

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JANUARY 28, 2016

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular business meeting on Thursday, January 28, 2016, at 7:00 PM in Council Chambers at the Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard.

Board Members present: John A. Young, Chair; Robert Morgan, Vice Chair; Heather Payne, Secretary; Terri Buckner; Jeff Danner; Barbara Foushee; Quinton Harper; David (Dave) Moreau; and Ruchir Vora. Board Members absent: none.

OWASA staff present: Ed Kerwin; Mary Darr; Patrick Davis; Greg Feller; Adam Haggerty; Vishnu Gangadharan; Kenneth Lofflin; Eric Oldham; Andrea Orbich; Johnny Riley; Todd Taylor; Mary Tiger; Stephen Winters; Ronnie Weed; and Robert Epting, Epting and Hackney.

Others present: Ben Poulson, Associate Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina (UNC) at Chapel Hill; Joel Bulkey; and Julie Hellman, President of the NC American Water Works Association-Water Environment Association.

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

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MOTIONS ACTED UPON

1. Robert Morgan made a motion to approve the Minutes of the December 10, 2015 Work Session of the Board of Directors; second by Heather Payne and unanimously approved.
2. Robert Morgan made a motion to approve the Minutes of the January 14, 2016 Work Session of the Board of Directors; second by Heather Payne and unanimously approved.

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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.

Advanced Metering Infrastructure

John Young said that the Board is considering implementing Advanced Metering Infrastructure (AMI) and invited citizens to comment and/or ask questions about AMI at the Board's February 25th meeting as well as on March 10th and 24th. He said that with the benefit of public feedback, the Board may make a decision on whether or not to implement AMI on March 24, 2016. Mr. Young said AMI is a meter reading system which frequently receives data transmitted by radio from water meters and would enable OWASA and customers to detect leaks more quickly. AMI would eliminate the need to drive through the community to read 21,000 meters once per month. OWASA can implement AMI without raising rates. Mr. Young said additional information will be in an upcoming news release, OWASA's Blue Thumb newsletter and on OWASA's website.

Change in the Agenda

Without objection, Agenda Item 2, Semi Annual Status Report for Various Capital Improvement Projects, was moved to the end of the Regular Agenda to receive the Board's consolidated feedback.

January 19, 2016 OWASA Orientation for Newly Elected Town of Chapel Hill Officials

Heather Payne said that on January 19, 2016, OWASA held an orientation meeting for newly elected Chapel Hill officials (Mayor Pam Hemminger and Council Members Nancy Oates and Michael Parker). Council Member Jessica Anderson was unable to attend and her orientation is scheduled for Monday, February 1st at 1:30 p.m. The orientation included OWASA's governance, key obligations and responsibilities, strategic initiatives and operations. The orientation was well received and there is interest in touring OWASA facilities at a later date.

Eric Oldham

Julie Hellman, Chair of the NC Chapter of the American Water Works Association/Water Environment Association, presented the Safewater Maintenance Technologist of the Year award to Eric Oldham, Maintenance Supervisor at the Jones Ferry Road Water Treatment Plant.

Mason Farm Wastewater Treatment Plant Awards

Ms. Hellman also presented to Ronnie Weed, Operations Supervisor, the Operations and Maintenance Excellence award to staff of the Mason Farm Wastewater Treatment Plant (WWTP).

Todd Taylor said that OWASA received the National Association of Clean Water Agencies' Platinum Performance Award for Five Years of Excellence in Permit Compliance at the WWTP.

PETITIONS AND REQUESTS:

John Young asked for petitions and requests from the public; none were received.

Mr. Young requested and the Board agreed that a staff report be provided within a month on the measures OWASA takes to ensure customers have safe drinking water and that OWASA fully complies with lead and copper standards. Staff will report at the Board's February 25, 2016 meeting as well as informing customers through the Blue Thumb newsletter.

Mr. Young asked for petitions and requests from staff; none were received.

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

The Board received this report as an information item.

ITEM TWO: SEMIANNUAL STATUS REPORT FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS

This item was moved to the end of the Regular Agenda as Item Ten.

ITEM THREE: 2015 ANNUAL RECREATION REPORT FOR UNIVERSITY LAKE AND CANE CREEK RESERVOIR

The Board received this report as an information item.

ITEM FOUR: MINUTES

Robert Morgan made a motion to approve the Minutes of the December 10, 2015 Work Session of the Board of Directors; second by Heather Payne and unanimously approved. Please see Motion No. 1 above.

ITEM FIVE: MINUTES

Robert Morgan made a motion to approve the Minutes of the January 14, 2016 Work Session of the Board of Directors; second by Heather Payne and unanimously approved. Please see Motion No. 2 above.

ITEM SIX: DISCUSS POTENTIAL RATE STRUCTURE MODIFICATIONS

John Young said that this item is a continuation of the Board's discussion of potential rate structure modifications at the January 21, 2016 special meeting.

At the January 21 meeting, the Board requested information regarding the cost of additional consulting services from expanding the scope of work. The Board also requested additional cost

of service analysis information regarding University of North Carolina accounts. Stephen Winters said that the requested information from OWASA's rate consultants was received but staff needs additional time to review it and resolve questions. He anticipates being ready to discuss this information at the Board's February 11, 2016 work session.

The Board agreed to continue discussion of potential rate structure modifications on February 11th.

ITEM SEVEN: 2015 CUSTOMER SURVEY RESULTS

The Board received the results of the 2015 customer survey and asked staff for additional information about actions to enhance services and community engagement in light of the survey. The Board also expressed appreciation to staff for positive feedback about service to customers, and suggested that the next survey focus on projects such as Advanced Metering Infrastructure.

ITEM EIGHT: REVIEW OF OWASA'S CAPITAL IMPROVEMENT PROGRAM INVESTMENT PRACTICES

The Board received a staff presentation on how capital improvement projects are identified and prioritized using an asset management process. The Board expressed appreciation to staff for developing high quality and well informed Capital Improvement and Asset Management Programs.

ITEM NINE: FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2015

The Board received this report as an information item.

ITEM TEN: SEMIANNUAL STATUS REPORT FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS (CIP)

The Board received this report as an information item.

Prior to the meeting Board Members requested revised information about project budget and schedule variances. That information was provided and will be incorporated into the next Semiannual Report as well as adding a hyperlinks to the on line Capital Improvements Program document to give more detail about projects.

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 staff action items as follows:

- Staff will provide a report to the Board on the measures OWASA takes to ensure customers have safe drinking water and that OWASA operates in full compliance with lead and copper standards;
- Staff will provide the Board requested information regarding the cost of additional consulting services from expanding the scope of work to consider rate structure modifications;
- Staff will provide the Board additional cost of service analysis information regarding University of North Carolina accounts;
- Staff will provide additional detail about continuous improvement measures in light of the 2015 Customer Survey; and
- Staff will implement the Board's requested changes to the Semiannual Report for Various Capital Improvement Projects.

The meeting was adjourned at 9:10 PM.

Respectfully submitted,



Andrea Orbich
Executive Assistant/Clerk to the Board