Sewer Authority sets user fees for kayaks as follows:

Orange County Residents	\$15 for use of kayak for one-half day
Non-residents	\$20 for use of kayak for one-half day

2. That the Board of Directors of the Orange Water and Sewer Authority sets the schedule for University Lake to be open on Fridays for the months of April, May, June, July and August.

Adopted this 23rd day of January, 2014.