

Orange Water and Sewer Authority

Meeting of the Board of Directors

October 12, 2017

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, October 12, 2017, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Robert Morgan (Chair), Heather Payne (Vice Chair), Yinka Ayankoya (Secretary), Ray DuBose, John N. Morris and John A. Young. Board Members absent: Jeff Danner, Barbara Foushee and Ruchir Vora.

OWASA staff present: Mary Darr, Robert Epting, Esq., (Epting and Hackney), Greg Feller, Howard Hardiman, Ed Kerwin, Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Elizabeth Foley, Margaret Holton (UNC Water, Sewer and Reclaimed Water Coordinator), Ben Poulson (UNC Associate Director of Energy Services), C. Ahnie Rising, Natalie Sadler, Donald Schlenger (Schlenger and Associates), Carol Troutner, Claire Viadro and Robert Walsh.

Motions

1. Yinka Ayankoya made a motion to adjourn the work session, second by John Morris and unanimously approved.

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Announcements

Robert Morgan asked if any Board Member knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Heather Payne said that the Chapel Hill appointees to the OWASA Board and Robert Morgan met on October 5th with Mayor Pam Hemminger, Chapel Hill Town Council's OWASA Committee members, Michael Parker and Maria Palmer, and Roger Stancil, Chapel Hill Town Manager. Information was provided on: OWASA's Advanced Metering Infrastructure, Agua Vista program; the Employee Diversity and Inclusion program; and a summary of OWASA's obligation to have cost-of-service rates and fees. Ms. Payne said this topic was discussed because the Town and other local officials are working on affordable housing initiatives.

Yinka Ayankoya said the Human Resources Committee will meet on October 18, 2017, at 6:30 p.m. instead of 6:00 p.m. in the OWASA Boardroom to discuss employee benefits.

Ms. Ayankoya also noted that she attended the Orange County Intergovernmental Parks Work Group (IPWG) meeting on October 11, 2017 regarding the Master Aging Plan & Outdoor Spaces and noted that a survey would be made available for feedback. The IPWG also provided an update on Trailways and Greenways.

Item One: Proposed Near-Term Policies and Practices Related to the Rollout of Advanced Metering Infrastructure (AMI)

Stephen Winters provided an overview of the proposed near-term policies and practices related to the rollout of AMI.

Elizabeth Foley, Carol Troutman, Clair Viadro and Natalie Sadler expressed support for an option to have their meters read manually rather have an AMI meter installed at their location and express concern that the proposed \$45 monthly fee for an opt out option is excessive.

After discussion, the Board agreed to continue discussing this topic and possibly take action at the October 26, 2017 meeting. Additional information for this discussion will include an estimate of the cost to maintain and operate a second meter reading system for a possible opt out option.

Item Two: Impact of Multi-Family Master-Metered (MFMM) Rate Change

In Fiscal Year (FY) 2017, the Board approved a year-round water commodity rate for the MFMM customer class. The decision to change to a year-round rate was supported by analyses of water-use patterns of MFMM customers. Prior to the rate change, MFMM customers were subject to seasonal rates which are higher in the warmer months of May through September and lower during the rest of the year. Residents of MFMM properties typically have only indoor water-use and consumption does not change significantly from month-to-month. The twice-per-year seasonal rate change led to higher bills in some months even though the amount of water used by the customer did not change. The adoption of a year-round water commodity rate helps eliminate the confusion and budget challenges associated with seasonal rates.

The Board asked staff to report on the impact of the rate change on water consumption of the MFMM customer class. Staff presented a comparison of total annual water consumption by MFMM customers during the months of May through September for the last four fiscal years. Water consumption for the MFMM customer class declined each year, including FY 2017.

Item Three: Televising OWASA Board of Directors' Meeting

The Board agreed to broadcast its work sessions live on the second Thursday of most months via Microsoft Skype. Staff will provide a link for viewing the Skype broadcasts which will be posted to OWASA's website before meetings.

The Board requested that staff follow up with Mr. Braxton Foushee to thank him for his suggestion.

Item Four: Review Board Work Schedule

The Board agreed to schedule a Natural Resources and Technical Services Committee meeting to discuss drought preparations should the region experience a drought this fiscal year.

The Board agreed to schedule a future discussion about low-flow benchmarks to be used once Advanced Metering Infrastructure (AMI) is implemented.

The Board agreed to delay the discussion of strategic emergency communication action items until after Orange County's After Action Review has been completed.

The Board agreed to notify stakeholders that the Board will discuss and may take action including adoption of AMI policies at the October 26, 2017 Board meeting.

The Board agreed that the October 26, 2017, agenda item regarding the process for periodic review of drinking water fluoridation include information about the process the Durham County Department of Public Health and Durham City Council used to review fluoridation.

The Board agreed to schedule a Closed Session to discuss a personnel matter at the end of the November 9, 2017 work session.

Item Five: Executive Director Will Summarize the Key Staff Action Items from the Work Session

Ed Kerwin said items for staff follow-up are:

- Provide an estimate of the total cost to manually read meters for an Advanced Metering Infrastructure (AMI) should the Board agree that OWASA should provide an opt out option.
- Notify stakeholders that the Board will discuss and may take action including adoption of AMI policies at the October 26, 2017 meeting.
- Implement Microsoft Skype broadcast of Board Work Sessions and inform the public of the Board's decision; also inform Braxton Foushee and thank him for his suggestion.
- Schedule Natural Resources and Technical Services Committee meeting to discuss drought preparations and response before the end of 2017.
- Schedule future Board discussion about low-flow benchmarks to be used once AMI is implemented.
- Schedule the discussion of strategic emergency communication action items after completion of Orange County's After Action Review.

Yinka Ayankoya made a motion to adjourn the work session, second by John Morris and unanimously approved. Please see Motion 1 above.

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The Board work session was adjourned at 7:45 p.m.

Respectfully submitted by:

A handwritten signature in black ink that reads "Andrea Orbich". The signature is written in a cursive style with a large, prominent initial "A".

Andrea Orbich

Executive Assistant/Clerk to the Board