

ORANGE WATER AND SEWER AUTHORITY
WORK SESSION OF THE BOARD OF DIRECTORS
OCTOBER 8, 2015

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Work Session on Thursday, October 8, 2015 at 6:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

Board Members present: John A. Young, Chair; Robert Morgan, Vice Chair; Heather Payne, Secretary; Terri Buckner; Jeff Danner; Barbara M. Foushee; and David Moreau. Board Members absent: Quinton Harper and Ruchir Vora.

OWASA staff present: Ed Kerwin; Denise Battle; Alex Braxton; Mary Darr; Patrick Davis; Greg Feller; John Kiviniemi; Andrea Orbich; Ruth Rouse; Kelly Satterfield; Todd Taylor; Mary Tiger; Ronnie Weed; Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

Others present: Orange County farmers: Larry W. Ray, Raeford Thompson, and Lester Ray (Twin Brach Farm) and Keith Trollinger (Trollinger Farm); Margaret Holton, Water, Sewer and Stormwater Coordinator, University of North Carolina at Chapel Hill; Katie Sullivan, Raleigh; and Alex Travaglia, Chapel Hill.

ANNOUNCEMENTS

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. There were none.

Mr. Young welcomed new Board Member, Barbara Foushee, to the Board of Directors.

David Moreau said the Natural Resources and Technical Systems Committee will meet on October 20, 2015 at 5:30 PM for a briefing by OWASA staff before a presentation to the Carrboro Board of Aldermen on at 7:00 PM that night regarding the Historic Rogers Road Area sewer design.

Mary Tiger, OWASA's Sustainability Manager, said the Community Engagement Committee will meet at 6:00 PM on Tuesday, October 13, 2015 to discuss a draft plan for an ongoing Affordability Outreach program.

Terri Buckner said that on September 30, 2015 the Energy Management Collaboration Working Group met to review the group's prioritization of potential collaboration projects. A few specific projects were identified for further investigation and assigned to members for further research. The Group is scheduled to meet again on Wednesday, October 28th at 5:30 PM in the OWASA Board Room.

DISCUSSION

ITEM ONE: DRAFT BIOSOLIDS MANAGEMENT PLAN – PART 2

The Board received a presentation by and asked questions of John Kiviniemi, Wastewater Treatment and Biosolids Recycling Manager; and received comments by farmers who participate in OWASA's program of applying "liquid" biosolids on approved farm sites.

After discussion, the Board agreed that OWASA will move toward recycling about 75% of its biosolids in liquid form on approved farmland (when practical), and recycling about 25% in dewatered form at a private composting facility in Chatham County. The Board approved filling two vacant biosolids staff positions to enable this change. OWASA now applies about 50% of its biosolids in liquid form on farmland and dewateres 50% for transport to the composting facility. The Board also supported issuing a Request for Proposals for seasonal assistance for biosolids recycling support.

The Board asked staff for a status report in January 2017 on experience with the 75%-25% approach. Estimated savings over time from the 75%-25% approach are discussed in a staff report on biosolids management options. Staff will inform farmers and other stakeholders about the Board's discussion.

ITEM TWO: DISCUSSION OF WORK PLAN FOR CONSIDERING WATER AND SEWER RATE STRUCTURE MODIFICATIONS

The Board received a presentation by Stephen Winters, Director of Finance and Customer Service, and authorized staff to proceed with a cost allocation study as the next step in a process to consider changes in water and sewer rate structures. Burton & Associates will conduct the cost allocation study.

ITEM THREE: RESTRICTIONS APPLICABLE TO CHARITABLE ACTIVITIES BY OWASA

The Board discussed with Robert Epting, OWASA's General Counsel, his report on the legal framework for use of OWASA funds and setting rates. State law, agreements with the University and Towns of Chapel Hill and Carrboro and obligations to bondholders limit how OWASA charges for services and expends funds. OWASA may not provide free service, set rates based on customers' ability to pay, or use revenues for charitable purposes. The Board agreed that the next annual update to the Orange County Board of Commissioners will include this information.

ITEM FOUR: REVIEW BOARD WORK SCHEDULE

The Board agreed to use the alternate 12 Month Board Meeting Schedule format that indicates the timing of community engagement related to future agenda items. The Board requested staff schedule a Natural Resources and Technical Systems Committee meeting between the November

and December Work Sessions as a placeholder for Advanced Metering Infrastructure discussions, if needed.

Staff will poll the Board to seek a date for a Special Closed Session Board to continue discussions regarding the Executive Directors' Annual Review. Once that meeting has been completed, the Executive Director will provide work plan for the coming year for discussion at a future Board meeting.

ITEM FIVE: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY STAFF ACTION ITEMS FROM THE WORK SESSION

Ed Kerwin summarized the key action items for staff as follows:

- Staff will inform stakeholders of OWASA's direction for biosolids management over the next couple of years to include land application of liquid biosolids (~75% of production) by OWASA staff, with supplemental contractor assistance as needed; and dewatered biosolids to McGill (~25% of production). Staff will also issue a Request for Proposals for seasonal assistance for biosolids recycling support.
- Staff the biosolids operation by filling authorized, but unfunded positions with additional follow up to the Board if needed.
- Staff will add an evaluation of the biosolids management program for Board discussion in January, 2017.
- Staff will work with Burton & Associates to conduct the cost allocation study.
- Staff will use the alternate 12 Month Board Meeting Schedule format that indicates the timing of community engagement related to future agenda items.
- Staff will schedule a Natural Resources and Technical Systems Committee meeting between the November and December Work Sessions as a placeholder for Advanced Metering Infrastructure discussions, if needed.
- Staff will poll the Board to seek a date for a Special Closed Session Board to continue discussions regarding the Executive Directors' Annual Review.

The work session was adjourned at 8:10 PM.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board